

Gafisa S.A.
Form 6-K
November 19, 2013

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 November, 2013

(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 Form 40-F

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

Yes No

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

Yes No

Indicate by check mark whether by furnishing the information contained in this Form,
the Registrant is also thereby furnishing the information to the Commission pursuant

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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

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COMPANY DATA / CAPITAL COMPOSITION

Number of Shares	CURRENT QUARTER
(in thousands)	9/30/2013
Paid-in Capital	
Common	435,380
Preferred	0
Total	435,380
Treasury shares	
Common	10,600
Preferred	0
Total	10,600

INDIVIDUAL FINANCIAL STATEMENTS - BALANCE SHEET – ASSETS (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL	PRIOR YEAR
		QUARTER	
		9/30/2013	12/31/2012
1	Total Assets	6,427,388	6,435,206
1.01	Current Assets	2,532,991	2,193,251
1.01.01	Cash and cash equivalents	83,833	95,836
1.01.01.01	Cash and banks	38,651	30,546
1.01.01.02	Short-term investments	45,182	65,290
1.01.02	Short-term investments	177,797	307,704
1.01.02.01	Fair value of short-term investments	177,797	307,704
1.01.03	Accounts receivable	977,548	826,531
1.01.03.01	Trade accounts receivable	977,548	826,531
1.01.03.01.01	Receivables from clients of developments	933,159	804,458
1.01.03.01.02	Receivables from clients of construction and services rendered	44,389	22,073
1.01.04	Inventories	718,527	730,869
1.01.04.01	Properties for sale	718,527	730,869
1.01.07	Prepaid expenses	25,895	40,470
1.01.07.01	Prepaid expenses and others	25,895	40,470
1.01.08	Other current assets	549,391	191,841
1.01.08.01	Non current assets for sale	5,800	14,000
1.01.08.02	Assets for sale from discontinuing operations	449,151	-
1.01.08.03	Others	94,440	177,841
1.01.08.03.01	Others accounts receivable and others	16,222	16,259
1.01.08.03.02	Derivative financial instruments	2,830	5,088
1.01.08.03.03	Receivables from related parties	75,388	156,494
1.02	Non current assets	3,894,397	4,241,955
1.02.01	Non current assets	808,338	638,005
1.02.01.03	Accounts receivable	198,188	237,485
1.02.01.03.01	Receivables from clients of developments	198,188	237,485
1.02.01.04	Inventories	394,851	194,765
1.02.01.09	Others non current assets	215,299	205,755
1.02.01.09.03	Others accounts receivable and others	124,713	119,948
1.02.01.09.04	Receivables from related parties	90,743	80,327
1.02.01.09.05	Derivative financial instruments	(157)	5,480
1.02.02	Investments	3,019,012	3,547,195
1.02.02.01	Interest in associates and affiliates	2,913,198	3,375,772

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1.02.02.01.02	Interest in subsidiaries	2,795,948	3,149,641
1.02.02.01.04	Other investments	117,250	226,131
1.02.02.02	Interest in subsidiaries	105,814	171,423
1.02.02.02.01	Interest in subsidiaries - goodwill	105,814	171,423
1.02.03	Property and equipment	18,552	16,908
1.02.03.01	Operation property and equipment	18,552	16,908
1.02.04	Intangible assets	48,495	39,847
1.02.04.01	Intangible assets	48,495	39,847

INDIVIDUAL BALANCE SHEET - LIABILITIES AND EQUITY (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL QUARTER	
		9/30/2013	PRIOR YEAR 12/31/2012
2	Total Liabilities	6,427,388	6,435,206
2.01	Current liabilities	2,032,574	1,710,192
2.01.01	Social and labor obligations	45,223	46,901
2.01.01.02	Labor obligations	45,223	46,901
2.01.01.02.01	Salaries, payroll charges and profit sharing	45,223	46,901
2.01.02	Suppliers	56,745	44,484
2.01.02.01	Local suppliers	56,745	44,484
2.01.03	Tax obligations	47,806	27,919
2.01.03.01	Federal tax obligations	47,806	27,919
2.01.04	Loans and financing	649,895	541,060
2.01.04.01	Loans and financing	421,478	356,781
2.01.04.02	Debentures	228,417	184,279
2.01.05	Others obligations	1,168,656	991,258
2.01.05.01	Payables to related parties	619,768	473,214
2.01.05.02	Others	548,888	518,044
2.01.05.02.04	Obligations for purchase of real estate and advances from customers	305,656	246,218
2.01.05.02.05	Other obligations	80,834	90,953
2.01.05.02.06	Payables to venture partners	113,896	110,513
2.01.05.02.07	Obligations assumed on the assignment of receivables	48,502	70,360
2.01.06	Provisions	64,249	58,570
2.01.06.01	Tax, labor and civil lawsuits	64,249	58,570
2.01.06.01.01	Tax lawsuits	255	372
2.01.06.01.02	Labor lawsuits	28,160	18,410
2.01.06.01.04	Civil lawsuits	35,834	39,788
2.02	Non current liabilities	1,925,537	2,180,510
2.02.01	Loans and financing	1,672,846	1,808,593
2.02.01.01	Loans and financing	846,835	818,973
2.02.01.01.01	Loans and financing in local currency	846,835	818,973
2.02.01.02	Debentures	826,411	989,620
2.02.02	Others obligations	115,993	238,194
2.02.02.02	Others	115,993	238,194
2.02.02.02.03	Obligations for purchase of real estate and advances from customers	56,982	34,189
2.02.02.02.04	Other liabilities	18,568	22,047
2.02.02.02.05	Payables to venture partners	14,443	119,535

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2.02.02.02.06	Obligations assumed on the assignment of receivables	26,000	62,423
2.02.03	Deferred taxes	63,926	63,926
2.02.03.01	Deferred income tax and social contribution	63,926	63,926
2.02.04	Provisions	72,772	69,797
2.02.04.01	Tax, labor and civil lawsuits	72,772	69,797
2.02.04.01.04	Civil lawsuits	72,772	69,797
2.03	Equity	2,469,277	2,544,504
2.03.01	Capital	2,740,660	2,735,794
2.03.02	Capital Reserves	8,979	35,233
2.03.02.04	Granted options	121,897	108,181
2.03.02.05	Treasury shares	-41,701	-1,731
2.03.02.07	Reserve for expenditures with public offering	-71,217	-71,217
2.03.05	Accumulated losses	-280,362	-226,523
			3

INDIVIDUAL STATEMENT OF INCOME (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL	YEAR TO	PRIOR	YEAR TO
		QUARTER	DATE	YEAR	DATE FROM
		7/1/2013 to	1/1/2013 to	7/1/2012 to	1/1/2012 to
		9/30/2013	9/30/2013	9/30/2012	09/30/2012
3.01	Gross Sales and/or Services	298,783	898,550	289,763	942,559
	Real estate development and sales and				
3.01.01	construction services rendered	329,801	986,571	323,127	1,038,024
3.01.03	Taxes on sales and services	-31,018	-88,021	-33,364	-95,465
3.02	Cost of sales and/or services	-168,001	-596,713	-231,341	-740,081
3.02.01	Cost of real estate development	-168,001	-596,713	-231,341	-740,081
3.03	Gross profit	130,782	301,837	58,422	202,478
3.04	Operating expenses/income	-96,326	-292,866	-45,066	-158,337
3.04.01	Selling expenses	-23,746	-85,301	-25,999	-76,472
3.04.02	General and administrative expenses	-30,109	-90,588	-32,115	-98,174
3.04.04	Other operating revenues	0	0	4,100	0
3.04.05	Other operating expenses	-31,621	-68,517	-10,561	-26,622
3.04.05.01	Depreciation and amortization	-15,266	-29,792	-10,561	-21,777
3.04.05.02	Other operating expenses	-16,355	-38,725	0	-4,845
3.04.06	Equity pick-up	-10,850	-48,460	19,509	42,931
	Income (loss) before financial results				
3.05	and income taxes	34,456	8,971	13,356	44,141
3.06	Financial	-41,351	-119,001	-41,595	-134,504
3.06.01	Financial income	8,077	23,281	4,644	13,756
3.06.02	Financial expenses	-49,428	-142,282	-46,239	-148,260
3.07	Income before income taxes	-6,895	-110,030	-28,239	-90,363
3.08	Income and social contribution taxes	0	0	-112	2,874
3.08.01	Current	0	0	0	0
3.08.02	Deferred	0	0	-112	2,874
3.09	Income (loss) from continuing operation	-6,895	-110,030	-28,351	-87,489
	Income (loss) from discontinuing				
3.10	operation	22,672	56,191	33,192	61,861
	Income (loss) from discontinuing				
3.10.1	operation	22,672	56,191	33,192	61,861
3.11	Income (loss) for the period	15,777	-53,839	4,841	-25,628
3.99	Income (loss) per share (Reais)				
3.99.01	Basic earnings (loss) per share				
3.99.01.01	ON	-0.03680	-0.12590	0.01120	-0.05930
3.99.02	Diluted earnings (loss) per share				
3.99.02.01	ON	-0.03580	-0.12590	0.00960	-0.05930

INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME (LOSS) (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL	YEAR TO	PRIOR	YEAR TO
		QUARTER	DATE	YEAR	DATE FROM
		7/1/2013 to	1/1/2013 to	7/1/2012 to	1/1/2012 to
		9/30/2013	9/30/2013	9/30/2012	9/30/2012
4.01	Income (loss) for the period	15,777	-53,839	4,841	-25,628
4.03	Comprehensive income (loss) for the period	15,777	-53,839	4,841	-25,628

INDIVIDUAL STATEMENT OF CASH FLOWS – INDIRECT METHOD (in thousands of Brazilian Reais)

CODE	DESCRIPTION	YEAR TO DATE	YEAR TO DATE
		1/1/2013 to 9/30/2013	FROM PREVIOUS YEAR 1/1/2012 to 9/30/2012
6.01	Net cash from operating activities	78,305	195,682
6.01.01	Cash generated in the operations	79,420	-32,071
6.01.01.01	Loss before income and social contribution taxes	-110,030	-90,363
6.01.01.02	Stock options expenses	13,611	14,363
6.01.01.03	Unrealized interest and finance charges, net	39,439	28,716
6.01.01.04	Depreciation and amortization	29,792	21,777
6.01.01.05	Write-off of property and equipment, net	10,707	1,186
6.01.01.06	Provision for legal claims	32,772	37,250
6.01.01.07	Warranty provision	-4,246	2,726
6.01.01.08	Provision for profit sharing	14,699	19,500
6.01.01.09	Allowance for doubtful accounts	-3,798	3,754
6.01.01.10	Provision for realization of non-financial assets – properties for sale	-559	-28,630
6.01.01.11	Provision for penalties due to delay in construction works	-3,971	-4,545
6.01.01.12	Financial instruments	5,273	-6,383
6.01.01.13	Equity pick-up	48,460	-42,931
6.01.01.14	Provision for realization of non-financial assets – intangible	571	11,509
6.01.01.15	Write-off of investments	6,700	0
6.01.02	Variation in Assets and Liabilities	-1,115	227,753
6.01.02.01	Trade accounts receivable	-161,649	-20,565
6.01.02.02	Properties for sale	178,985	220,019
6.01.02.03	Other accounts receivable	-6,820	-20,668
6.01.02.04	Transactions with related parties	327,661	200,317
6.01.02.05	Prepaid expenses	14,576	-1,748
6.01.02.06	Suppliers	12,262	-6,629
6.01.02.07	Obligations for purchase of land and adv. from customers	82,231	-122,117
6.01.02.08	Taxes and contributions	19,887	-7,898
6.01.02.09	Salaries and payable charges	-16,377	4,051
6.01.02.10	Other obligations	-93,901	-17,009
6.02	Net cash from investing activities	83,303	37,414
6.02.01	Purchase of property and equipment and intangible assets	-50,792	-42,101
6.02.02	Redemption of short-term investments	1,348,642	497,239
6.02.03	Short-term investments	-1,218,735	-460,598
6.02.04	Additional investments in subsidiaries	-4,587	42,874

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6.02.05	Received dividends	8,775	0
6.03	Net cash from financing activities	-173,611	-228,230
6.03.01	Capital increase	4,866	2
6.03.02	Loans and financing obtained	571,720	332,429
6.03.03	Payment of loans and financing	-638,071	-442,216
6.03.06	Payables to venture partners	-101,709	-105,149
6.03.07	Loan transactions with related parties	-10,417	-13,296
6.05	Net decrease of cash and cash equivalents	-12,003	4,866
6.05.01	Cash and cash equivalents at the beginning of the period	95,836	32,226
6.05.02	Cash and cash equivalents at the end of the period	83,833	37,092

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2013 TO 09/30/2013 (in thousands of Brazilian reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings/ accumulated losses	Others comprehensive income	Total Equity
5.01	Opening balance	2,735,794	35,233	0	-226,523	0	2,544,504
5.03	Opening adjusted balance	2,735,794	35,233	0	-226,523	0	2,544,504
5.04	Capital transactions with shareholders	4,866	-26,254	0	0	0	-21,388
5.04.01	Capital increase	4,866	0	0	0	0	4,866
5.04.03	Realization of granted options	0	13,716	0	0	0	13,716
5.04.04	Acquired treasury shares	0	-39,970	0	0	0	-39,970
5.05	Total of comprehensive loss	0	0	0	-53,839	0	-53,839
5.05.01	Loss for the period	0	0	0	-53,839	0	-53,839
5.07	Closing balance	2,740,660	8,979	0	-280,362	0	2,469,277

INDIVIDUAL STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 01/01/2012 TO 09/30/2012 (in thousands of Brazilian reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings/ accumulated deficit	Others comprehensive income	Total equity
5.01	Opening balance	2,734,157	16,335	0	-102,019	0	2,648,473
	Opening Adjusted balance						
5.03	Capital transactions with shareholders	2,734,157	16,335	0	-102,019	0	2,648,473
5.04	Capital increase	2	14,797	0	0	0	14,799
5.04.01	Realization of granted options	2	0	0	0	0	2
5.04.03	Comprehensive Income	0	14,797	0	0	0	14,797
5.05	Income	0	0	0	-25,628	0	-25,628
5.05.01	Loss for the period	0	0	0	-25,628	0	-25,628
5.07	Closing balance	2,734,159	31,132	0	-127,647	0	2,637,644

INDIVIDUAL STATEMENT OF VALUE ADDED (in thousands of Brazilian Reais)

CODE	DESCRIPTION	YEAR TO DATE	
		YEAR TO DATE	YEAR TO DATE
		1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
7.01	Revenues	986,571	1,038,024
7.01.01	Real estate development, sale and services	982,773	1,041,778
7.01.04	Allowance for doubtful accounts	3,798	-3,754
7.02	Inputs acquired from third parties	-557,671	-647,599
7.02.01	Cost of Sales and/or Services	-538,017	-681,097
7.02.02	Materials, energy, outsourced labor and other	-19,654	33,498
7.03	Gross added value	428,900	390,425
7.04	Retentions	-29,792	-21,777
7.04.01	Depreciation, amortization and depletion	-29,792	-21,777
7.05	Net added value produced by the Company	399,108	368,648
7.06	Added value received on transfer	-27,606	56,687
7.06.01	Equity pick-up	-50,887	42,931
7.06.02	Financial income	23,281	13,756
7.07	Total added value to be distributed	371,502	425,335
7.08	Added value distribution	371,502	425,335
7.08.01	Personnel and payroll charges	117,946	130,865
7.08.02	Taxes and contributions	106,417	112,853
7.08.03	Compensation – Interest	200,978	207,245
7.08.04	Compensation – Company capital	-53,839	-25,628
7.08.04.03	Retained losses	-53,839	-25,628

CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET - ASSETS (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL	PRIOR YEAR
		QUARTER	
		9/30/2013	12/31/2012
1	Total Assets	8,199,678	8,714,662
1.01	Current Assets	6,227,366	6,406,346
1.01.01	Cash and cash equivalents	274,625	587,956
1.01.01.01	Cash and banks	187,520	219,453
1.01.01.02	Short-term investments	87,105	368,503
1.01.02	Short-term investments	506,981	979,799
1.01.02.01	Fair value of short-term investments	506,981	979,799
1.01.03	Accounts receivable	2,103,130	2,493,170
1.01.03.01	Trade accounts receivable	2,103,130	2,493,170
1.01.03.01.01	Receivables from clients of developments	2,042,973	2,468,348
1.01.03.01.02	Receivables from clients of construction and services rendered	60,157	24,822
1.01.04	Inventories	1,489,538	1,901,670
1.01.07	Prepaid expenses	42,003	61,685
1.01.07.01	Prepaid expenses and others	42,003	61,685
1.01.08	Other current assets	1,811,089	382,066
1.01.08.01	Non current assets for sale	122,168	139,359
1.01.08.02	Assets for sale from discontinuing operations	1,532,226	0
1.01.08.03	Others	156,695	242,707
1.01.08.03.01	Others accounts receivable	70,629	77,573
1.01.08.03.02	Receivables from related parties	83,236	155,910
1.01.08.03.03	Derivative financial instruments	2,830	9,224
1.02	Non Current assets	1,972,312	2,308,316
1.02.01	Non current assets	1,246,710	1,385,494
1.02.01.03	Accounts receivable	301,570	820,774
1.02.01.03.01	Receivables from clients of developments	301,570	820,774
1.02.01.04	Inventories	656,716	274,034
1.02.01.09	Others non current assets	288,424	290,686
1.02.01.09.03	Others accounts receivable and others	160,801	165,154
1.02.01.09.04	Receivables from related parties	127,780	115,089
1.02.01.09.05	Derivative financial instruments	-157	10,443
1.02.02	Investments	575,078	646,590
1.02.02.01	Interest in associates and affiliates	575,078	646,590
1.02.02.01.01	Interest in subsidiaries	575,078	646,590
1.02.03	Property and equipment	42,979	46,145
1.02.03.01	Operation property and equipment	42,979	46,145
1.02.04	Intangible assets	107,545	230,087
1.02.04.01	Intangible assets	64,074	58,664

1.02.04.02

Goodwill

43,471

171,423

10

CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL QUARTER	
		9/30/2013	PRIOR YEAR 12/31/2012
2	Total Liabilities	8,199,678	8,714,662
2.01	Current liabilities	3,048,496	2,632,309
2.01.01	Social and labor obligations	73,376	104,585
2.01.01.02	Labor obligations	73,376	104,585
2.01.01.02.01	Salaries, payroll charges and profit sharing	73,376	104,585
2.01.02	Suppliers	98,964	154,763
2.01.02.01	Local suppliers	98,964	154,763
2.01.03	Tax obligations	159,617	222,578
2.01.03.01	Federal tax obligations	159,617	222,578
2.01.04	Loans and financing	1,049,820	960,333
2.01.04.01	Loans and financing	625,608	613,973
2.01.04.01.01	In Local Currency	625,608	613,973
2.01.04.02	Debentures	424,612	346,360
2.01.05	Others obligations	909,310	1,131,480
2.01.05.01	Payables to related parties	94,873	129,254
2.01.05.02	Others	814,437	1,002,226
2.01.05.02.01	Minimum mandatory dividends	0	6,279
2.01.05.02.04	Obligations for purchase of real estate and advances from customers	445,257	503,889
2.01.05.02.05	Payables to venture partners	115,304	161,373
2.01.05.02.06	Other obligations	184,390	196,346
2.01.05.02.07	Obligations assumed on assignment of receivables	69,486	134,339
2.01.06	Provisions	64,249	58,570
2.01.06.01	Tax, labor and civil lawsuits	64,249	58,570
2.01.06.01.01	Tax lawsuits	255	372
2.01.06.01.02	Labor lawsuits	28,160	18,410
2.01.06.01.04	Civil lawsuits	35,834	39,788
2.01.07	Liabilities on non current assets for sale and from discontinuing operations	693,160	0
2.01.07.02	Liabilities on assets from discontinuing operations	693,160	0
2.02	Non current liabilities	2,883,520	3,387,465
2.02.01	Loans and financing	2,460,134	2,680,104
2.02.01.01	Loans and financing	1,085,014	1,290,561
2.02.01.01.01	Loans and financing in local currency	1,085,014	1,290,561
2.02.01.02	Debentures	1,375,120	1,389,543
2.02.02	Other obligations	205,896	477,196
2.02.02.02	Others	205,896	477,196
2.02.02.02.03	Obligations for purchase of real estate and advances from customers	107,995	70,194

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2.02.02.02.04	Other obligations	39,519	88,709
2.02.02.02.05	Payables to venture partners	14,443	162,333
2.02.02.02.06	Obligations assumed on assignment of receivables	43,939	155,960
2.02.03	Deferred taxes	82,393	80,375
2.02.03.01	Deferred income tax and social contribution	82,393	80,375
2.02.04	Provisions	135,097	149,790
2.02.04.01	Tax, labor and civil lawsuits	135,097	149,790
2.02.04.01.01	Tax lawsuits	1,435	14,298
2.02.04.01.02	Labor lawsuits	41,018	36,665
2.02.04.01.04	Civil lawsuits	92,644	98,827
2.03	Equity	2,267,662	2,694,888

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CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL	PRIOR YEAR
		QUARTER	
		9/30/2013	12/31/2012
2.03.01	Capital	2,740,660	2,735,794
2.03.01.01	Capital	2,740,660	2,735,794
2.03.02	Capital Reserves	-243,470	35,233
2.03.02.02	Special goodwill reserve	-252,449	0
2.03.02.04	Granted options	121,897	108,181
2.03.02.05	Treasury shares	-41,701	-1,731
2.03.02.07	Reserve for expenditures with public offering	-71,217	-71,217
2.03.05	Retained earnings/accumulated losses	-280,362	-226,523
2.03.09	Non-controlling interest	50,834	150,384

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CONSOLIDATED STATEMENT OF INCOME (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL	YEAR TO	PRIOR	YEAR TO
		QUARTER	DATE	YEAR	DATE FROM
		7/1/2013 to	1/1/2013 to	7/1/2012 to	1/1/2012 to
		9/30/2013	9/30/2013	9/30/2012	9/30/2012
3.01	Gross Sales and/or Services	628,047	1,776,461	743,453	2,237,336
	Real estate development and sales and				
3.01.01	construction services rendered	680,029	1,933,052	808,386	2,424,600
3.01.03	Taxes on sales and services	-51,982	-156,591	-64,933	-187,264
3.02	Cost of sales and/or services	-454,544	-1,381,015	-586,815	-1,800,512
3.02.01	Cost of real estate development	-454,544	-1,381,015	-586,815	-1,800,512
3.03	Gross profit	173,503	395,446	156,638	436,824
3.04	Operating expenses/income	-145,376	-396,138	-148,247	-390,838
3.04.01	Selling expenses	-46,165	-161,792	-55,888	-160,747
3.04.02	General and administrative expenses	-55,155	-157,759	-60,105	-179,835
3.04.05	Other operating expenses	-46,259	-82,421	-51,654	-113,841
3.04.05.01	Depreciation and amortization	-18,142	-38,573	-17,317	-45,482
3.04.05.02	Other operating expenses	-28,117	-43,848	-34,337	-68,359
3.04.06	Equity pick-up	2,203	5,834	19,400	63,585
	Income (loss) before financial results				
3.05	and income taxes	28,127	-692	8,391	45,986
3.06	Financial	-48,486	-131,313	-49,124	-145,578
3.06.01	Financial income	16,998	52,686	11,229	39,847
3.06.02	Financial expenses	-65,484	-183,999	-60,353	-185,425
3.07	Income before income taxes	-20,359	-132,005	-40,733	-99,592
3.08	Income and social contribution taxes	-7,019	-20,448	-7,346	-25,395
3.08.01	Current	-4,492	-13,657	-5,038	-16,874
3.08.02	Deferred	-2,527	-6,791	-2,308	-8,521
3.09	Income (loss) from continuing operation	-27,378	-152,453	-48,079	-124,987
	Income (loss) from discontinuing				
3.10	operation	46,993	127,758	71,973	133,024
	Income (loss) from discontinuing				
3.10.01	operation	46,993	127,758	71,973	133,024
3.11	Income (loss) for the period	19,615	-24,695	23,894	8,037
	Income (loss) attributable to the				
3.11.01	Company	15,777	-53,840	4,841	-25,628
	Net income attributable to				
3.11.02	non-controlling interests	3,838	29,145	19,053	33,665
3.99	Income (loss) per share (Reais)				

CONSOLIDATED STATEMENT OF INCOME (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL QUARTER	YEAR TO DATE	PRIOR YEAR DATE	YEAR TO DATE FROM PREVIOUS YEAR
		4/1/2013 to 6/30/2013	1/1/2012 to 6/30/2013	4/1/2012 to 6/30/2012	1/1/2012 to 06/30/2012
3.99.01	Basic earnings (loss) per share				
3.99.01.01	ON	-0.03680	-0.12590	0.01120	-0.05930
3.99.02	Diluted earnings (loss) per share				
3.99.02.01	ON	-0.03580	-0.12590	0.00960	-0.05930

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL	YEAR TO	PRIOR	YEAR TO
		QUARTER	DATE	YEAR DATE FROM	PREVIOUS
		7/1/2013 to	1/1/2013 to	7/1/2012 to	1/1/2012 to
		9/30/2013	9/30/2013	9/30/2012	9/30/2012
4.01	Income (loss) for the period	19,615	-24,695	23,894	8,037
	Consolidated comprehensive income			23,894	8,037
4.03	(loss) for the period	19,615	-24,695		
4.03.01	Income (loss) attributable to Gafisa	15,777	-53,840	4,841	-25,628
	Net income attributable to the			19,053	33,665
4.03.02	noncontrolling interests	3,838	29,145		

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CONSOLIDATED STATEMENT OF CASH FLOWS – INDIRECT METHOD (in thousands of Brazilian Reais)

CODE	DESCRIPTION	YEAR TO DATE	
		1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
6.01	Net cash from operating activities	46,026	149,954
6.01.01	Cash generated in the operations	53,773	18,696
6.01.01.01	Loss before income and social contribution taxes	-132,005	-99,592
6.01.01.02	Stock options expenses	13,715	14,798
6.01.01.03	Unrealized interest and finance charges, net	48,904	57,869
6.01.01.04	Depreciation and amortization	38,573	45,482
6.01.01.05	Write-off of property and equipment, net	20,098	8,667
6.01.01.06	Provision for legal claims	47,388	67,050
6.01.01.07	Warranty provision	-624	11,281
6.01.01.08	Provision for profit sharing	26,235	30,750
6.01.01.09	Allowance for doubtful accounts	-5,731	-17,752
6.01.01.10	Provision for realization of non-financial assets – properties for sale	-1,373	-40,208
6.01.01.11	Provision for penalties due to delay in construction works	-1,417	1,190
6.01.01.12	Financial instruments	5,273	-6,383
6.01.01.13	Equity pick-up	-5,834	-63,585
6.01.01.14	Provision for realization of non-financial assets – intangible	571	11,509
6.01.02	Variation in Assets and Liabilities	-7,747	131,258
6.01.02.01	Trade accounts receivable	51,683	-41,818
6.01.02.02	Properties for sale	-235,647	435,779
6.01.02.03	Other accounts receivable	-41,393	-12,396
6.01.02.04	Transactions with related parties	40,943	61,771
6.01.02.05	Prepaid expenses	19,520	2,529
6.01.02.06	Suppliers	11,308	32,826
6.01.02.07	Obligations for purchase of land and adv. from customers	45,090	-201,012
6.01.02.08	Taxes and contributions	-13,060	35,221
6.01.02.09	Salaries and payable charges	-36,909	6,761
6.01.02.10	Other obligations	159,288	-171,529
6.01.02.11	Income tax and social contribution paid	-8,570	-16,874
6.02	Net cash from investing activities	-122,671	243,409
6.02.01	Purchase of property and equipment and intangible assets	-60,350	-76,218
6.02.02	Redemption of short-term investments	3,708,304	2,945,483

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6.02.03	Short-term investments	-3,399,254	-2,857,044
6.02.04	Short-term Investments obtained	-19,454	231,188
6.02.05	Received dividends	14,745	0
6.02.06	AUSA purchase	-366,662	0
6.03	Net cash from financing activities	-80,932	-28,149
6.03.01	Capital increase	4,866	2
6.03.02	Loans and financing obtained	1,237,027	685,128
6.03.03	Payment of loans and financing	-1,158,400	-609,724
6.03.04	Treasury shares	-39,970	0
6.03.05	Proceeds from subscription of redeemable equity interest in securitization fund	-5,089	11,920
6.03.06	Payables to venture partners	-106,675	-148,988
6.03.07	Loans with related parties	-12,691	33,513
6.05	Net increase of cash and cash equivalents	-157,577	365,214
6.05.01	Cash and cash equivalents at the beginning of the period	432,202	69,548
6.05.02	Cash and cash equivalents at the end of the period	274,625	434,762

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2013 TO 09/30/2013 (in thousands of Brazilian reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings/ accumulated losses	Others comprehensive income	Total shareholders' equity	Non controlling interest
5.01	Opening balance	2,735,794	35,233	0	-226,523	0	2,544,504	150,384
5.03	Opening adjusted balance	2,735,794	35,233	0	-226,523	0	2,544,504	150,384
5.04	Capital transactions with shareholders	4,866	-278,703	0	0	0	-273,837	-128,695
5.04.01	Capital increase	4,866	0	0	0	0	4,866	1,232
5.04.03	Realization of granted options	0	13,716	0	0	0	13,716	2,687
5.04.04	Acquired treasury shares	0	-39,970	0	0	0	-39,970	-3,556
5.04.06	Dividends	0	0	0	0	0	0	-9,007
5.04.08	Ownership acquisition with non controlling interests	0	-252,449	0	0	0	-252,449	-120,051
5.05	Total of comprehensive income (loss)	0	0	0	-53,839	0	-53,839	29,145
5.05.01	Income (loss) for the period	0	0	0	-53,839	0	-53,839	29,145
5.07	Closing balance	2,740,660	-243,470	0	-280,362	0	2,216,828	50,834

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 01/01/2012 TO 09/30/2012 (in thousands of Brazilian reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings/ accumulated deficit	Others comprehensive income	Total shareholders' equity	Non controlling interest
5.01	Opening balance	2,734,157	16,335	0	-102,019	0	2,648,473	101,621
5.03	Adjusted balance	2,734,157	16,335	0	-102,019	0	2,648,473	101,621
5.04	Capital transactions with shareholders	2	14,797	0	0	0	14,799	1,018
5.04.01	Capital increase	2	0	0	0	0	2	4,700
5.04.03	Realization of granted options	0	14,797	0	0	0	14,797	962
5.04.04	Acquired treasury shares	0	0	0	0	0	0	-1,973
5.04.06	Dividends	0	0	0	0	0	0	-4,640
5.04.08	Acquisition / selling of ownership percentage	0	0	0	0	0	0	1,969
5.05	Comprehensive Income (loss)	0	0	0	-25,628	0	-25,628	33,665
5.05.01	Income (loss) for the period	0	0	0	-25,628	0	-25,628	33,665
5.07	Closing balance	2,734,159	31,132	0	-127,647	0	2,637,644	136,304

CONSOLIDATED STATEMENT OF VALUE ADDED (in thousands of Brazilian Reais)

CODE	DESCRIPTION	YEAR TO DATE	YEAR TO DATE FROM
		1/1/2013 to 9/30/2013	PRIOR YEAR 1/1/2012 to 9/30/2012
7.01	Revenues	1,933,052	2,424,600
7.01.01	Real estate development, sale and services	1,842,997	2,406,848
7.01.04	Allowance for doubtful accounts	90,055	17,752
7.02	Inputs acquired from third parties	-1,252,174	-1,729,450
7.02.01	Cost of sales and/or services	-1,268,679	-1,671,342
7.02.02	Materials, energy, outsourced labor and other	16,505	-58,108
7.03	Gross added value	680,878	695,150
7.04	Retentions	-38,573	-45,482
7.04.01	Depreciation, amortization and depletion	-38,573	-45,482
7.05	Net added value produced by the Company	642,305	649,668
7.06	Added value received on transfer	58,520	103,432
7.06.01	Equity pick-up	5,834	63,585
7.06.02	Financial income	52,686	39,847
7.07	Total added value to be distributed	700,825	753,100
7.08	Added value distribution	700,825	753,100
7.08.01	Personnel and payroll charges	238,886	230,728
7.08.02	Taxes and contributions	219,443	233,405
7.08.03	Compensation – Interest	296,335	314,595
7.08.03.01	Interest	296,335	314,595
7.08.04	Compensation – Company capital	-53,839	-25,628
7.08.04.03	Retained losses	-53,839	-25,628

GAFISA RELEASES 3Q13 RESULTS

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3Q13 Conference Call

6th of November, 2013

> 7:00 am US EST
In English (simultaneous
translation from
Portuguese)
+1-516-3001066 US EST
Code: Gafisa

> 10:00 am Brasília time
In Portuguese
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Code: 78762276

Webcast:
www.gafisa.com.br/ir

Shares

GFSA3 – Bovespa
GFA – NYSE
Total shares outstanding:
435,380,407¹
Average daily trading

FOR IMMEDIATE RELEASE - São Paulo, November 5th, 2013

Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), Brazil's leading diversified national homebuilder, today reported financial results for the third quarter ended September 30, 2013.

During the third quarter we continued to implement the 2013 business plan. The volume of launches reached R\$498 million in the period, a slight increase over the previous quarter, and totaled R\$1.3 billion for the 9M13 period. Delays in obtaining certain licenses and project approvals in the Gafisa segment, particularly in the city of São Paulo, and in the Alphaville segment, resulted in some launches being moved to the fourth quarter. Consequently, the last three months of the year are expected to contain a higher concentration of launches, with \$430 million already launched in the month of October. Given the strong fourth quarter pipeline, and assuming stable market conditions, the Company expects to achieve its full year launch guidance.

Market conditions remain positive, with supply and demand evenly balanced in the Company's three segments. Nevertheless, selective product development and thorough preparation in the lead up to project launches are key drivers of sales absorption. Third quarter sales volumes were similar to last quarter, keeping pace with launch activity. As predicted, the number of cancellations has declined throughout the year and in the third quarter, the volume fell 23% on a sequential basis. Looking ahead, preliminary fourth quarter operating results appear positive, with sales of approximately R\$370 million in October.

Cash generation was a third quarter highlight, given a return to positive cash generation of R\$32.1 million in the quarter, versus cash burn of R\$27.6 million in the 2Q13. For the 9M13 period, the result was a cash burn of R\$80.1 million. Operational cash flow was positive at R\$194.5 million in the 3Q13, and totaled R\$423.4 million in the first nine months of the year.

Delivery volumes reached 3,106 units in the 3Q13. Fourth quarter volumes are expected to be concentrated in the Tenda and Alphaville segments.

The Company's turnaround plan, which was initiated almost two years ago, is expected to be substantially concluded in early 2014. As stated in this

volume (0 days²): R\$31.7 million

1) Including 599,486 treasury shares

2) Until September 30, 2013

report, Tenda has successfully delivered nearly 25 thousand legacy units since the end of 2011 and reduced its complexity, thereby returning capital to the Company's cash balances. At the same time, the brand has been relaunched under a profitable business model and new projects are performing well. The Gafisa brand is now focused on the states of São Paulo and Rio de Janeiro, and having almost completed the delivery of legacy projects outside of these core markets, is on the cusp of achieving metrics expected for the segment. Throughout the turnaround period Alphaville has maintained a consistent rate of growth and strong results. And Alphaville kept the pace of growth of recent years, with consistent results. The final stage of the restructuring is underway with the settlement of the sale of the 70% stake in Alphaville, expected to be complete by year-end. Funds shall be used to reduce our indebtedness, leaving the Company with an appropriate capital structure, lower level of leverage and focus on the strengthened Gafisa and Tenda operations.

In keeping with the new configuration of the Company's portfolio, we are in the process of developing a business plan for the five-year period dated 2014 to 2018. The planning process will take into account certain material assumptions and guidelines regarding project development in coming years. These include the expected size of Gafisa and Tenda's operations, the amount of capital allocated to each operation, the appropriate level of leverage for the Company's operations, the respective expected returns for each business unit, and, in particular, our commitment to capital discipline and shareholder value generation.

CONSOLIDATED FINANCIAL RESULTS

Net revenue recognized by the “PoC” method was R\$628.0 million in the third quarter, a 15.5% y-o-y reduction and in line with 2Q13.

Gross profit for the period was R\$173.5 million, up from the R\$143.8 million in 2Q13 and from the R\$156.6 million registered in 3Q12. Gross margin rose to 27.6% in the third quarter, up from 22.4% in the 2Q13 and 21.1% in 3Q12.

Adjusted EBITDA was R\$140.1 million, a 49.2% increase compared to the R\$93.9 million in 2Q13. The EBITDA margin reached 22.3%, compared with 14.7% in 2Q13.

Net income for the period was R\$15.8 million, compared to a net loss of R\$14.1 million in the 2Q13, and net income of R\$4.8 million in the 3Q12.

Operating cash generation reached R\$194.5 million in the 3Q13 and R\$423.4 million YTD until September 30, 2013, resulting in positive free cash flow of R\$32.1 million in the 3Q13, compared with cash burn of R\$27.6 million in the 2Q13.

CONSOLIDATED OPERATING RESULTS

Launches totaled R\$498.3 million in the 3Q13, a 8.1% sequential increase and a 10.3% y-o-y rise. Launches for the first nine months of the yeartotaled R\$1.3 billion. The result represents 42% of the mid-range of full-year launch guidance of R\$2.7 to R\$3.3 billion.

Consolidated pre-sales totaled R\$429.6 million in the 3Q13, reaching R\$1.2 billion in 9M13. Sales from launches represented 44.1% of the total, while sales from inventory comprised the remaining 55.9%.

Consolidated sales speed of launches reached 22.5% in the 3Q13 and 41.3% in the 9M13. Consolidated sales over supply (SoS) reached 10.6% in the 3Q13 and 24.8% in the 9M13.

Consolidated inventory at market value remaining stable at R\$3.6 billion compared to 2Q13.

Gafisa Group delivered 7,779 units were during the 9M13.

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RECENT EVENTS

Updated Status of Alphaville

On June 7th, Gafisa signed an agreement to sell a 70% stake in Alphaville to the private equity funds Blackstone and Pátria. On July 3rd, Gafisa completed the purchase of the outstanding 20% stake in Alphaville, belonging to Alphapar, thus holding 100% of Alphaville's capital stock. Since the announcement of the transaction, the Company and its advisors have been working on meeting the conditions precedent to the completion of the transaction. Approval by CADE – the antitrust agency - has already been granted, as well as consents from creditors and partners. The completion of the transaction is expected to occur towards the end of the 4Q13.

Capital Structure Following the Acquisition of a 20% stake in Alphaville

As mentioned above, in the 3Q13 the Company settled the acquisition of the outstanding 20% stake in Alphaville. This transaction resulted in a temporary increase in the Company's leverage to 126% (Net Debt/Equity) at the end of 3Q13. The following should be noted: (i) cash disbursement and debt issuance related to the acquisition of the remaining 20% stake; and (ii) reduction in Shareholders Equity due to adjustments in the lines of minority shareholders and goodwill constituted in the acquisition of the remaining 20% stake; which ultimately contributed to this transient increase in the Company's leverage.

Alphaville Transaction – Impact in Capital Structure

With the settlement of the sale of the 70% stake in Alphaville, the projected Net Debt/Equity ratio is expected to reach around 55%, due to the following impacts: (i) cash entry net of taxes and transaction costs; (ii) profit recorded as a result of the operation, impacting the Company's Shareholders' Equity, and (iii) reversal of goodwill previously recorded.

The Company reaffirms its commitment with a healthy capital structure, by means of a level of leverage which is adequate for its operations.

Classification of Assets as Available for Sale with Retention of Associate Non-Controlling Interest

Given the impending sale of a 70% stake in Alphaville and associated transfer of operations to the buyer, these assets have been classified as available for sale. The adjustments were made in accordance with brazilian accounting standards and international practices, and the effect of classifying Alphaville operations as assets available for sale on the ongoing operations for the current and comparative prior periods are summarized below. The income statement from September 30th, 2012 was restated considering the effects of the Alphaville deconsolidation and presented in a separate heading titled "Result from discontinued operations". The financial statements of prior periods (3Q12 and 9M12) were presented on a comparable basis.

Key Numbers for the Gafisa Group**Table 1 – Operating and Financial Highlights – (R\$000, and % Gafisa, unless otherwise specified)**

Launches	498,348	461,043	8.1%	451,943	10.3%	1,266,943	1,462,2	
Launches, units	2,041	2,138	-4.5%	1,361	50.0%	5,796	3,8	
Pre-sales	428,994	553,639	-22.5%	689,331	-37.8%	1,200,914	1,727,8	
Pre-sales, units	1,902	2,670	-28.8%	1,929	-1.4%	5,403	4,0	
Pre-sales of Launches	173,491	262,411	-33.9%	447,154	-61.2%	529,436	969,1	
Sales over Supply (SoS)	10.6%	13.4%	-280bps	18.7%	-810bps	24.8%	34.	
Delivered projects	575,987	608,096	-5.3%	953,361	-39.6%	1,394,081	3,255,9	
Delivered projects, units	3,106	3,073	1.1%	5,531	-43.8%	7,779	17,7	
Considering Alphaville Result as Available for Sale								
Net Revenue	628,047	640,864	-2.0%	743,453	-15.5%	1,776,461	2,237,3	
Gross Profit	173,503	143,798	20.7%	156,638	10.8%	395,446	436,8	
Gross Margin	28%	22%	518 bps	21%	33.3%	22%	2	
Adjusted Gross Margin ¹	34%	28%	22.5%	28%	21.4%	29%	2	
Adjusted EBITDA ²	139,997	93,921	49.1%	152,470	-8.2%	291,689	368,4	
Adjusted EBITDA Margin ²	22%	15%	764 bps	21%	4.8%	16%	1	
Adjusted Net Income (Loss) ²	23,782	6,071	291.7%	26,979	-11.8%	(10,980)	22,8	
Adjusted Net Margin ²	4%	1%	283 bps	4%	-	-1%		
Net Income (Loss)	15,777	(14,144)	-211.5%	4,841	225.9%	(53,840)	(25,6	
Net Earnings (Loss) per Share (R\$)	0.0371	(0.0333)	705 bps	0.0112	231.2%	(0.1267)	(0.05	
Outstanding shares ('000 final)	435,380	424,499	2.6%	432,273	0.7%	435,380	432,2	
Result Available for Sale	(46,993)	(42,473)	10.6%	(71,973)	-34.7%	(127,758)	(133,0	
Pro-Forma – Gafisa + Tenda								
Backlog revenues	1,900,224	2,148,090	-11.5%	2,813,033	302	-42.0%	1,900,224	2,813,0
Backlog results ³	624,313	708,634	-11.9%	1,118,580	-46.0%	624,313	1,118,5	
Backlog margin ³	32.9%	33.0%	-10 bps	39.8%	-691 bps	32.9%	39.	
Net Debt + Investor Obligations	2,858,095	2,519,219	13.5%	2,756,526	3.7%	2,858,095	2,756,5	
Cash and cash equivalents	781,606	1,101,160	-29.0%	991,335	-21.2%	781,606	991,3	
Shareholder's Equity	2,216,828	2,449,326	-9.5%	2,637,644	-16.0%	2,216,828	2,637,6	
Shareholder's Equity + Minority shareholders	2,267,662	2,618,458	-13.4%	2,773,947	-18.3%	2,267,662	2,773,9	
Total Assets	8,199,678	8,492,744	-3.5%	8,532,289	-3.9%	8,199,678	8,532,2	
(Net Debt + Obligations) / (Equity + Minority)	126.0%	96.2%	2998bps	104.5%	2150bps	126.0%	104.	

Note: Financial operational unaudited information

1) Adjusted by capitalized interests

2) Adjusted by expenses with stock option plans (non-cash), minority

3) Backlog results net of PIS/COFINS taxes – 3.65%; and excluding the impact of PVA (Present Value Adjustment) method according to Law nº 11,638

Results by Segment

Table 2 – Main Operational & Financial Figures - Contribution by Segment – 9M13

Deliveries (PSV R\$000)	848,178	450,336	95,567	1,394,081
Deliveries (% contribution)	61%	32%	7%	100%
Deliveries (units)	3,205	3,465	609	7,279
Launches (R\$000)	406,187	250,396	610,360	1,266,943
Launches (% contribution)	32%	20%	48%	100%
Launches (units)	578	2,060	4,484	7,122
Pre-Sales (R\$000)	506,742	326,777	367,394	1,200,914
Pre-Sales (% contr.)	42%	27%	31%	100%
				1,776,461
Net Revenues (R\$000)¹	1,173,896	602,564	-	
Revenues (% contribution)	66.1%	33.9%	-	100%
Gross Profit (R\$000)¹	377,772	17,674	-	395,446
Gross Margin (%)	32.2%	2.9%	-	22.3%
EBITDA² (R\$000)	214,634	(50,702)	127,758	291,689
EBITDA Margin (%)	18.3%	-8.4%	30.8%	16.4%

1) Alphaville results recognized as available for sale.

Updated Status of the Turnaround Strategy

Gafisa Segment

The Gafisa segment remains focused on the core markets of São Paulo and Rio de Janeiro, which form part of the Company's core strategy. The recovery in gross margin reflects the reduced participation of legacy projects in Gafisa's results.

Third quarter consolidated pro forma backlog revenue for the Gafisa Segment totaled R\$1.8 billion, of which around R\$121 million relates to projects located in discontinued markets. The projects outside core markets comprised 4 construction sites and 1,216 units under construction. The Company expects to hold two final outstanding construction sites at the beginning of 2014.

Table 3. Operational Wrap Up - Gafisa Turnaround (R\$000 and units)

Main Indicators

PSV in Inventory	1,543,056	320,803	1,863,859	1,659,206	324,888	1,983,694
Units in Inventory	2,539	730	3,268	2,932	715	3,647
Projects under construction	46	4	50	52	6	58
Units to be delivered	11,135	1,216	12,351	12,542	2,456	14,998
Cost to be incurred	1,484,363	76,915	1,561,278	1,673,828	273,862	1,947,690

The higher volume of deliveries versus the second half of 2012 resulted in increased sales cancellations in the 1H13, which has since normalized in the 3Q13. In the first nine months of the year, the volume of dissolutions was R\$402.3 million, of which 38% refer to completed units and 34.6% to units in non-core markets. Of the cancelled units, 38.3% were resold in the same period (44.8% resold in São Paulo, 49.4% resold in Rio de Janeiro and 31.0% resold in other markets).

Table 4. Gross Sales and Dissolutions 2011 – 9M13 (R\$000) – Gafisa Segment by Region

SP+ RJ

Gross Sales	2,333,974	340,477	519,648	453,055	543,915	1,857,094	244,389	291,258	221,193	768,138
Dissolutions	(288,933)	(42,264)	(71,194)	(122,727)	(75,181)	(311,365)	(126,771)	(89,652)	(46,683)	(263,106)
Net Sales	2,045,041	298,213	448,454	330,328	468,734	1,545,729	117,618	201,606	174,510	505,032

Other Markets

Gross Sales	196,399	27,257	55,142	45,502	55,578	183,479	48,300	63,328	40,569	140,897
Dissolutions	(61,351)	(8,768)	(47,213)	(47,840)	(25,860)	(129,681)	(64,801)	(48,023)	(26,363)	(139,187)
Net Sales	135,048	18,489	7,929	(2,338)	29,718	53,798	(16,501)	15,305	14,206	1,710

Total

Gross Sales	2,530,373	367,734	574,790	498,556	599,493	2,040,574	292,689	354,585	261,762	909,035
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Dissolutions	(350,284)	(51,032)	(118,407)	(170,566)	(101,041)	(441,047)	(191,572)	(137,674)	(73,046)	(402,293)
Net Sales	2,180,089	316,702	456,383	327,990	498,452	1,599,527	101,117	216,911	188,716	506,742

While projects located in São Paulo and Rio de Janeiro are performing well, the segment's gross margin continues to be slightly impacted by the worst performance of projects outside core markets. The Company believes in more normalized profitability levels as from the 1H14. Excluding legacy projects in discontinued markets, the Gafisa Segment gross margin would have been 34.0%.

The sales speed for inventory outside of core markets remains lower than that of sales within core markets, particularly in São Paulo and Rio de Janeiro. The sale of this inventory and the run-off of legacy projects are on schedule and expected to conclude in 2014.

Gross Margin by Market (2011-3Q13)

Net Revenue by Market (2011-3Q13)

Tenda Segment

The Tenda brand resumed launches in early 2013 under a new business model, which was initially focused on the markets of São Paulo and Bahia. Currently, the Company continues to operate in 4 macro regions: São Paulo, Rio de Janeiro, Minas Gerais and Northeast (Bahia and Pernambuco). The new operating model is based on three basic pillars: operating efficiency, risk management and capital discipline.

Table 5. New Tenda Launches in the New Model

Launch PSV Launched (R\$000)	mar-13	mar-13	may-13	jul-13	jul-13	aug-13
# Units	67,755	45,941	33,056	24,880	37,912	40,852
% PSV Sold (YTD Sep)	580	440	240	200	340	260
%	100%	41%	46%	23%	50%	40%
Transferred Units (YTD)	89%	24%	35%	11%	3%	24%

Project

Osasco - SP Camaçari - BA São Paulo - SP Porto Alegre - RS Salvador - BA São Paulo - SP

Table 6. Wrap Up Operational Turnaround Tenda (R\$000 and units)

Main Indicators						
PSV in Inventory	122,815	591,972	714,788	-	826,671	826,671

Units in Inventory	943	3,675	4,618	-	5,552	5,552
Projects under construction	5	30	35	-	52	52
Units to be delivered	1,859	9,995	11,854	-	13,579	13,579
Cost to be incurred	92,957	170,722	263,679	-	460,629	460,629

The new business model has resulted in a consistent reduction in the level of dissolutions in recent quarters. We expect this trend to be maintained over the coming quarters, as legacy projects are replaced by projects recently launched by Tenda. In 3Q13, once again, Tenda reported a 15.4% reduction in dissolutions compared to the previous quarter and a 49.4% decline compared with the prior year period. During the 3Q13, sales cancellations declined to R\$133.7 million from R\$157.8 million in the 2Q13, and to R\$263.8 million in the 3Q12. Of the 3,540 units experiencing sales cancellations in the Tenda segment and returned to inventory, 79.1% were resold in the 9M13 period.

Table 7. Dissolutions – Tenda Segment (4Q11-3Q13) (R\$000)

New Projects								
Gross Sales	-	-	-	-	-	13,656	57,011	59,713
Dissolutions	-	-	-	-	-	-	(2,126)	(7,433)
Net Sales	-	-	-	-	-	13,656	54,885	52,279
Legacy Projects								
Gross Sales	248,241	249,142	344,855	293,801	287,935	225,646	270,677	223,909
Dissolutions	(467,000)	(339,585)	(329,127)	(263,751)	(317,589)	(232,517)	(155,722)	(126,038)
Net Sales	(218,759)	(90,443)	15,728	30,050	(29,653)	(6,871)	114,956	97,872
Total								
Cancelled Units	4,444	3,157	2,984	2,202	2,509	1,700	1,172	924
Gross Sales	248,241	249,142	344,855	293,801	287,935	239,302	327,689	283,622
Dissolutions	(467,000)	(339,585)	(329,127)	(263,751)	(317,589)	(232,517)	(157,848)	(133,471)
Net Sales	(218,759)	(90,443)	15,728	30,050	(29,653)	6,785	169,841	(150,151)

Tenda remains focused on the completion and delivery of its remaining projects, and is also dissolving contracts with non-eligible clients, so as to sell the units to qualified customers. Thus, Tenda worked to improve its financial cycle, by reducing the average time required to conclude the contract signing, which has been halved from 14 months in 3Q12, to 7 months in the 3Q13. Taking into account only projects launched within the new business model, the average time is 4 months.

{0>O run-off do legado de projetos, que compreende XX canteiros de obras, inferior às 84 obras do ano anterior, está dentro do cronograma e deve ser concluído em 2014. A fase final do legado de projetos de Tenda, cuja conclusão está prevista para 2014, inclui cerca de XXX unidades a serem entregues.<}0 {>The run-off of legacy projects is on schedule and shall be mostly concluded in 2014. The final phase of Tenda legacy projects includes around 5,689 units to be delivered.

Table 8. Run-off of Tenda Legacy Projects - Construction Sites and Evolution of Units Under Development (1Q14-4Q14)

# construction sites	7	4	2	1
# units	2,365	1,900	1,180	500

Of the 3Q13 pro forma backlog revenue for the Tenda segment, totaling around R\$334 million, R\$287 million was related to legacy projects, compared to R\$555 million in 4Q12.

Table 9. Conclusion of Legacy Projects at Tenda – Evolution of Inventory at Market Value (4Q11-3Q13)

New Projects	0	0	0	0	0	101,132	86,611	122,815
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Finished PSV	0	0	0	0	0	-	-	-
PSV Under construction	0	0	0	0	0	101,132	86,611	122,815
Legacy Projects	932,503	915,036	838,261	764,589	826,671	671,860	593,088	591,972
PSV Delivered Units PProntasEntregues	43,397	72,404	76,872	63,728	211,924	279,037	303,520	343,280
PSV Under construction	889,105	842,632	761,389	700,861	614,747	392,823	289,568	248,692
Total	932,503	915,036	838,261	764,589	826,671	772,992	679,699	714,787
PSV Delivered Units Entregues	43,397	72,404	76,872	63,728	211,924	279,037	303,520	343,280
PSV Under construction	889,105	842,632	761,389	700,861	614,747	493,955	376,180	371,507

Consolidated Operating Results

Consolidated Launches

Third-quarter launches totaled R\$498.3 million, a 8.1% increase compared to 2Q13, and 10.3% rise versus 3Q12. For the 9M13, launches were R\$1.3 billion, a 13.4% decrease compared to the same period last year. The result was impacted by delays in receiving certain licenses and in the approval process for the Gafisa segment, particularly in the city of São Paulo, and for the Alphaville segment, which caused some launches to be moved to the 4Q13.

Year to date launch volumes represent 42% of the mid-range of full-year launch guidance of R\$2.7 to R\$3.3 billion. The before mentioned delays are expected to result in a higher concentration of 4Q13 launches.

18 projects/phases were launched across 6 states in the 9M13. In terms of PSV, Gafisa accounted for 32% of the total, Alphaville 48% and Tenda the remaining 20%.

Table 10. Consolidated Launches (R\$000)

Gafisa Segment	107,248	215,910	-50.3%	114,291	-6.2%	406,187	794,881	-48.9%
Alphaville Segment	287,455	212,077	35.5%	337,652	-14.9%	610,360	667,320	-8.5%
Tenda Segment	103,644	33,056	213.5%	-	-	250,396	-	-
Total	498,348	461,043	8.1%	451,943	10.3%	1,266,943	1,462,201	-13.4%

Consolidated Pre-Sales

Third-quarter consolidated pre-sales totaled R\$429.0 million, a decrease of 22.4% compared to 2Q13, and 37.7% versus 3Q12. The result reflects the lower volume of launches in the period.

In the 9M13, sales from launches represented 44.1% of the total, while sales from inventory comprised the remaining 55.9%.

Table 11. Consolidated Pre-Sales (R\$000)

Gafisa Segment	188,716	216,911	-12.7%	327,990	-42.3%	506,742	1,101,076	-53.9%
Alphaville Segment	90,127	166,887	-46.0%	331,320	-72.8%	367,394	671,481	-45.3%
Tenda Segment	150,151	169,841	-11.6%	30,050	399.7%	326,777	-44,464	-831.6%
Total	428,994	553,639	-22.4%	689,361	-37.7%	1,200,913	1,727,893	-30.5%

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Consolidated Sales over Supply (SoS)

Consolidated sales over supply reached 10.6% in 3Q13, compared to 13.4% in 2Q13. The consolidated sales speed of launches in the 9M13 reached 41.3%.

Sales of this quarter were impacted by the 2 phased launches of Alphaville projects, in which the distribution of sales throughout the construction phase was already expected, and the contribution of one Gafisa segment launch in the period.

Table 12. Consolidated Sales over Supply (SoS)

Gafisa Segment	9.2%	9.8%	-60bps	16.5%	-730bps	21.4%	39.9%	-1850bps
Alphaville Segment	7.9%	15.8%	-790bps	36.4%	-2850bps	25.8%	53.7%	-2790bps
Tenda Segment	17.4%	20.0%	-260bps	3.8%	1360bps	31.4%	-6.2%	-
Total	10.6%	13.4%	-280bps	18.7%	-810bps	24.8%	36.5%	-1170bps

Dissolutions

The Company has achieved a consistent reduction in its dissolution levels (ex-Alphaville) since the end of 2012, with quarterly dissolutions declining approximately 64.0%, from R\$573.8 million in 4Q11 to R\$206.5 million in 3Q13. The most notable improvement occurred in Tenda, which achieved a 71.5% reduction in dissolutions over this period, due to the implementation of a new business model and a reduction in old projects. The Gafisa segment, in turn, also achieved a substantial reduction, with dissolutions declining 47.0% on a sequential basis.

History of Dissolutions (R\$ million)

Of the 1,113 Gafisa segment units that were cancelled and returned to inventory in the 9M13, 38.3% have been resold. For the Tenda brand, 3,331 units were returned to inventory following their cancellation, of which 79.1% have been resold.

Projects & Unit Deliveries

The Company delivered 14 projects encompassing 3,106 units in the third quarter, with 1,477 units stemming from the Gafisa segment, 1,014 from Tenda and the remaining 615 from Alphaville. The delivery date is based on the "Delivery Meeting" that takes place with customers, and not upon the physical completion, which is prior to the delivery meeting. In the 9M13, projects delivered by the Gafisa Group

comprised 7,779 units. The 9M13 result equates to 50% of full-year guidance.

Units to be delivered in the 4Q13 are either complete or at final stages of completion, awaiting final documentation.

Additional information concerning projects and units delivered by the Gafisa Group can be found in the appendix to this release.

Inventory

Gafisa Group inventory at market value remained stable at R\$3.6 billion at the end of 3Q13. The market value of Gafisa inventory, which represents 51% of total inventory, decreased to R\$1.9 billion at the end of the 3Q13, compared to R\$2.0 billion at the end of the 2Q13.

The market value of Alphaville inventory was R\$1.1 billion at the end of the 3Q13, a 19% increase compared to the 2Q13. Tenda inventory was valued at R\$715 million at the end of the 3Q13, compared to R\$680 million at the end of the 2Q13. As previously mentioned, third quarter consolidated dissolutions declined sharply, decreasing 23.6% on a sequential basis.

Table 13. Inventory at Market Value (R\$000)

Gafisa Segment	2,007,810	107,248	73,046	-262,324	-61,921	1,863,859
Alphaville Segment	886,365	287,455	64,598	-154,725	-26,287	1,057,405
Tenda Segment	679,699	103,644	133,471	-283,622	81,595	714,788
Total	3,573,874	498,348	271,116	-700,672	-6,614	3,636,052

Table 14. Inventories at Market Value - Construction Status (R\$000)

Gafisa Segment	46,710	453,658	848,882	188,184	326,425	1,863,859
Alphaville Segment	-	246,707	397,568	247,674	165,456	1,057,405
Tenda Segment	21,626	71,659	171,600	106,623	343,280	714,788
Total	68,336	772,025	1,418,050	542,480	835,161	3,636,052

¹ Note: Inventory at market value includes projects with partners. The figure is not comparable to the accounting inventory due to the new accounting consolidation implemented on behalf of CPCs 18, 19 and 36..

Additional information concerning Gafisa Group inventories can be found in the appendix to this release.

Landbank

Gafisa's consolidated landbank, with a PSV of approximately R\$21.2 billion, is comprised of 140 different projects/phases that are located in core market regions. In line with the Company's strategy, 37.5% of landbank has been acquired through swaps – which require no cash obligations. During the 9M13, Gafisa expanded its landbank to support future growth plans with acquisitions totaling R\$2.6 billion in PSV.

Table 15. Landbank 3Q13

Gafisa Segment	6,365,518	36.8%	36.1%	0.7%	11,890	13,320
Alphaville Segment	12,783,076	100.0%	-	100.0%	74,288	128,926
Tenda Segment	2,090,375	28.7%	22.9%	5.8%	18,007	18,007
Total	21,238,969	37.5%	35.8%	1.7%	104,186	160,252

The table below summarizes changes in the Company's landbank during the 3Q13.

Table 16. Changes in Landbank – 3Q13

Gafisa Segment	6,102,340	398,063	107,248	-27,637	6,365,518
Alphaville Segment	12,560,960	697,771	287,455	-188,200	12,783,075
Tenda Segment	1,874,958	189,456	103,644	129,605	2,090,375
Total	20,538,258	1,285,290	498,348	-86,232	21,238,968

Consolidated Financial Results

Third quarter Alphaville results continue to be classified as "Assets/Liabilities Available for Sale", and the reported consolidation reflects 100% of the financial results of Alphaville.

Revenues

On a consolidated basis, 3Q13 net revenues totaled R\$628.0 million, in line with the 2Q13 and a decrease of 15.5% compared with the 3Q12. The result reflects the contribution of revenues from the delivery of Tenda legacy projects. New launches are still in the final stages of revenues.

During the 3Q13, the Gafisa segment accounted for 68.8% of net revenues, while Tenda comprised the remaining 31.2%. The below table presents detailed information on the makeup of revenues:

Table 17. Gafisa + Tenda - Pre-Sales (Dissolutions) and Recognized Revenues, by Launch Year (R\$000)

Gafisa	Launches 2013	36,885	19.5%	21,782	5.0%	-	-	-	-
	Launches 2012	40,995	21.7%	100,993	23.4%	179,161	54.6%	59,734	13.7%
	Launches 2011	39,674	21.0%	221,471	51.2%	60,639	18.5%	82,117	18.9%
	Launches ≤ 2010	71,162	37.7%	61,407	14.2%	88,191	26.9%	251,544	57.7%
	Landbank	-	-	26,600	6.2%	-	-	42,214	9.7%
	Total Gafisa	188,716	100.0%	432,252	100.0%	327,991	100.0%	435,609	100.0%
Tenda	Launches 2013	74,307	49.5%	15,801	8.1%	-	-	-	-
	Launches 2012	-	-	-	-	-	-	-	-
	Launches 2011	10,575	7.0%	16,383	8.4%	-10,819	-36.0%	13,250	4.3%
	Launches ≤ 2010	65,268	43.5%	152,222	77.7%	40,869	136.0%	276,805	89.9%
	Landbank	-	-	11,389	5.8%	-	-	17,789	5.8%
	Total Tenda	150,151	100.0%	195,794	100.0%	30,050	100.0%	307,844	100.0%
Consolidated	Launches 2013	111,193	32.8%	37,582	6.0%	-	0.0%	-	-
	Launches 2012	40,995	12.1%	100,993	16.1%	179,161	150.0%	59,734	8.0%
	Launches 2011	50,249	14.8%	237,854	37.9%	49,820	13.9%	95,368	12.8%
	Launches ≤ 2010	136,430	40.3%	213,629	34.0%	129,060	36.0%	528,350	71.1%
	Landbank	-	0.0%	37,988	6.0%	-	0.0%	60,003	8.1%
	Total	Total Gafisa Group	338,867	100.0%	628,047	100.0%	358,041	100.0%	743,454

Additional information on the composition of Gafisa Group revenues can be found in the appendix to this earnings release.

Gross Profit

Gross profit for the period was R\$173.5 million, compared with R\$143.8 million registered in 2Q13 and a 10.8% rise y-o-y. from the R\$156.6 million of the 3Q12. Gross margin in the quarter reached 27.6%, increase of 5 percentage points from the previous quarter. Still, the gross margin is improving as Gafisa and Tenda segment legacy projects are replaced by projects launched in core markets containing higher margins. The increased contribution of more profitable projects to consolidated results can be observed throughout 2013. In addition, other factors contributed to the margin improvement, such as the effect of the National Index of Construction Costs (INCC) variation in May and the sale of landbank at Gafisa.

Table 18. Gafisa + Tenda - Gross Margin (R\$000)

Gross Profit	173,503	143,798	20.7%	156,638	10.8%	395,446	436,824	-9.5%
Gross Margin	27.6%	22.4%	519 bps	21.1%	656 bps	22.3%	19.5%	274 bps

Additional information regarding the breakdown of the Gafisa Group gross margin can be found in the appendix to this earnings release.

Selling, General and Administrative Expenses (SG&A)

SG&A expenses totaled R\$101.3 million in the 3Q13, a 12.6% decrease compared with the R\$115.9 reported in 3Q12 and a 7.9% sequential reduction. The improvement primarily reflects reduced selling expenses, which amounted to R\$46.1 million, representing a 23.6% decrease versus 2Q13. General and administrative expenses decreased by 8.2% compared to 3Q12, but rose 11.2% compared with the 2Q13.

Table 19. Gafisa + Tenda - SG&A Expenses (R\$000)

Selling Expenses	46,165	60,407	-23.6%	55,888	-17.4%	161,792	160,748	0.6%
General & Administ. Expenses	55,155	49,599	11.2%	60,105	-8.2%	157,759	179,835	-12.3%
Total SG&A Expenses	101,320	110,006	-7.9%	115,993	-12.6%	319,551	340,583	-6.2%
Launches	498,348	461,043	8.1%	451,943	10.3%	1,266,943	1,362,201	-13.4%
Net Pre-Sales	429,556	553,639	-22.4%	689,361	-37.7%	1,201,477	1,727,893	-30.5%
Net Revenue	628,047	640,864	-2.0%	743,453	-15.5%	1,776,482	1,837,336	-20.6%

The Company is focused on the stabilization of SG&A and given the impending completion of the turnaround cycle, continues to seek out efficiency improvements so as to reduce costs and improve productivity.

Table 20. Gafisa + Tenda - SG&A / Launches (%)

Sales / Launches	9.3%	13.1%	-384 bps	12.4%	-310 bps	12.8%	11.0%	178 bps
G&A / Launches	11.1%	10.8%	31 bps	13.3%	-223 bps	12.5%	12.3%	15 bps
Total SG&A / Launches	20.3%	23.9%	-353 bps	25.7%	-533 bps	25.2%	23.3%	193 bps

Table 21. Gafisa + Tenda - SG&A / Pre-Sales (%)

Sales / Pre-Sales	10.7%	10.9%	-16 bps	8.1%	264 bps	13.5%	9.3%	416 bps
G&A / Pre-Sales	12.8%	9.0%	388 bps	8.7%	412 bps	13.1%	10.4%	272 bps
Total SG&A / Pre-Sales	23.6%	19.9%	372 bps	16.8%	676 bps	26.6%	19.7%	689 bps

Table 22. Gafisa + Tenda - SG&A / Net Revenue (%)

Sales / Net Revenue	7.4%	9.4%	-208 bps	7.5%	-17 bps	9.1%	7.2%	192 bps
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G&A / Net Revenue	8.8%	7.7%	104 bps	8.1%	70 bps	8.9%	8.0%	84 bps
Total SG&A/ Net Revenue	16.1%	17.2%	-103 bps	15.6%	53 bps	18.0%	15.2%	277 bps

Additional information on Gafisa Group Selling, General and Administrative Expenses can be found in the appendix to this earnings release.

Management & Board Compensation

In the period ended September 30, 2013 and 2012, the amounts related to management compensation are stated as follows:

Table 23. Management Compensation Gafisa + Tenda (R\$000)

Number of members	9	8	3
Fixed annual compensation	1,420	3,791	120
Salaries	1,389	3,510	120
Direct and indirect benefits	31	218	-
Monthly compensation	158	421	13
Total compensation	1,420	3,791	120
Profit sharing	-	6,469	-
Number of members	9	7,6	3
Fixed annual compensation	1,312	3,522	104
Salaries	1,309	3,320	104
Direct and indirect benefits	3	202	-
Monthly compensation	146	391	11
Total compensation	1,312	3,522	104
Profit sharing	-	7,350	-

Table 24. Profit Sharing

Executive Officers	6,469	7,350
Other employees	19,767	35,556
Operations available for sale	-	(12,156)
Total	26,236	30,750

Consolidated Adjusted EBITDA

Adjusted EBITDA totaled R\$140.0 million in the 3Q13, a 49.1% increase compared to the R\$93.9 million of the 2Q13. During the 3Q13, the adjusted EBITDA margin reached 22.3%, compared to 14.7% in 2Q13 and 20.5% in 3Q12.

Gafisa Group presented a substantial increase in its Adjusted EBITDA (+49.2%) with an Adjusted EBITDA Margin of 22.3%, reflecting an 8.6% decrease in operating costs that came despite a slight decrease in net revenues in 3Q13. Additionally, reduced SG&A (which was R\$8.7 million and R\$14.7 million lower than 2Q13 and 3Q12, respectively) also benefited results.

Table 25. Gafisa + Tenda + Alphaville - Consolidated Adjusted EBITDA (R\$000)

Net Income (Loss)	15,777	(14,144)	-211.5%	4,841	225.9%	(53,839)	(25,628)	110.1%
(+) Financial results	48,486	33,662	44.0%	49,124	-1.3%	131,313	145,578	-9.8%
(+) Income taxes	7,019	6,992	0.4%	7,346	-4.5%	20,448	25,395	-19.5%
(+) Depreciation & Amortization	18,142	11,022	64.6%	17,317	4.8%	38,573	45,482	-15.2%
(+) Capitalized interests	42,570	36,174	17.7%	51,704	-17.7%	112,336	129,170	-13.0%
(+) Expenses w/ stock options	4,170	4,884	-14.6%	3,085	35.2%	13,715	14,798	-7.3%
(+) Minority shareholders	3,838	15,331	-75.0%	19,053	-79.9%	29,144	33,665	-13.4%
Adjusted EBITDA	139,997	93,921	49.2%	152,470	-8.2%	291,689	368,461	-20.8%
Net Revenue	628,047	640,864	-2.0%	743,453	-15.5%	1,776,461	2,237,336	-20.6%
Adjusted EBITDA Margin	22.3%	14.7%	766 bps	20.5%	178	16.4%	16.5%	-4 bps
					bps			
(-) Alphaville Result classified as available for sale	(46,993)	(42,473)	10.6%	(71,973)	-34.7%	(127,758)	(133,024)	-4.0%

EBITDA adjusted by expenses associated with stock option plans, as this is an entry, non-cash expense.

Additional information on the EBITDA for each of the Company's operating segments can be found in the appendix to this earnings release.

Depreciation and Amortization

Depreciation and amortization in the 3Q13 reached R\$18.1 million, a 4.8% increase when compared to the 3Q12.

Financial Results

Net financial expenses totaled R\$48.5 million in 3Q13, in line with the negative net result of R\$49.1 million in 3Q12. Financial revenues totaled R\$17.0 million, a 51.4% y-o-y increase compared to the R\$11.2 million recorded in 3Q12 and the R\$16.7 million reached in 2Q13, due to the higher average CDI rate in the period. Financial expenses reached R\$65.5 million, compared to R\$60.3 million in 2Q13 and R\$50.4 million in 3Q12, due to the higher average CDI rate in the period coupled with the effect of mark-to-market adjustments.

Taxes

Income taxes, social contribution and deferred taxes for 3Q13 amounted to R\$7.0 million, broadly in line with the 2Q13 result of \$6.9 million and R\$7.3 million posted in the 3Q12.

Adjusted Net Income

Gafisa Group ended the 3Q13 with net income of R\$15.8 million, reversing a loss of R\$14.1 million recorded in 2Q13. Despite the reduction in the level of the Company's revenues, net income benefited from a reduction in costs and expenses. The anticipated nonrecurring after-tax gain on the sale of Alphaville is not reflected in consolidated earnings.

Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method was R\$624.3 million in the 3Q13. The consolidated margin for the quarter was 32.9%, in line with the result posted in 2Q13. The table below shows the backlog margin by segment:

Table 26. Results to be recognized (REF) by company (R\$000)

Revenues to be recognized	1,625,581	274,642	1,900,224	805,518
Costs to be recognized (units sold)	-1,064,057	-211,853	-1,275,911	-389,582
Results to be Recognized	561,524	62,789	624,313	415,935
Backlog Margin	34.5%	22.9%	32.9%	51.6%

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

The amounts include projects still under suspension clause.

Table 27. Gafisa Group (Gafisa + Tenda) - Results to be recognized (REF) (R\$000)

Revenues to be recognized	1,900,224	2,148,090	-11.5%	3,702,549	-48.7%	1,900,224	3,702,549	-48.7%
Costs to be recognized (units sold)	-1,275,911	-1,439,456	-11.4%	-2,390,611	-46.6%	-1,275,911	-2,390,611	-46.6%
Results to be Recognized	624,313	708,634	-11.9%	1,311,938	-52.4%	624,313	1,311,938	-52.4%
Backlog Margin	32.9%	33.0%	-13 bps	35.4%	-258 bps	32.9%	35.4%	-258 bps

Note: It is included in the gross profit margin and not included in the backlog margin: Present Value Adjustment (PVA) on receivables, revenue related to swaps, revenue and cost of services rendered, PVA over property (land) debt, cost of swaps and provision for guarantees.

GAFISA SEGMENT

Focuses on residential developments within the upper, upper-middle, and middle-income segments, with unit prices exceeding R\$250,000.

Gafisa Segment Launches

Third-quarter launches reached R\$107.2 million and comprised 1 project/phase in the city of São Paulo. The result represents a 6.2% y-o-y decline from the R\$114.3 million in 3Q12 and a reduction of 50.3% when compared to the 2Q13. Launches in the 9M13 reached R\$406.2 million, a 48.9% decrease versus the same period of the previous year.

Delays in obtaining certain licenses and approvals for projects in the Gafisa segment in the city of São Paulo resulted in some launches being moved to the fourth quarter.

Gafisa Launches by Region (% and in R\$ million)

Additional information on Gafisa segment launches can be found in the appendix to this earnings release.

Gafisa Segment Pre-Sales

Third-quarter gross pre-sales totaled R\$261.7 million, a 26.0% decrease compared to 2Q13. Net pre-sales reached R\$189.3 million in 3Q13, a 12.7% decrease compared to 2Q13 and 42.3% decline y-o-y. Sales from launches during the year represented 32.3% of the total, while sales from inventory comprised the remaining 67.7%. In the 3Q13, sales speed was 9.2%, compared to 9.8% in 2Q13, and 16.5% in 3Q12. The sales speed of Gafisa segment launches was 40.4% for the year.

The volume of dissolutions in the 3Q13 was R\$73.0 million, a 46.9% decrease relative to the 2Q13. Of the 1,113 Gafisa segment units cancelled and returned to inventory, 38.3% were resold in the 9M13. In the core markets of Sao Paulo and Rio de Janeiro, 616 units were cancelled, with 49.5% already resold.

Gafisa Segment Pre-Sales by Region (% and in R\$ million)

Additional information on Gafisa segment pre-sales can be found in the appendix to this earnings release.

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Gafisa Vendas

During the 3Q13, Gafisa Vendas – an independent sales unit of the Company, with operations in Sao Paulo and Rio de Janeiro, focused on selling inventory - was responsible for 55% of gross sales in the period. Gafisa Vendas currently has a team of 600 highly trained, dedicated consultants, combined with an online sales force.

Gafisa Segment Delivered Projects

During the 9M13, Gafisa delivered 15 projects/phases and 3,205 units, reaching 75% of the mid-range of full-year guidance of 3,500 to 5,000 units for the brand.

Table 28 - Gafisa Segment Delivered Projects and Transfers Completed for the Period

PSV Transferred ¹	243,274	208,467	16.7%	285,344	-14.7%	678,010	793,556	-14.6%
Delivered Projects	6	9	-	4	-	16	27	-
Delivered Units Entregues	1,477	1,642	-10.0%	709	108.3%	3,205	4,735	-32.3%
Delivered PSV ²	373,144	436,038	-14.4%	366,432	1.8%	848,178	1,650,029	-48.6%

Note: 1– PSV refers to potential sales value of the units transferred to financial institutions. 2– PSV refers to potential sales value of delivered units.

Additional information of Gafisa segment delivered projects can be found in the appendix to this earnings release.

Gafisa Segment Landbank

Gafisa segment landbank, with a PSV of approximately R\$6.4 billion, is comprised of 76 different projects/phases located exclusively in core markets. Amounting to nearly 12 thousand units, 76% are located in São Paulo and 24% in Rio de Janeiro. In line with the Company's strategy, 36.8% of the landbank was acquired through swaps, which do not require cash obligations. During the 9M13, Gafisa expanded its landbank to support future launching projections with acquisitions totaling R\$1.0 billion in PSV.

Table 29 – Gafisa Segment Landbank – 3Q13

São Paulo	4,858,171	26.6%	25.6%	0.9%	9,988	11,414
Rio de Janeiro	1,507,347	68.3%	68.3%	-	1,903	1,906
Total	6,365,518	36.8%	36.1%	0.7%	11,890	13,320

Inventory

The Company maintained its focus on inventory reduction initiatives. Accordingly, inventory represented 67.7% of total sales in the 9M13. The market value of Gafisa segment inventory was stable at R\$1.9 billion at the end of the 3Q13. The inventory of finished units outside core markets was R\$320.8 million or 17% of the total. In the same period, inventory of finished units comprised R\$326.4 million, or 17% of the total inventory. Of this amount, inventory from projects launched outside core markets totaled R\$320.8 million.

Table 30. Inventory at Market Value 3Q13 x 2Q13 (R\$000) – Gafisa Segment by Region

São Paulo	1,289,709	107,248	35,839	-189,508	-79,838	1,163,449	-9.8%
Rio de Janeiro	392,563	-	10,844	-31,685	7,884	379,607	-3.3%
Other	325,537	-	29,363	-40,569	9,471	320,803	-1.5%
Total Gafisa	2,007,810	107,248	73,046	-261,762	-62,483	1,863,859	-7.2%

Gafisa	46,710	453,658	848,882	188,184	326,425	1,863,859
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Note: 1) BoP beginning of period – 2Q13. 2) EoP end of period – 3Q13. 3) % Change 3Q13 versus 2Q13. 4) 3Q13 sales speed. 5) projects cancelled during the period.

TENDA SEGMENT

Focuses on affordable residential developments, with unit prices between R\$100,000 and R\$250,000.

Tenda Segment Launches

Having achieved control of both the operational and financial cycle, the Tenda brand resumed launches in 1H13. Third-quarter launches totaled R\$103.6 million and included 3 projects/phases. In the 9M13, Tenda launched R\$250.4 million. The brand accounted for 20.8% of 3Q13 consolidated launches and 19.7% in the 9M13.

Tenda Launches by Region (% and in R\$ million)

In the appendix to this release, you will find more information about the Tenda segment launches.

Tenda Segment Pre-Sales

During the 3Q13, net pre-sales totaled R\$150.1 million. Sales from units launched during the 9M13 represented 43.7% of total contracted sales. Sales from inventory accounted for the remaining 56.3%.

All new projects under the Tenda brand are being developed in phases, in which all pre-sales are contingent upon the ability to pass mortgages onto financial institutions. Of the 9M13 launches totaling R\$250.4 million, all were launched within the confines of Tenda's new business model. Sales of R\$142.8 million were registered (57.0% of total), of which R\$79.1 million were already transferred. That accounts for 464 units transferred to financial institutions in the 3Q13 and 717 mortgage transfers in the 9M13.

In the 3Q13, sales speed (sales over supply) was 17.4%, compared to 20.0% in the 2Q13.

Tenda is focused on the completion and delivery of its legacy projects, and is dissolving contracts with ineligible clients, so as to resell these units to qualified customers. Of the 3,331 Tenda units that were cancelled and returned to inventory in the 9M13, 79.1% were resold to qualified customers in the same period.

Table 31. Pre-Sales (Net of Dissolutions) by Market Region - Tenda Segment (R\$000)

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Tenda	São Paulo	-47,561	2,852	-8,111	-6,148	13,013	43,569	33,281
	(%)	52.7%	17.8%	-27.0%	20.3%	191.2%	25.7%	22.2%
	Rio de Janeiro	-190	10,628	11,481	15,605	16,607	32,444	12,469
	(%)	0.2%	67.5%	38.3%	-52.0%	245.6%	19.1%	8.3%
	Minas Gerais	-32,805	-30,185	-13,077	-22,121	-15,491	11,714	8,036
	(%)	36.3%	-192.4%	-43.7%	75.0%	-227.9%	6.9%	5.3%
	Northeast	-20,629	10,150	17,384	13,219	10,214	23,253	36,126
	(%)	22.8%	64.3%	58.0%	-44.0%	150.0%	13.7%	24.1%
	Other	10,743	22,283	22,373	-30,208	-17,561	58,862	60,239
	(%)	-11.8%	143.0%	74.7%	100.7%	-258.8%	34.7%	40.1%
	Total (R\$)	-90,443	15,728	30,050	-29,653	6,785	169,841	150,151
	(%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

In the appendix to this earnings release, you will find more information on Tenda segment pre-sales.

Tenda Segment Transfers

In the 3Q13, Tenda transferred 2,571 units to financial institutions, being 464 related to new projects, totaling 7,942 transfers in the 9M13 period, in which 717 are related to Tenda's new projects.

Table 32 – PSV Transferred - Tenda (R\$000)

New Projects	52,466	26,608	97.2%	-	-	79,074	-	-
Legacy Projects	230,613	249,699	-7.6%	295,010	-21.8%	480,313	868,008	-44.7%
PSV Transferred ¹	283,079	276,308	2.5%	295,010	-4.0%	559,387	868,008	-35.6%

Note: 1- PSV refers to potential sales value of units transferred to financial institutions.

Tenda Segment Delivered Projects

During the 9M13, Tenda delivered 25 projects/phases and 3,540 units, representing 51% of the mid-range of full-year delivery guidance of 6,500 to 7,500 units for the brand.

Additional information about Tenda segment delivered projects can be found in the appendix to this release.

Tenda Segment Landbank

Tenda segment landbank, with a PSV of approximately R\$2.1 billion, is comprised of 51 different projects/phases located in core markets. 11% are located in São Paulo, 14% in Rio de Janeiro, 11% in Minas Gerais and the remaining in the Northeast region, specifically in the states of Bahia and Pernambuco. Altogether these amount to more than 18 thousand units. During the 9M13, Tenda expanded its landbank to support future launches with acquisitions totaling R\$199.6 million in PSV, which were concentrated in the Company's core markets.

Table 33. Landbank - Tenda Segment - 3Q13

São Paulo	227,992	9.9%	9.9%	-	2,059	2,059
Rio de Janeiro	297,941	-	-	-	2,519	2,519
Northeast	1,337,301	24.9%	19.5%	5.5%	11,579	11,579
Minas Gerais	227,141	75.2%	60.7%	14.5%	1,849	1,849
Total	2,090,375	28.7%	22.9%	5.8%	18,007	18,007

Inventory

Tenda has been achieving satisfactory results on its inventory reduction initiatives, with inventory representing 56.3% of total sales for the 9M13. The market value for Tenda inventory remained stable at R\$714.8 million at the end of the third quarter. The legacy projects inventory for the Tenda segment totaled R\$592.0 million or 82,8% of the total. In the same period, inventory of units within the Minha Casa, Minha Vida program comprised R\$436.2 million, or 61% of the total inventory, while the proportion outside the program declined from 45% in 2Q13 to 39% in 3Q13.

Table 34. Inventory at Market Value 3Q13 x 2Q13 (R\$000) – Tenda Segment by Region

		65,732			
	133,639		26,447	-59,727	4,468
São Paulo					
Rio de Janeiro	89,356	-	18,291	-30,760	9,856
Minas Gerais	70,740	-	29,680	-37,716	4,543
Northeast	86,101	37,912	12,189	-48,315	6,081
Other	299,864	-	46,864	-107,103	65,582
Total Tenda	679,699	103,644	133,471	-283,622	81,595
MCMV	371,390	103,644	75,333	-194,548	80,391
Out of MCMV	308,309	-	58,138	-89,074	1,204

Note: 1) BoP beginning of period – 2Q13. 2) EoP end of period – 3Q13. 3) % Change 3Q13 versus 2Q13. 4) 3Q13 sales speed. 5) projects cancelled during the period.

ALPHAVILLE SEGMENT

Focuses on the sale of residential lots, with unit prices between R\$130.000 and R\$R\$500.000, and is present in 68 cities across 23 states and in the Distrito Federal.

Alphaville Segment Launches

Third-quarter launches totaled R\$287.4 million, a 35.5% increase compared to 2Q13 and 14.9% decrease versus the year-ago period. Launch volumes included 3 projects/phases across 2 states. The segment accounted for 48.2% of 9M13 consolidated launches, slightly up from the 45.6% a year ago. The approval term of certain allotments was longer than planned, which also led to a concentration of launches in the last quarter of the year.

Additional information on Alphaville segment launches can be found in the appendix to this earnings release.

Alphaville Pre-Sales

Third-quarter net pre-sales reached R\$90.1 million, a 46.0% decrease compared to the 2Q13 and 72.8% decline y-o-y. During the 9M13, the residential lots segment's share of consolidated pre-sales reached 30.6%, versus 38.9% in the same period of last year. In the 3Q13, sales speed (sales over supply) was 7.9%, compared to 15.8% in the 2Q13. 9M13 sales speed from launches was 36.5%. Sales from launches represented 55.5% of total sales in the quarter. A portion of sales from Alphaville launches occurring towards the end of the 3Q13 were registered in early October.

Additional information on Alphaville segment pre-sales can be found in the appendix to this earnings release.

Alphaville Segment Delivered Projects

During the 9M13, Alphaville delivered 2 projects/phases and 1,034 units, reaching 24.3% of the mid-range of full-year guidance of 3,500 to 5,000 units for the brand.

Additional information on Alphaville segment delivered projects can be found in the appendix to this earnings release.

Alphavile Segment Landbank and Inventory 3Q13

The table below presents more detail on the breakdown of Alphavile's landbank and also inventory at market value in the 3Q13:

Table 35 – Alphavile Segment Landbank - 3Q13

São Paulo	2,075,922	100%	-	100%	12,452	22,323
Rio de Janeiro	1,031,652	100%	-	100%	5,664	11,061
Other	9,675,501					
Total	12,783,076	100%	-	100%	74,288	95,542
					92,404	128,926

Table 36. Inventory at Market Value 3Q13 x 2Q13 (R\$000)

Total	886,365	287,455	64,598	-154,725	-26,287	1,057,405	19.3%
Alphavile	886,365	287,455	64,598	-154,725	-26,287	1,057,405	19.3%
≤ R\$200K	327,054	67,408	20,839	-72,956	-3,125	359,720	3.5%
> R\$200K:							
≤ R\$500K	346,664	220,048	35,865	-70,106	-42,370	490,100	41.4%
> R\$500K	192,147	-	7,894	-11,663	19,208	207,585	8.0%

Note: 1) BoP beginning of period – 2Q13. 2) EoP end of period – 3Q13. 3) % Change 3Q13 versus 2Q13. 4) 3Q13 sales speed. 5) projects cancelled during the period.

BALANCE SHEET

Cash and Cash Equivalents

On September 30th, 2013, cash and cash equivalents, and securities, totaled R\$781.6 million, impacted by the acquisition of the remaining 20% stake in Alphaville.

Accounts Receivable

At the end of the 3Q13, total consolidated accounts receivable decreased 26.6% y-o-y to R\$4.3 billion, and was 7.0% below the R\$4.7 billion recorded in the 2Q13.

Currently, Gafisa and Alphaville segments have approximately R\$450 million in accounts receivable from finished units.

Table 37. Total receivables (R\$000)

Receivables from developments – LT (off balance sheet)	1,972,210	2,229,465	-11.5%	2,671,756	-26.2%
Receivables from PoC – ST (on balance sheet)	2,103,130	2,184,064	-3.7%		