

Gafisa S.A.  
Form 6-K  
August 17, 2010

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM 6-K**

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

**For the month of August, 2010**

**(Commission File No. 001-33356),**

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**Gafisa S.A.**

*(Translation of Registrant's name into English)*

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

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

Indicate by check mark whether by furnishing the information contained in this Form,  
the Registrant is also thereby furnishing the information to the Commission pursuant  
to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

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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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(A free translation of the original in Portuguese)

FEDERAL GOVERNMENT SERVICE

Unaudited

BRAZILIAN SECURITIES COMMISSION (CVM)

QUARTERLY INFORMATION - ITR

Corporate Legislation

TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL AND OTHER

June 30, 2010

**REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY.**

**COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.**

**01.01 - IDENTIFICATION**

1 - CVM CODE

2 - COMPANY NAME

3 - CNPJ (Federal Tax ID)

**01610-1**

**GAFISA S/A**

**01.545.826/0001-07**

4 - NIRE (State Registration Number)

**01.02 - HEAD OFFICE**

1 ADDRESS

2 - DISTRICT

Av. das Nações Unidas, 8501 19° floor

Pinheiros

3 - ZIP CODE

4 CITY

5 - STATE

05425-070

Sao Paulo

SP

6 - AREA CODE

7 - TELEPHONE

8 - TELEPHONE

9 - TELEPHONE

10 - TELEX

011

3025-9297

3025-9158

3025-9191

11 - AREA  
CODE

12 - FAX

13 FAX

14 - FAX

011

3025-9438

3025-9217

-

15 - E-MAIL

**01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)**

1- NAME

Alceu Duilio Calciolari

2 ADDRESS

3 - DISTRICT

Av. das Nações Unidas, 8501 19° floor

Pinheiros

4 - ZIP CODE

5 CITY

6 - STATE

05425-070

Sao Paulo

SP

7 - AREA CODE

8 - TELEPHONE

9 - TELEPHONE

10 - TELEPHONE

11 - TELEX

011

3025-9297

3025-9158

3025-9191

12 - AREA CODE 13 FAX

14 FAX

15 - FAX

011

3025-9438

3025-9191

-

16 - E-MAIL

ri@gafisa.com.br

**01.04 - REFERENCE / AUDITOR**

CURRENT YEAR

CURRENT QUARTER

PREVIOUS QUARTER

1 -

3 -

6 -

7 -

BEGINNING

2 - END

QUARTER

4 - BEGINNING

5 END

QUARTER

BEGINNING

8 - END

1/1/2010

12/31/2010

2

4/1/2010

6/30/2010

1

1/1/2010

3/31/2010

09 - INDEPENDENT ACCOUNTANT

10 - CVM CODE

Terco Grant Thornton Auditores Independentes Soc. Simples

00635-1

11 - PARTNER IN CHARGE

12 - PARTNER S CPF (INDIVIDUAL TAXPAYER S REGISTER)

Daniel Gomes Maranhão Junior

070.962.868-45

**01.05 - CAPITAL STOCK**

| Number of Shares       | 1 - CURRENT QUARTER | 2 - PREVIOUS QUARTER | 3 - SAME QUARTER,<br>PREVIOUS YEAR |
|------------------------|---------------------|----------------------|------------------------------------|
| (in thousands)         | 6/30/2010           | 3/31/2010            | 6/30/2009                          |
| <b>Paid-in Capital</b> |                     |                      |                                    |
| 1 - Common             | 429,348             | 419,336              | 133,463                            |
| 2 - Preferred          | 0                   | 0                    | 0                                  |
| 3 - Total              | 429,348             | 419,336              | 133,463                            |
| <b>Treasury share</b>  |                     |                      |                                    |
| 4 - Common             | 600                 | 600                  | 3,125                              |
| 5 - Preferred          | 0                   | 0                    | 0                                  |
| 6 - Total              | 600                 | 600                  | 3,125                              |

**01.06 - COMPANY PROFILE**

1 - TYPE OF COMPANY

Commercial, Industrial and Other

2 - STATUS

Operational

3 - NATURE OF OWNERSHIP

National Private

4 - ACTIVITY CODE

1110 Civil Construction, Constr. Mat. and Decoration

5 - MAIN ACTIVITY

Real Estate Development

6 - CONSOLIDATION TYPE

Full

7 - TYPE OF REPORT OF INDEPENDENT AUDITORS

Unqualified

**01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**

1 ITEM                      2 - CNPJ (Federal Tax ID)      3 - COMPANY NAME

**01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER**

| 1 - ITEM | 2 - EVENT | 3 - APPROVAL | 4 TYPE | 5 - DATE OF PAYMENT | 6 - TYPE OF SHARE | 7 - AMOUNT PER SHARE |
|----------|-----------|--------------|--------|---------------------|-------------------|----------------------|
|----------|-----------|--------------|--------|---------------------|-------------------|----------------------|

Page 2

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**01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR**

| 1<br>ITEM | 2 - DATE<br>OF<br>CHANGE | 3 - CAPITAL<br>STOCK<br><br>(In thousands of<br>Reais) | 4 - AMOUNT<br>OF CHANGE<br><br>(In thousands<br>of Reais) | 5 - NATURE OF<br>CHANGE | 7 - NUMBER OF<br>SHARES ISSUED<br>(thousands) | 8 - SHARE<br>PRICE WHEN<br>ISSUED<br><br>(In Reais) |
|-----------|--------------------------|--|---|-------------------------|---|---|
|-----------|--------------------------|--|---|-------------------------|---|---|

**01.10 - INVESTOR RELATIONS OFFICER**

1- DATE                      2 SIGNATURE

08/03/2010

**02.01 - BALANCE SHEET - ASSETS (in thousands of Brazilian Reais)**

| 1             | CODE | 2 | DESCRIPTION  | 3 | 6/30/2010 | 4 | 3/31/2010 |
|---------------|------|---|--|---|-----------|---|-----------|
| 1             |      |   | Total Assets   |   | 6,860,791 |   | 6,659,552 |
| 1.01          |      |   | Current Assets   |   | 3,629,101 |   | 3,472,399 |
| 1.01.01       |      |   | Cash and cash equivalents                                      |   | 1,147,359 |   | 1,569,486 |
| 1.01.01.01    |      |   | Cash and banks   |   | 58,552    |   | 24,539    |
| 1.01.01.02    |      |   | Financial Investments  |   | 1,088,807 |   | 1,544,947 |
| 1.01.02       |      |   | Credits  |   | 1,245,035 |   | 1,059,185 |
| 1.01.02.01    |      |   | Trade accounts receivable                                      |   | 1,245,035 |   | 1,059,185 |
| 1.01.02.01.01 |      |   | Receivables from clients of developments                       |   | 1,134,442 |   | 946,207   |
| 1.01.02.01.02 |      |   | Receivables from clients of construction and services rendered |   | 75,162    |   | 79,401    |
| 1.01.02.01.03 |      |   | Other Receivables  |   | 35,431    |   | 33,577    |
| 1.01.02.02    |      |   | Sundry Credits   |   | 0         |   | 0         |
| 1.01.03       |      |   | Inventory  |   | 607,847   |   | 594,153   |
| 1.01.03.01    |      |   | Properties for sale  |   | 607,847   |   | 594,153   |
| 1.01.04       |      |   | Other  |   | 628,860   |   | 249,575   |
| 1.01.04.01    |      |   | Deferred selling expenses                                      |   | 739       |   | 209       |
| 1.01.04.02    |      |   | Other receivables  |   | 613,186   |   | 237,464   |
| 1.01.04.03    |      |   | Prepaid expenses   |   | 14,935    |   | 11,902    |
| 1.02          |      |   | Non Current Assets   |   | 3,231,690 |   | 3,187,153 |
| 1.02.01       |      |   | Long Term Receivables  |   | 923,590   |   | 994,016   |
| 1.02.01.01    |      |   | Sundry Credits   |   | 711,931   |   | 804,532   |
| 1.02.01.01.01 |      |   | Receivables from clients of developments                       |   | 554,120   |   | 654,970   |
| 1.02.01.01.02 |      |   | Properties for sale  |   | 157,811   |   | 149,562   |
| 1.02.01.02    |      |   | Credits with Related Parties                                   |   | 0         |   | 0         |
| 1.02.01.02.01 |      |   | Associated companies   |   | 0         |   | 0         |
| 1.02.01.02.02 |      |   | Subsidiaries   |   | 0         |   | 0         |
| 1.02.01.02.03 |      |   | Other Related Parties  |   | 0         |   | 0         |
| 1.02.01.03    |      |   | Other  |   | 211,659   |   | 189,484   |
| 1.02.01.03.01 |      |   | Deferred taxes   |   | 166,233   |   | 161,416   |
| 1.02.01.03.02 |      |   | Other receivables  |   | 45,426    |   | 28,068    |
| 1.02.02       |      |   | Permanent Assets   |   | 2,308,100 |   | 2,193,137 |
| 1.02.02.01    |      |   | Investments  |   | 2,076,331 |   | 1,963,075 |
| 1.02.02.01.01 |      |   | Interest in associated and similar companies                   |   | 0         |   | 0         |
| 1.02.02.01.02 |      |   | Interest in associated and similar companies - Goodwill        |   | 0         |   | 0         |
| 1.02.02.01.03 |      |   | Interest in Subsidiaries                                       |   | 1,731,625 |   | 1,614,235 |
| 1.02.02.01.04 |      |   | Interest in Subsidiaries - goodwill                            |   | 0         |   | 0         |
| 1.02.02.01.05 |      |   | Other Investments  |   | 344,706   |   | 348,840   |
| 1.02.02.02    |      |   | Property and equipment   |   | 28,755    |   | 27,399    |
| 1.02.02.03    |      |   | Intangible assets  |   | 203,014   |   | 202,663   |
| 1.02.02.03.01 |      |   | Goodwill on acquisition of subsidiaries                        |   | 194,871   |   | 195,534   |
| 1.02.02.03.02 |      |   | Other intangible   |   | 8,143     |   | 7,129     |
| 1.02.02.04    |      |   | Deferred charges   |   | 0         |   | 0         |



**02.02 - BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of Brazilian Reais)**

| 1 - CODE      | 2 - DESCRIPTION                                  | 3 | 6/30/2010 | 4 | 3/31/2010 |
|---------------|--|---|-----------|---|-----------|
| 2             | Total Liabilities and Shareholders' Equity       |   | 6,860,791 |   | 6,659,552 |
| 2.01          | Current Liabilities                              |   | 1,395,855 |   | 1,283,314 |
| 2.01.01       | Loans and Financing                              |   | 642,401   |   | 554,995   |
| 2.01.02       | Debentures                                       |   | 112,134   |   | 116,199   |
| 2.01.03       | Suppliers  |   | 78,376    |   | 64,467    |
| 2.01.04       | Taxes, charges and contributions                 |   | 92,006    |   | 86,420    |
| 2.01.05       | Dividends Payable                                |   | 50,716    |   | 50,716    |
| 2.01.06       | Provisions                                       |   | 6,312     |   | 7,326     |
| 2.01.06.01    | Provision for contingencies                      |   | 6,312     |   | 7,326     |
| 2.01.07       | Accounts payable to related parties              |   | 0         |   | 0         |
| 2.01.08       | Other  |   | 413,910   |   | 403,191   |
|               | Obligations for purchase of real estate and      |   |           |   |           |
| 2.01.08.02    | advances from customers                          |   | 208,200   |   | 222,749   |
| 2.01.08.03    | Payroll, profit sharing and related charges      |   | 38,026    |   | 35,095    |
| 2.01.08.04    | Other liabilities                                |   | 167,684   |   | 145,347   |
| 2.02          | Non Current Liabilities                          |   | 1,919,523 |   | 1,946,655 |
| 2.02.01       | Long Term Liabilities                            |   | 1,919,523 |   | 1,946,655 |
| 2.02.01.01    | Loans and Financing                              |   | 183,468   |   | 223,226   |
| 2.02.01.02    | Debentures                                       |   | 1,148,000 |   | 1,148,000 |
| 2.02.01.03    | Provisions                                       |   | 12,104    |   | 11,192    |
| 2.02.01.03.01 | Provisions for contingencies                     |   | 12,104    |   | 11,192    |
| 2.02.01.04    | Accounts payable to related parties              |   | 0         |   | 0         |
| 2.02.01.05    | Advance for future capital increase              |   | 0         |   | 0         |
| 2.02.01.06    | Others   |   | 575,951   |   | 564,237   |
|               | Obligations for purchase of real estate and      |   |           |   |           |
| 2.02.01.06.01 | advances from customers                          |   | 47,384    |   | 48,820    |
| 2.02.01.06.02 | Deferred income tax and social contribution      |   | 218,366   |   | 205,716   |
| 2.02.01.06.03 | Negative goodwill on acquisition of subsidiaries |   | 8,045     |   | 8,203     |
| 2.02.01.06.04 | Other liabilities                                |   | 302,156   |   | 301,498   |
| 2.03          | Deferred income                                  |   | 0         |   | 0         |
| 2.05          | Shareholders' equity                             |   | 3,545,413 |   | 3,429,583 |
| 2.05.01       | Paid-in capital stock                            |   | 2,711,168 |   | 2,689,487 |
| 2.05.01.01    | Capital Stock                                    |   | 2,712,899 |   | 2,691,218 |
| 2.05.01.02    | Treasury shares                                  |   | (1,731)   |   | (1,731)   |
| 2.05.02       | Capital Reserves                                 |   | 290,507   |   | 293,626   |
| 2.05.03       | Revaluation reserves                             |   | 0         |   | 0         |
| 2.05.03.01    | Own assets                                       |   | 0         |   | 0         |
| 2.05.03.02    | Subsidiaries/ Associated and similar Companies   |   | 0         |   | 0         |
| 2.05.04       | Revenue reserves                                 |   | 381,651   |   | 381,651   |
| 2.05.04.01    | Legal  |   | 31,758    |   | 31,758    |
| 2.05.04.02    | Statutory  |   | 311,360   |   | 311,360   |
| 2.05.04.03    | For Contingencies                                |   | 0         |   | 0         |
| 2.05.04.04    | Unrealized profits                               |   | 0         |   | 0         |



**02.02 - BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of Brazilian Reais)**

| 1 - CODE   | 2 - DESCRIPTION                             | 3 | 6/30/2010 | 4 | 3/31/2010 |
|------------|---|---|-----------|---|-----------|
| 2.05.04.05 | Retained earnings                           |   | 38,553    |   | 38,553    |
| 2.05.04.06 | Special reserve for undistributed dividends |   | 0         |   | 0         |
| 2.05.04.07 | Other revenue reserves                      |   | 0         |   | 0         |
| 2.05.05    | Adjustments to Assets Valuation             |   | 0         |   | 0         |
| 2.05.05.01 | Securities Adjustments                      |   | 0         |   | 0         |
| 2.05.05.02 | Cumulative Translation Adjustments          |   | 0         |   | 0         |
| 2.05.05.03 | Business Combination Adjustments            |   | 0         |   | 0         |
| 2.05.06    | Retained earnings/accumulated losses        |   | 162,087   |   | 64,819    |
| 2.05.07    | Advances for future capital increase        |   | 0         |   | 0         |

Page 6

**03.01 - STATEMENT OF INCOME (in thousands of Brazilian Reais)**

| 1 - CODE   | 2 - DESCRIPTION   | 3 - 4/1/2010 to<br>6/30/2010 | 4 - 1/1/2010 to<br>6/30/2010 | 5 - 4/1/2009 to<br>6/30/2009 | 6 - 1/1/2009 to<br>6/30/2009 |
|------------|---|------------------------------|------------------------------|------------------------------|------------------------------|
| 3.01       | Gross Sales and/or Services   | 357,966                      | 784,735                      | 285,558                      | 513,554                      |
| 3.01.01    | Real estate development and sales<br>Construction services rendered | 338,033                      | 714,928                      | 264,496                      | 475,298                      |
| 3.01.02    | revenue   | 11,457                       | 18,665                       | 8,971                        | 18,202                       |
| 3.01.03    | Barter transactions revenue   | 8,476                        | 51,142                       | 12,091                       | 20,054                       |
| 3.02       | Gross Sales Deductions  | (32,260)                     | (45,338)                     | (9,032)                      | (16,163)                     |
| 3.02.01    | Taxes on sales and services   | (29,689)                     | (39,971)                     | (8,290)                      | (15,090)                     |
| 3.02.02    | Brokerage fee on sales  | (2,571)                      | (5,367)                      | (742)                        | (1,073)                      |
| 3.03       | Net Sales and/or Services   | 325,706                      | 739,367                      | 276,526                      | 497,391                      |
| 3.04       | Cost of Sales and/or Services                                       | (238,045)                    | (560,767)                    | (182,853)                    | (356,016)                    |
| 3.04.01    | Cost of Real estate development                                     | (229,569)                    | (509,625)                    | (170,762)                    | (335,962)                    |
| 3.4.02     | Barter transactions cost  | (8,476)                      | (51,142)                     | (12,091)                     | (20,054)                     |
| 3.05       | Gross Profit  | 87,661                       | 178,630                      | 93,673                       | 141,375                      |
| 3.06       | Operating Expenses/Income   | 20,826                       | 3,923                        | (21,493)                     | (24,990)                     |
| 3.06.01    | Selling Expenses  | (15,978)                     | (31,822)                     | (16,040)                     | (32,650)                     |
| 3.06.02    | General and Administrative  | (22,059)                     | (45,968)                     | (24,943)                     | (51,025)                     |
| 3.06.02.01 | Profit sharing  | (6,790)                      | (6,800)                      | (5,736)                      | (5,736)                      |
| 3.06.02.02 | Stock option plan expenses  | (1,491)                      | (3,719)                      | (1,074)                      | (7,264)                      |
| 3.06.02.03 | Other Administrative Expenses                                       | (13,778)                     | (35,449)                     | (18,133)                     | (38,025)                     |
| 3.06.03    | Financial   | (2,995)                      | (27,473)                     | (17,864)                     | (32,247)                     |
| 3.06.03.01 | Financial income  | 30,778                       | 45,419                       | 22,774                       | 45,665                       |
| 3.06.03.02 | Financial Expenses  | (33,773)                     | (72,892)                     | (40,638)                     | (77,912)                     |
| 3.06.04    | Other operating income  | 0                            | 0                            | 52,600                       | 105,200                      |
|            | Gain on partial sale of Fit<br>Residential negative goodwill        |                              |                              |                              |                              |
| 3.06.04.01 | amortiz.  | 0                            | 0                            | 52,600                       | 105,200                      |
| 3.06.04.02 | Other operating income  | 0                            | 0                            | 0                            | 0                            |
| 3.06.05    | Other operating expenses  | (11,191)                     | (5,964)                      | (22,709)                     | (47,045)                     |
| 3.06.05.01 | Depreciation and Amortization                                       | (1,929)                      | (5,705)                      | 519                          | (3,118)                      |

Page 7

**03.01 - STATEMENT OF INCOME (in thousands of Brazilian Reais)**

| 1 - CODE   | 2 - DESCRIPTION  | 3 - 4/1/2010 to<br>6/30/2010 | 4 - 1/1/2010 to<br>6/30/2010 | 5 - 4/1/2009 to<br>6/30/2009 | 6 - 1/1/2009 to<br>6/30/2009 |
|------------|--|------------------------------|------------------------------|------------------------------|------------------------------|
| 3.06.05.02 | Other Operating expenses   | (9,262)                      | (259)                        | (23,228)                     | (43,927)                     |
| 3.06.06    | Equity in results of investees   | 73,049                       | 115,150                      | 7,463                        | 32,777                       |
| 3.07       | Total operating profit   | 108,487                      | 182,553                      | 72,180                       | 116,385                      |
| 3.08       | Total non-operating (income) expenses, net                                     | 0                            | 0                            | 0                            | 0                            |
| 3.8.01     | Income   | 0                            | 0                            | 0                            | 0                            |
| 3.08.02    | Expenses   | 0                            | 0                            | 0                            | 0                            |
| 3.09       | Profit before taxes/profit sharing   | 108,487                      | 182,553                      | 72,180                       | 116,385                      |
| 3.10       | Provision for income tax and social contribution                               | 0                            | 0                            | 0                            | 0                            |
| 3.11       | Deferred Income Tax  | (11,219)                     | (20,466)                     | (14,412)                     | (21,884)                     |
| 3.12       | Statutory Profit   | 0                            | 0                            | 0                            | 0                            |
| 3.12.01    | Sharing/Contributions  | 0                            | 0                            | 0                            | 0                            |
| 3.12.01    | Profit Sharing   | 0                            | 0                            | 0                            | 0                            |
| 3.12.02    | Contributions  | 0                            | 0                            | 0                            | 0                            |
| 3.13       | Reversal of interest attributed to shareholders equity                         | 0                            | 0                            | 0                            | 0                            |
| 3.15       | Net income for the Period  | 97,268                       | 162,087                      | 57,768                       | 94,501                       |
|            | NUMBER OF SHARES<br>OUTSTANDING EXCLUDING<br>TREASURY SHARES (in<br>thousands) | 428,748                      | 428,748                      | 130,338                      | 130,338                      |
|            | EARNINGS PER SHARE ( <i>Reais</i> )  | 0.22687                      | 0.37805                      | 0.44322                      | 0.72505                      |
|            | LOSS PER SHARE ( <i>Reais</i> )  |                              |                              |                              |                              |

## 04.01 - STATEMENT OF CASH FLOW INDIRECT METHOD (in thousands of Brazilian Reais)

| 1          | CODE | 2 DESCRIPTION                       | 3 -4/1/2010 to<br>6/30/2010 | 4 - 1/1/2010 to<br>6/30/2010 | 5 -4/1/2009 to<br>6/30/2009 | 6 - 1/1/2009 to<br>6/30/2009 |
|------------|------|-------------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| 4.01       |      | Net cash from operating activities  | (431,707)                   | (480,624)                    | (4,400)                     | 27,716                       |
| 4.01.01    |      | Cash generated in the operations    | 54,085                      | 147,081                      | 80,149                      | 94,620                       |
| 4.01.01.01 |      | Net Income for the year             | 97,268                      | 162,087                      | 57,768                      | 94,501                       |
| 4.01.01.02 |      | Equity in the results of investees  | (73,049)                    | (115,150)                    | (7,463)                     | (32,777)                     |
| 4.01.01.03 |      | Stock options expenses              | 1,490                       | 3,718                        | 1,074                       | 7,264                        |
| 4.01.01.04 |      | Gain on sale of investments         | 0                           | 0                            | (52,600)                    | (105,200)                    |
|            |      | Unrealized interest and finance     |                             |                              |                             |                              |
| 4.01.01.05 |      | charges, net                        | 21,333                      | 71,110                       | 31,697                      | 67,237                       |
| 4.01.01.06 |      | Deferred taxes                      | (5,920)                     | 3,327                        | 14,412                      | 21,884                       |
| 4.01.01.07 |      | Depreciation and amortization       | 2,087                       | 7,068                        | 2,109                       | 7,019                        |
| 4.01.01.08 |      | Amortization of negative goodwill   | (158)                       | (1,363)                      | (2,628)                     | (3,901)                      |
| 4.01.01.09 |      | Provision for contingencies         | 2,738                       | 5,896                        | 28,849                      | 30,305                       |
| 4.01.01.10 |      | Warranty provision                  | 1,827                       | 3,919                        | 1,195                       | 2,552                        |
| 4.01.01.11 |      | Profit sharing provision            | 6,800                       | 6,800                        | 5,736                       | 5,736                        |
| 4.01.01.12 |      | Fixed asset disposal, net           | (331)                       | (331)                        | 0                           | 0                            |
| 4.01.02    |      | Variation in Assets and Liabilities | (485,792)                   | (627,705)                    | (84,459)                    | (66,904)                     |
| 4.01.02.01 |      | Trade accounts receivable           | (84,998)                    | (190,868)                    | (155,669)                   | (274,468)                    |
| 4.01.02.02 |      | Properties for sale                 | (21,943)                    | (27,257)                     | 16,283                      | 136,539                      |
| 4.01.02.03 |      | Other Receivables                   | (417,174)                   | (390,071)                    | 59,507                      | 42,115                       |
| 4.01.02.04 |      | Deferred selling expenses           | (530)                       | (315)                        | (4,433)                     | (2,073)                      |
| 4.01.02.05 |      | Prepaid expenses                    | (3,033)                     | 1,492                        | 511                         | 461                          |
|            |      | Obligations for purchase of real    |                             |                              |                             |                              |
| 4.01.02.06 |      | estate and adv. from customers      | (13,892)                    | (36,186)                     | (6,840)                     | (34,419)                     |
| 4.01.02.07 |      | Taxes, charges and contributions    | 5,586                       | 14,145                       | 3,340                       | 7,157                        |
| 4.01.02.08 |      | Suppliers                           | 13,909                      | 17,239                       | 19,155                      | 15,170                       |
| 4.01.02.09 |      | Payroll, and related charges        | (3,819)                     | (7,669)                      | 4,896                       | 8,468                        |
| 4.01.02.10 |      | Other accounts payable              | 40,102                      | (8,215)                      | (21,299)                    | 34,146                       |
| 4.01.03    |      | Others                              | 0                           | 0                            | 0                           | 0                            |

**04.01 - STATEMENT OF CASH FLOW    INDIRECT METHOD (in thousands of Brazilian Reais)**

| 1 -<br>CODE | 2 DESCRIPTION  | 3 -4/1/2010 to<br>6/30/2010 | 4 - 1/1/2010 to<br>6/30/2010 | 5 -4/1/2009 to<br>6/30/2009 | 6 - 1/1/2009 to<br>6/30/2009 |
|-------------|--|-----------------------------|------------------------------|-----------------------------|------------------------------|
| 4.02        | Net cash from investments activities                       | (39,011)                    | (430,722)                    | (81,388)                    | (189,778)                    |
| 4.02.01     | Purchase of property and<br>equipment and deferred charges | (3,908)                     | (10,978)                     | (6,352)                     | (11,810)                     |
| 4.02.02     | Capital contribution in subsidiary<br>companies            | (39,762)                    | (56,884)                     | (22,351)                    | (97,824)                     |
| 4.02.03     | Restricted cash in guarantee to<br>loans                   | 4,659                       | (362,860)                    | (52,685)                    | (80,144)                     |
| 4.03        | Net cash from financing activities                         | 53,250                      | 922,366                      | 166,880                     | 141,752                      |
| 4.03.01     | Capital increase   | 21,681                      | 1,085,624                    | 3,062                       | 3,062                        |
| 4.03.02     | Loans and financing obtained                               | 104,907                     | 169,317                      | 299,548                     | 333,700                      |
| 4.03.03     | Repayment of loans and financing                           | (82,658)                    | (300,924)                    | (198,202)                   | (257,108)                    |
| 4.03.04     | Assignment of credits receivable,<br>net                   | 0                           | 0                            | 3,583                       | 3,209                        |
| 4.03.05     | Dividends paid   | 0                           | 0                            | 0                           | 0                            |
| 4.03.06     | Public offering expenses and<br>deferred taxes             | (9,439)                     | (50,410)                     | 0                           | 0                            |
| 4.03.07     | CCI Assignment of credits<br>receivable                    | 0                           | 0                            | 58,889                      | 58,889                       |
| 4.03.08     | Capital reserve  | 18,759                      | 18,759                       | 0                           | 0                            |
| 4.05        | Net increase (decrease) of Cash<br>and Cash Equivalents    | (417,468)                   | 11,020                       | 81,092                      | (20,310)                     |
| 4.05.01     | Cash at the beginning of the period                        | 1,174,003                   | 745,515                      | 63,814                      | 165,216                      |
| 4.05.02     | Cash at the end of the period                              | 756,535                     | 756,535                      | 144,906                     | 144,906                      |

**05.01 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 04/01/2010 TO 06/30/2010 (in thousands of Brazilian reais)**

| 1 -<br>CODE | 2 DESCRIPTION       | 3<br>CAPITAL<br>STOCK | 4 CAPITAL<br>RESERVES | 5 -<br>REVALUATION<br>RESERVES | 6 -<br>REVENUE<br>RESERVES | 7 - RETAINED<br>EARNINGS/<br>ACCUMULATED<br>DEFICIT | 8<br>ADJUSTMENTS<br>TO ASSETS<br>VALUATION | 9 |
|-------------|---------------------|-----------------------|-----------------------|--------------------------------|----------------------------|---|--|---|
| 5.01        | Opening balance     | 2,691,218             | 293,626               | 0                              | 379,920                    | 64,819  |  | 0 |
|             | Prior-years         | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.02        | adjustments         |                       |                       |                                |                            |   |  |   |
| 5.03        | Adjusted balance    | 2,691,218             | 293,626               | 0                              | 379,920                    | 64,819  |  | 0 |
|             | Net Income/Loss     | 0                     | 0                     | 0                              | 0                          |   |  |   |
| 5.04        | for the period      |                       |                       |                                |                            | 97,268  |  | 0 |
| 5.05        | Allocations         | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.05.01     | Dividends           | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
|             | Interest on own     | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.05.02     | capital             |                       |                       |                                |                            |   |  |   |
| 5.05.03     | Other Allocations   | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
|             | Realization of      | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.06        | revenue reserves    |                       |                       |                                |                            |   |  |   |
|             | Adjustments to      | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.07        | assets valuation    |                       |                       |                                |                            |   |  |   |
|             | Securities          | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.07.01     | adjustments         |                       |                       |                                |                            |   |  |   |
|             | Cumulative          | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
|             | Translation         |                       |                       |                                |                            |   |  |   |
| 5.07.02     | adjustments         |                       |                       |                                |                            |   |  |   |
|             | Business            | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
|             | Combination         |                       |                       |                                |                            |   |  |   |
| 5.07.03     | Adjustments         |                       |                       |                                |                            |   |  |   |
|             | Increase/decrease   |                       | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.08        | in capital stock    | 21,681                |                       |                                |                            |   |  |   |
|             | Shertis shares      |                       | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.08.01     | subscription        | 20,283                |                       |                                |                            |   |  |   |
|             | Exercise of stock   |                       | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.08.02     | options             | 1,398                 |                       |                                |                            |   |  |   |
|             | Increase in capital | 0                     |                       |                                |                            |   |  | 0 |
| 5.09        | reserves            |                       | (3,119)               |                                |                            |   |  |   |
|             | Public offering     | 0                     |                       | 0                              | 0                          | 0   |  | 0 |
| 5.09.01     | expenses            |                       | (6,230)               |                                |                            |   |  |   |
|             | Stock options       | 0                     |                       | 0                              | 0                          | 0   |  | 0 |
| 5.09.02     | program             |                       | 1,491                 |                                |                            |   |  |   |
|             | Shertis shares      | 0                     |                       | 0                              | 0                          | 0   |  | 0 |
| 5.09.03     | subscription        |                       | 1,620                 |                                |                            |   |  |   |
| 5.10        | Treasury Shares     | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
|             | Other Capital       | 0                     | 0                     | 0                              | 0                          | 0   |  | 0 |
| 5.11        | Transactions        |                       |                       |                                |                            |   |  |   |

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|      |                 |           |         |   |         |         |   |
|------|-----------------|-----------|---------|---|---------|---------|---|
| 5.12 | Others          | 0         | 0       | 0 | 0       | 0       | 0 |
| 5.13 | Closing balance | 2,712,899 | 290,507 | 0 | 379,920 | 162,087 | 0 |

Page 11

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**05.02 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2010 TO 06/30/2010 (in thousands of Brazilian reais)**

| 1 -<br>CODE | 2 DESCRIPTION       | 3<br>CAPITAL<br>STOCK | 4 CAPITAL<br>RESERVES | 5 -<br>REVALUATION<br>RESERVES | 6 -<br>REVENUE<br>RESERVES | 7 - RETAINED<br>EARNINGS/<br>ACCUMULATED<br>DEFICIT | 8<br>ADJUSTMENTS<br>TO ASSETS<br>VALUATION | 9 |
|-------------|---------------------|-----------------------|-----------------------|--------------------------------|----------------------------|---|--|---|
| 5.01        | Opening balance     | 1,627,275             | 318,439               |                                | 0                          | 379,920   | 0  | 0 |
|             | Prior-years         | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.02        | adjustments         |                       |                       |                                |                            |   |  |   |
| 5.03        | Adjusted balance    | 1,627,275             | 318,439               |                                | 0                          | 379,920   | 0  | 0 |
|             | Net Income/Loss     |                       |                       |                                |                            |   |  |   |
| 5.04        | for the period      | 0                     | 0                     |                                | 0                          | 0   | 162,087                                    | 0 |
| 5.05        | Allocations         | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.05.01     | Dividends           | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Interest on own     | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.05.02     | capital             |                       |                       |                                |                            |   |  |   |
| 5.05.03     | Other Allocations   | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Realization of      | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.06        | revenue reserves    |                       |                       |                                |                            |   |  |   |
|             | Adjustments to      | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.07        | assets valuation    |                       |                       |                                |                            |   |  |   |
|             | Securities          | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.07.01     | adjustments         |                       |                       |                                |                            |   |  |   |
|             | Cumulative          | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Translation         |                       |                       |                                |                            |   |  |   |
| 5.07.02     | adjustments         |                       |                       |                                |                            |   |  |   |
|             | Business            | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Combination         |                       |                       |                                |                            |   |  |   |
| 5.07.03     | Adjustments         |                       |                       |                                |                            |   |  |   |
|             | Increase/decrease   |                       | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.08        | in capital stock    | 1,085,624             |                       |                                |                            |   |  |   |
| 5.08.01     | Public offering     | 1,063,750             | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Exercise of stock   |                       | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.08.02     | options             | 1,591                 |                       |                                |                            |   |  |   |
|             | Shertis shares      |                       | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.08.03     | subscription        | 20,283                |                       |                                |                            |   |  |   |
|             | Increase in capital | 0                     |                       |                                | 0                          | 0   | 0  | 0 |
| 5.09        | reserves            |                       | (27,932)              |                                |                            |   |  |   |
|             | Public offering     | 0                     |                       |                                | 0                          | 0   | 0  | 0 |
| 5.09.01     | expenses            |                       | (33,271)              |                                |                            |   |  |   |
|             | Stock options       | 0                     |                       |                                | 0                          | 0   | 0  | 0 |
| 5.09.02     | program             |                       | 3,719                 |                                |                            |   |  |   |
|             | Shertis shares      | 0                     |                       |                                | 0                          | 0   | 0  | 0 |
| 5.09.03     | subscription        |                       | 1,620                 |                                |                            |   |  |   |
| 5.10        | Treasury Shares     | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.11        |                     | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |

| Other Capital Transactions |                 |           |         |   |         |         |   |
|----------------------------|-----------------|-----------|---------|---|---------|---------|---|
| 5.12                       | Others          |           | 0       | 0 | 0       | 0       | 0 |
| 5.13                       | Closing balance | 2,712,899 | 290,507 | 0 | 379,920 | 162,087 | 0 |

**08.01 CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of Brazilian Reais)**

| 1 - CODE      | 2 DESCRIPTION  | 3 6/30/2010 | 4 3/31/2010 |
|---------------|--|-------------|-------------|
| 1             | Total Assets   | 9,098,194   | 8,752,813   |
| 1.01          | Current Assets   | 5,901,703   | 5,773,717   |
| 1.01.01       | Cash and cash equivalents                                      | 1,806,384   | 2,125,613   |
| 1.01.01.01    | Cash and banks   | 138,674     | 193,615     |
| 1.01.01.02    | Financial Investments  | 1,500,054   | 1,786,941   |
| 1.01.01.03    | Restricted credits   | 167,656     | 145,057     |
| 1.01.02       | Credits  | 2,470,944   | 2,193,650   |
| 1.01.02.01    | Trade accounts receivable                                      | 2,470,944   | 2,193,650   |
| 1.01.02.01.01 | Receivables from clients of developments                       | 2,391,584   | 2,103,394   |
| 1.01.02.01.02 | Receivables from clients of construction and services rendered | 77,073      | 81,312      |
| 1.01.02.01.03 | Other Receivables  | 2,287       | 8,944       |
| 1.01.02.02    | Sundry Credits   | 0           | 0           |
| 1.01.03       | Inventory  | 1,446,760   | 1,327,966   |
| 1.01.03.01    | Properties for sale  | 1,446,760   | 1,327,966   |
| 1.01.04       | Other  | 177,615     | 126,488     |
| 1.01.04.01    | Deferred selling expenses                                      | 20,592      | 18,802      |
| 1.01.04.02    | Other receivables  | 141,740     | 95,436      |
| 1.01.04.03    | Prepaid expenses   | 15,283      | 12,250      |
| 1.02          | Non Current Assets   | 3,196,491   | 2,979,096   |
| 1.02.01       | Long Term Assets   | 2,925,681   | 2,711,246   |
| 1.02.01.01    | Sundry Credits   | 2,482,953   | 2,351,031   |
| 1.02.01.01.01 | Receivables from clients of developments                       | 2,075,161   | 1,922,482   |
| 1.02.01.01.02 | Properties for sale  | 407,792     | 428,549     |
| 1.02.01.02    | Credits with Related Parties                                   | 0           | 0           |
| 1.02.01.02.01 | Associated companies   | 0           | 0           |
| 1.02.01.02.02 | Subsidiaries   | 0           | 0           |
| 1.02.01.02.03 | Other Related Parties  | 0           | 0           |
| 1.02.01.03    | Other  | 442,728     | 360,215     |
| 1.02.01.03.01 | Deferred taxes   | 311,693     | 307,132     |
| 1.02.01.03.02 | Other receivables  | 131,035     | 53,083      |
| 1.02.02       | Permanent Assets   | 270,810     | 267,850     |
| 1.02.02.01    | Investments  | 0           | 0           |
| 1.02.02.01.01 | Interest in associated and similar companies                   | 0           | 0           |
| 1.02.02.01.02 | Interest in Subsidiaries                                       | 0           | 0           |
| 1.02.02.01.03 | Other investments  | 0           | 0           |
| 1.02.02.02    | Property and equipment   | 59,659      | 60,269      |
| 1.02.02.03    | Intangible assets  | 211,151     | 207,581     |
| 1.02.02.03.01 | Goodwill on acquisition of subsidiaries                        | 194,871     | 195,534     |
| 1.02.02.03.02 | Other intangibles  | 16,280      | 12,047      |
| 1.02.02.04    | Deferred charges   | 0           | 0           |

**08.02 CONSOLIDATED BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of Brazilian Reais)**

| 1 - CODE      | 2 - DESCRIPTION                                  | 3 | 6/30/2010 | 4 | 3/31/2010 |
|---------------|--|---|-----------|---|-----------|
| 2             | Total Liabilities and Shareholders' equity       |   | 9,098,194 |   | 8,752,813 |
| 2.01          | Current Liabilities                              |   | 2,163,821 |   | 2,056,473 |
| 2.01.01       | Loans and Financing                              |   | 825,382   |   | 735,741   |
| 2.01.02       | Debentures                                       |   | 123,608   |   | 139,792   |
| 2.01.03       | Suppliers  |   | 244,545   |   | 234,648   |
| 2.01.04       | Taxes, charges and contributions                 |   | 154,983   |   | 143,196   |
| 2.01.05       | Dividends Payable                                |   | 52,287    |   | 54,468    |
| 2.01.06       | Provisions                                       |   | 6,312     |   | 7,326     |
| 2.01.06.01    | Provision for contingencies                      |   | 6,312     |   | 7,326     |
| 2.01.07       | Accounts payable to related parties              |   | 0         |   | 0         |
| 2.01.08       | Other  |   | 756,704   |   | 741,302   |
|               | Obligations for purchase of real estate and      |   |           |   |           |
| 2.01.08.01    | advances from customers                          |   | 466,078   |   | 470,986   |
| 2.01.08.02    | Payroll, profit sharing and related charges      |   | 73,057    |   | 64,851    |
| 2.01.08.03    | Other liabilities                                |   | 217,569   |   | 205,465   |
| 2.01.08.04    | Deferred taxes                                   |   | 0         |   | 0         |
| 2.02          | Non Current Liabilities                          |   | 3,342,644 |   | 3,203,451 |
| 2.02.01       | Long Term Liabilities                            |   | 3,342,644 |   | 3,203,451 |
| 2.02.01.01    | Loans and Financing                              |   | 352,181   |   | 410,067   |
| 2.02.01.02    | Debentures                                       |   | 1,748,000 |   | 1,748,000 |
| 2.02.01.03    | Provisions                                       |   | 52,670    |   | 51,957    |
| 2.02.01.03.01 | Provisions for contingencies                     |   | 52,670    |   | 51,957    |
| 2.02.01.04    | Accounts payable to related parties              |   | 0         |   | 0         |
| 2.02.01.05    | Advance for future capital increase              |   | 0         |   | 0         |
| 2.02.01.06    | Others   |   | 1,189,793 |   | 993,427   |
|               | Obligations for purchase of real estate and      |   |           |   |           |
| 2.02.01.06.01 | advances from customers                          |   | 176,084   |   | 161,194   |
| 2.02.01.06.02 | Deferred taxes                                   |   | 484,453   |   | 452,496   |
| 2.02.01.06.03 | Other liabilities                                |   | 521,211   |   | 371,534   |
| 2.02.01.06.04 | Negative goodwill on acquisition of subsidiaries |   | 8,045     |   | 8,203     |
| 2.03          | Deferred income                                  |   | 0         |   | 0         |
| 2.04          | Minority Interests                               |   | 46,316    |   | 63,306    |
| 2.05          | Shareholders' equity                             |   | 3,545,413 |   | 3,429,583 |
| 2.05.01       | Paid-in capital stock                            |   | 2,711,168 |   | 2,689,487 |
| 2.05.01.01    | Capital Stock                                    |   | 2,712,899 |   | 2,691,218 |
| 2.05.01.02    | Treasury shares                                  |   | (1,731)   |   | (1,731)   |
| 2.05.02       | Capital Reserves                                 |   | 290,507   |   | 293,626   |
| 2.05.03       | Revaluation reserves                             |   | 0         |   | 0         |
| 2.05.03.01    | Own assets                                       |   | 0         |   | 0         |
| 2.05.03.02    | Subsidiaries/ Associated and similar Companies   |   | 0         |   | 0         |
| 2.05.04       | Revenue reserves                                 |   | 381,651   |   | 381,651   |
| 2.05.04.01    | Legal  |   | 31,758    |   | 31,758    |
| 2.05.04.02    | Statutory  |   | 311,360   |   | 311,360   |



**08.02 CONSOLIDATED BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of Brazilian Reais)**

| 1 - CODE   | 2 - DESCRIPTION                             | 3 | 6/30/2010 | 4 | 3/31/2010 |
|------------|---|---|-----------|---|-----------|
| 2.05.04.03 | For Contingencies                           |   | 0         |   | 0         |
| 2.05.04.04 | Unrealized profits                          |   | 0         |   | 0         |
| 2.05.04.05 | Retained earnings                           |   | 38,533    |   | 38,533    |
| 2.05.04.06 | Special reserve for undistributed dividends |   | 0         |   | 0         |
| 2.05.04.07 | Other revenue reserves                      |   | 0         |   | 0         |
| 2.05.05    | Adjustments to Assets Valuation             |   | 0         |   | 0         |
| 2.05.05.01 | Securities Adjustments                      |   | 0         |   | 0         |
| 2.05.05.02 | Cumulative Translation Adjustments          |   | 0         |   | 0         |
| 2.05.05.03 | Business Combination Adjustments            |   | 0         |   | 0         |
| 2.05.06    | Retained earnings/accumulated losses        |   | 162,087   |   | 64,819    |
| 2.05.07    | Advances for future capital increase        |   | 0         |   | 0         |

**09.01 CONSOLIDATED STATEMENT OF INCOME (in thousands of Brazilian Reais)**

| 1 - CODE   | 2 - DESCRIPTION   | 3 - 4/1/2010 to<br>6/30/2010 | 4 - 1/1/2010 to<br>6/30/2010 | 5 - 4/1/2009 to<br>6/30/2009 | 6 - 1/1/2009 to<br>6/30/2009 |
|------------|---|------------------------------|------------------------------|------------------------------|------------------------------|
| 3.01       | Gross Sales and/or Services   | 1,003,861                    | 1,942,737                    | 733,197                      | 1,299,008                    |
| 3.01.01    | Real estate development and sales<br>Construction services rendered | 972,776                      | 1,857,442                    | 707,454                      | 1,257,374                    |
| 3.01.02    | revenue   | 13,592                       | 21,469                       | 9,788                        | 17,087                       |
| 3.01.03    | Barter transactions revenue   | 17,493                       | 63,826                       | 15,955                       | 24,547                       |
| 3.02       | Gross Sales Deductions  | (76,419)                     | (107,710)                    | (27,379)                     | (51,303)                     |
| 3.02.01    | Taxes on sales and services   | (71,035)                     | (96,547)                     | (24,249)                     | (45,959)                     |
| 3.02.02    | Brokerage fee on sales  | (5,384)                      | (11,163)                     | (3,130)                      | (5,344)                      |
| 3.03       | Net Sales and/or Services   | 927,442                      | 1,835,027                    | 705,818                      | 1,247,705                    |
| 3.04       | Cost of Sales and/or Services                                       | (647,950)                    | (1,302,879)                  | (514,465)                    | (901,713)                    |
| 3.04.01    | Cost of Real estate development                                     | (630,457)                    | (1,239,053)                  | (498,510)                    | (877,166)                    |
| 3.4.02     | Barter transactions cost  | (17,493)                     | (63,826)                     | (15,955)                     | (24,547)                     |
| 3.05       | Gross Profit  | 279,492                      | 532,148                      | 191,353                      | 345,992                      |
| 3.06       | Operating Expenses/Income   | (146,164)                    | (300,362)                    | (93,355)                     | (183,193)                    |
| 3.06.01    | Selling Expenses  | (61,140)                     | (112,434)                    | (51,182)                     | (97,788)                     |
| 3.06.02    | General and Administrative  | (55,125)                     | (112,543)                    | (59,312)                     | (115,230)                    |
| 3.06.02.01 | Profit sharing  | (10,886)                     | (12,579)                     | (7,395)                      | (8,747)                      |
| 3.06.02.02 | Stock option plan expenses  | (2,584)                      | (5,767)                      | (3,746)                      | (12,313)                     |
| 3.06.02.03 | Other Administrative Expenses                                       | (41,655)                     | (94,197)                     | (48,171)                     | (94,170)                     |
| 3.06.03    | Financial   | (13,911)                     | (47,179)                     | (12,720)                     | (21,929)                     |
| 3.06.03.01 | Financial income  | 40,929                       | 64,858                       | 37,768                       | 73,295                       |
| 3.06.03.02 | Financial Expenses  | (54,840)                     | (112,037)                    | (50,488)                     | (95,224)                     |
| 3.06.04    | Other operating income  | 0                            | 0                            | 52,600                       | 105,200                      |
|            | Gain on partial sale of Fit<br>Residential negative goodwill        |                              |                              |                              |                              |
| 3.06.04.01 | amortize  | 0                            | 0                            | 52,600                       | 105,200                      |
| 3.06.05    | Other operating expenses  | (15,988)                     | (28,206)                     | (22,741)                     | (53,446)                     |
| 3.06.05.01 | Depreciation and Amortization                                       | (8,939)                      | (20,382)                     | (8,041)                      | (18,283)                     |
| 3.06.05.02 | Negative goodwill amortization                                      | 158                          | 1,363                        | 1,641                        | 3,901                        |

**09.01 CONSOLIDATED STATEMENT OF INCOME (in thousands of Brazilian Reais)**

| 1 - CODE   | 2 - DESCRIPTION                     | 3 - 4/1/2010 to<br>6/30/2010 | 4 - 1/1/2010 to<br>6/30/2010 | 5 - 4/1/2009 to<br>6/30/2009 | 6 - 1/1/2009 to<br>6/30/2009 |
|------------|-------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 3.06.05.03 | Other Operating expenses            | (7,207)                      | (9,187)                      | (16,341)                     | (39,064)                     |
| 3.06.06    | Equity in results of investees      | 0                            | 0                            | 0                            | 0                            |
| 3.07       | Total operating profit              | 133,328                      | 231,786                      | 97,998                       | 162,799                      |
|            | Total non-operating (income)        |                              |                              |                              |                              |
| 3.08       | expenses, net                       | 0                            | 0                            | 0                            | 0                            |
| 3.8.01     | Income                              | 0                            | 0                            | 0                            | 0                            |
| 3.08.02    | Expenses                            | 0                            | 0                            | 0                            | 0                            |
| 3.09       | Profit before taxes/profit sharing  | 133,328                      | 231,786                      | 97,998                       | 162,799                      |
|            | Provision for income tax and social |                              |                              |                              |                              |
| 3.10       | contribution                        | (9,977)                      | (17,723)                     | (4,519)                      | (10,831)                     |
| 3.11       | Deferred Income Tax                 | (12,083)                     | (26,826)                     | (16,102)                     | (26,103)                     |
|            | Statutory Profit                    |                              |                              |                              |                              |
| 3.12       | Sharing/Contributions               | 0                            | 0                            | 0                            | 0                            |
| 3.12.01    | Profit Sharing                      | 0                            | 0                            | 0                            | 0                            |
| 3.12.02    | Contributions                       | 0                            | 0                            | 0                            | 0                            |
|            | Reversal of interest attributed to  |                              |                              |                              |                              |
| 3.13       | shareholders equity                 | 0                            | 0                            | 0                            | 0                            |
| 3.14       | Minority interest                   | (14,000)                     | (25,150)                     | (19,609)                     | (31,364)                     |
| 3.15       | Net income for the Period           | 97,268                       | 162,087                      | 57,768                       | 94,501                       |
|            | NUMBER OF SHARES                    |                              |                              |                              |                              |
|            | OUTSTANDING EXCLUDING               |                              |                              |                              |                              |
|            | TREASURY SHARES (in                 |                              |                              |                              |                              |
|            | thousands)                          | 428,748                      | 428,748                      | 130,338                      | 130,338                      |
|            | EARNINGS PER SHARE ( <i>Reais</i> ) | 0.22687                      | 0.37805                      | 0.44322                      | 0.72505                      |
|            | LOSS PER SHARE ( <i>Reais</i> )     |                              |                              |                              |                              |

**10.01 CONSOLIDATED STATEMENT OF CASH FLOW INDIRECT METHOD (in thousands of Brazilian Reais)**

| 1 - CODE   | 2 DESCRIPTION                       | 3 -4/1/2010 to<br>6/30/2010 | 4 - 1/1/2010 to<br>6/30/2010 | 5 -4/1/2009 to<br>6/30/2009 | 6 - 1/1/2009 to<br>6/30/2009 |
|------------|-------------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| 4.01       | Net cash from operating activities  | (356,081)                   | (471,171)                    | (133,437)                   | (251,424)                    |
| 4.01.01    | Cash generated in the operations    | 153,311                     | 329,613                      | 125,512                     | 192,247                      |
| 4.01.01.01 | Net Income for the year             | 97,268                      | 162,087                      | 57,768                      | 94,501                       |
| 4.01.01.02 | Stock options expenses              | 2,584                       | 5,767                        | 3,746                       | 12,313                       |
| 4.01.01.03 | Gain on sale of investments         | 0                           | 0                            | (52,600)                    | (105,200)                    |
|            | Unrealized interest and finance     |                             |                              |                             |                              |
| 4.01.01.04 | charges, net                        | 27,529                      | 92,030                       | 45,752                      | 83,628                       |
| 4.01.01.05 | Deferred taxes                      | 23,541                      | 38,284                       | 16,102                      | 26,103                       |
| 4.01.01.06 | Depreciation and amortization       | 8,939                       | 20,382                       | 8,041                       | 17,296                       |
| 4.01.01.07 | Amortization of negative goodwill   | (158)                       | (1,363)                      | (1,641)                     | (2,914)                      |
| 4.01.01.08 | Disposal of fixed asset             | (331)                       | (331)                        | 49                          | 4,709                        |
| 4.01.01.09 | Provision for contingencies         | 2,819                       | 5,977                        | 24,950                      | 23,439                       |
| 4.01.01.10 | Warranty provision                  | 3,615                       | 6,318                        | 1,566                       | 3,486                        |
| 4.01.01.11 | Profit sharing provision            | 10,886                      | 12,579                       | 7,395                       | 8,747                        |
| 4.01.01.12 | Allowance for doubtful accounts     | 0                           | 114                          | 813                         | 813                          |
| 4.01.01.13 | Minority interest                   | (23,381)                    | (12,231)                     | 13,571                      | 25,326                       |
| 4.01.02    | Variation in Assets and Liabilities | (509,392)                   | (800,784)                    | (258,949)                   | (443,671)                    |
| 4.01.02.01 | Trade accounts receivable           | (429,973)                   | (769,573)                    | (320,539)                   | (795,594)                    |
| 4.01.02.02 | Properties for sale                 | (98,037)                    | (106,095)                    | 58,301                      | 239,051                      |
| 4.01.02.03 | Other Receivables                   | (143,442)                   | (97,975)                     | 128,667                     | 140,073                      |
| 4.01.02.04 | Deferred selling expenses           | (1,790)                     | (13,959)                     | (3,866)                     | (5,809)                      |
| 4.01.02.05 | Prepaid expenses                    | 117                         | 0                            | 519                         | 313                          |
| 4.01.02.06 | Suppliers                           | 9,897                       | 50,214                       | 47,643                      | 43,001                       |
|            | Obligations for purchase of real    |                             |                              |                             |                              |
| 4.01.02.07 | estate and adv. from customers      | 12,686                      | 20,352                       | (80,743)                    | (23,767)                     |
| 4.01.02.08 | Taxes, charges and contributions    | 7,265                       | 12,284                       | (14,059)                    | 7,457                        |
|            | Payroll, profit sharing and related |                             |                              |                             |                              |
| 4.01.02.09 | charges                             | (4,371)                     | (840)                        | 3,538                       | 32,721                       |
| 4.01.02.10 | Other accounts payable              | 138,256                     | 104,808                      | (78,410)                    | (81,117)                     |

**10.01 CONSOLIDATED STATEMENT OF CASH FLOW INDIRECT METHOD (in thousands of Brazilian Reais)**

| 1 - CODE   | 2 DESCRIPTION   | 3 -4/1/2010 to<br>6/30/2010 | 4 - 1/1/2010 to<br>6/30/2010 | 5 -4/1/2009 to<br>6/30/2009 | 6 - 1/1/2009 to<br>6/30/2009 |
|------------|---|-----------------------------|------------------------------|-----------------------------|------------------------------|
| 4.01.02.11 | Escrow deposits   | 0                           | 0                            | 0                           | 0                            |
| 4.01.03    | Others  | 0                           | 0                            | 0                           | 0                            |
| 4.02       | Net cash from investments<br>activities   | (109,647)                   | (523,323)                    | (43,071)                    | (80,064)                     |
| 4.02.01    | Purchase of property and<br>equipment and intangible assets                           | (10,649)                    | (28,335)                     | (13,089)                    | (15,879)                     |
| 4.02.02    | Restricted cash in guarantee to<br>loans  | (98,998)                    | (494,988)                    | (29,982)                    | (64,185)                     |
| 4.03       | Net cash from financing activities  | 47,500                      | 881,837                      | 702,060                     | 718,113                      |
| 4.03.01    | Capital increase  | 21,681                      | 1,085,624                    | 3,062                       | 3,062                        |
| 4.03.02    | Loans and financing obtained  | 136,286                     | 240,391                      | 930,036                     | 981,667                      |
| 4.03.03    | Repayment of loans and financing  | (148,245)                   | (405,383)                    | (292,999)                   | (380,348)                    |
| 4.03.04    | Assignment of credits receivable,<br>net  | 32,772                      | 19,985                       | 3,581                       | (14,354)                     |
| 4.03.05    | Dividends paid  | 0                           | 0                            | 0                           | 0                            |
| 4.03.06    | Proceeds from subscription of<br>redeemable equity interest in<br>securitization fund | (4,314)                     | (13,982)                     | (10,935)                    | 58,771                       |
| 4.03.07    | CCI assignment of credits<br>receivable   | 0                           | 0                            | 69,315                      | 69,315                       |
| 4.03.08    | Dividends paid SCP  | 0                           | (13,147)                     | 0                           | 0                            |
| 4.3.09     | Public offering expenses and<br>deferred taxes  | (9,439)                     | (50,410)                     | 0                           | 0                            |
| 4.03.10    | Capital reserve   | 18,759                      | 18,759                       | 0                           | 0                            |
| 4.04       | Foreign Exchange Variation on<br>Cash and Cash Equivalents                            | 0                           | 0                            | 0                           | 0                            |
| 4.05       | Net increase (decrease) of Cash<br>and Cash Equivalents                               | (418,428)                   | (112,657)                    | 525,552                     | 386,625                      |
| 4.05.01    | Cash at the beginning of the period   | 1,554,993                   | 1,249,422                    | 389,647                     | 528,574                      |
| 4.05.02    | Cash at the end of the period   | 1,136,765                   | 1,136,765                    | 915,199                     | 915,199                      |

**11.01 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 04/01/2010 TO 06/30/2010 (in thousands of Brazilian reais)**

| 1 -<br>CODE | 2 DESCRIPTION       | 3<br>CAPITAL<br>STOCK | 4 CAPITAL<br>RESERVES | 5 -<br>REVALUATION<br>RESERVES | 6 -<br>REVENUE<br>RESERVES | 7 - RETAINED<br>EARNINGS/<br>ACCUMULATED<br>DEFICIT | 8<br>ADJUSTMENTS<br>TO ASSETS<br>VALUATION | 9<br>BALANCE |
|-------------|---------------------|-----------------------|-----------------------|--------------------------------|----------------------------|---|--|--------------|
| 5.01        | Opening balance     | 2,691,218             | 293,626               | 0                              | 379,920                    | 64,819  |  | 0            |
|             | Prior-years         | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.02        | adjustments         |                       |                       |                                |                            |   |  |              |
| 5.03        | Adjusted balance    | 2,691,218             | 293,626               | 0                              | 379,920                    | 64,819  |  | 0            |
|             | Net Income/Loss     | 0                     | 0                     | 0                              | 0                          |   |  | 0            |
| 5.04        | for the period      |                       |                       |                                |                            | 97,268  |  |              |
| 5.05        | Allocations         | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.05.01     | Dividends           | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
|             | Interest on own     | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.05.02     | capital             |                       |                       |                                |                            |   |  |              |
| 5.05.03     | Other Allocations   | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
|             | Realization of      | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.06        | revenue reserves    |                       |                       |                                |                            |   |  |              |
|             | Adjustments to      | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.07        | assets valuation    |                       |                       |                                |                            |   |  |              |
|             | Securities          | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.07.01     | adjustments         |                       |                       |                                |                            |   |  |              |
|             | Cumulative          | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
|             | Translation         |                       |                       |                                |                            |   |  |              |
| 5.07.02     | adjustments         |                       |                       |                                |                            |   |  |              |
|             | Business            | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
|             | Combination         |                       |                       |                                |                            |   |  |              |
| 5.07.03     | Adjustments         |                       |                       |                                |                            |   |  |              |
|             | Increase/decrease   |                       | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.08        | in capital stock    | 21,681                |                       |                                |                            |   |  |              |
|             | Shertis shares      |                       | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.08.01     | subscription        | 20,283                |                       |                                |                            |   |  |              |
|             | Exercise of stock   |                       | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.08.02     | options             | 1,398                 |                       |                                |                            |   |  |              |
|             | Increase in capital | 0                     |                       |                                |                            |   |  | 0            |
| 5.09        | reserves            |                       | (3,119)               |                                |                            |   |  |              |
|             | Public offering     | 0                     |                       | 0                              | 0                          | 0   |  | 0            |
| 5.09.01     | expenses            |                       | (6,230)               |                                |                            |   |  |              |
|             | Stock options       | 0                     |                       | 0                              | 0                          | 0   |  | 0            |
| 5.09.02     | program             |                       | 1,491                 |                                |                            |   |  |              |
|             | Shertis shares      | 0                     |                       | 0                              | 0                          | 0   |  | 0            |
| 5.09.03     | subscription        |                       | 1,620                 |                                |                            |   |  |              |
| 5.10        | Treasury Shares     | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
|             | Other Capital       | 0                     | 0                     | 0                              | 0                          | 0   |  | 0            |
| 5.11        | Transactions        |                       |                       |                                |                            |   |  |              |

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|      |                 |           |         |   |         |         |   |
|------|-----------------|-----------|---------|---|---------|---------|---|
| 5.12 | Others          | 0         | 0       | 0 | 0       | 0       | 0 |
| 5.13 | Closing balance | 2,712,899 | 290,507 | 0 | 379,920 | 162,087 | 0 |

Page 20

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**11.02 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2010 TO 06/30/2010 (in thousands of Brazilian reais)**

| 1 -<br>CODE | 2 DESCRIPTION       | 3<br>CAPITAL<br>STOCK | 4 CAPITAL<br>RESERVES | 5 -<br>REVALUATION<br>RESERVES | 6 -<br>REVENUE<br>RESERVES | 7 - RETAINED<br>EARNINGS/<br>ACCUMULATED<br>DEFICIT | 8<br>ADJUSTMENTS<br>TO ASSETS<br>VALUATION | 9 |
|-------------|---------------------|-----------------------|-----------------------|--------------------------------|----------------------------|---|--|---|
| 5.01        | Opening balance     | 1,627,275             | 318,439               |                                | 0                          | 379,920   | 0  | 0 |
|             | Prior-years         | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.02        | adjustments         |                       |                       |                                |                            |   |  |   |
| 5.03        | Adjusted balance    | 1,627,275             | 318,439               |                                | 0                          | 379,920   | 0  | 0 |
|             | Net Income/Loss     | 0                     | 0                     |                                | 0                          | 0   |  |   |
| 5.04        | for the period      |                       |                       |                                |                            |   | 162,087                                    | 0 |
| 5.05        | Allocations         | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.05.01     | Dividends           | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Interest on own     | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.05.02     | capital             |                       |                       |                                |                            |   |  |   |
| 5.05.03     | Other Allocations   | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Realization of      | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.06        | revenue reserves    |                       |                       |                                |                            |   |  |   |
|             | Adjustments to      | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.07        | assets valuation    |                       |                       |                                |                            |   |  |   |
|             | Securities          | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.07.01     | adjustments         |                       |                       |                                |                            |   |  |   |
|             | Cumulative          | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Translation         |                       |                       |                                |                            |   |  |   |
| 5.07.02     | adjustments         |                       |                       |                                |                            |   |  |   |
|             | Business            | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Combination         |                       |                       |                                |                            |   |  |   |
| 5.07.03     | Adjustments         |                       |                       |                                |                            |   |  |   |
|             | Increase/decrease   |                       | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.08        | in capital stock    | 1,085,624             |                       |                                |                            |   |  |   |
| 5.08.01     | Public offering     | 1,063,750             | 0                     |                                | 0                          | 0   | 0  | 0 |
|             | Exercise of stock   |                       | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.08.02     | options             | 1,591                 |                       |                                |                            |   |  |   |
|             | Shertis shares      | 20,283                | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.08.03     | subscription        |                       |                       |                                |                            |   |  |   |
|             | Increase in capital | 0                     |                       |                                | 0                          | 0   | 0  | 0 |
| 5.09        | reserves            |                       | (27,932)              |                                |                            |   |  |   |
|             | Public offering     | 0                     |                       |                                | 0                          | 0   | 0  | 0 |
| 5.09.01     | expenses            |                       | (33,271)              |                                |                            |   |  |   |
|             | Stock options       | 0                     |                       |                                | 0                          | 0   | 0  | 0 |
| 5.09.02     | program             |                       | 3,719                 |                                |                            |   |  |   |
|             | Shertis shares      | 0                     | 1,620                 |                                | 0                          | 0   | 0  | 0 |
| 5.09.03     | subscription        |                       |                       |                                |                            |   |  |   |
| 5.10        | Treasury Shares     | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |
| 5.11        |                     | 0                     | 0                     |                                | 0                          | 0   | 0  | 0 |

| Other Capital Transactions |                 |           |         |   |         |         |   |   |
|----------------------------|-----------------|-----------|---------|---|---------|---------|---|---|
| 5.12                       | Others          |           | 0       | 0 | 0       | 0       | 0 | 0 |
| 5.13                       | Closing balance | 2,712,899 | 290,507 | 0 | 379,920 | 162,087 |   | 0 |

(A free translation of the original in Portuguese)

FEDERAL GOVERNMENT SERVICE

BRAZILIAN SECURITIES COMMISSION (CVM)

(Unaudited)

QUARTERLY INFORMATION - ITR

Corporate Legislation

TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL AND OTHER

BASE DATE - 06/30/2010

01610-1

GAFISA S/A

01.545.826/0001-07

06.01 NOTES TO THE QUARTERLY INFORMATION

**Notes to quarterly information (parent company and consolidated) as of June 30, 2010**

**(Amounts in thousands of Brazilian Reais, unless otherwise stated)**

**(Convenience translation into English from the original previously issued in Portuguese)**

**1. Operations**

Gafisa S.A. and its subsidiaries (collectively, the "Company") started its commercial operations in 1997 with the objectives of: (a) promoting and managing all forms of real estate ventures on its own behalf or for third parties; (b) purchasing, selling and negotiating real estate properties in general, including provision of financing to real estate clients; (c) carrying out civil construction and civil engineering services; (d) developing and implementing marketing strategies related to its own or third party real estate ventures; and (e) investing in other Brazilian or foreign companies which have similar objectives as the Company's.

The Company forms jointly-controlled ventures (Special Purpose Entities - SPEs) and participates in consortia and condominiums with third parties as a means of meeting its objectives. The controlled entities share the structure and corporate, managerial and operating costs with the Company.

On June 29, 2009, Gafisa S.A. and Construtora Tenda S.A. entered into a Private Instrument for Assignment and Transfer of Quotas and Other Covenants, in which Gafisa assigns and transfers to Tenda 41,341,895 quotas of Cotia1 Empreendimento Imobiliário for the net book value of R\$ 41,342 (Note 7). On December 30, 2009, the shareholders of Gafisa and Tenda approved the merger by Gafisa of total shares outstanding issued by Tenda. Because of the merger, Tenda became a wholly-owned subsidiary of Gafisa, and its shareholders received shares of Gafisa in exchange for their shares of Tenda at the ratio of 0.205 shares of Gafisa to one share of Tenda, as negotiated between Gafisa and the Independent Committee of Tenda,

both parties having been advised by independent expert companies. In view of the exchange ratio, 32,889,563 common shares were issued for the total issue price of R\$ 448,844 (Note 8).

On February 22, 2010, the split of our common shares was approved in the ratio of one existing share to two newly-issued shares, thus increasing the number of shares from 167,077,137 to 334,154,274.

In March 2010, the Company completed a public offering of common shares, resulting in a capital increase of R\$ 1,063,750 with the issue of 85,100,000 shares, comprising 46,634,420 shares in Brazil and 38,465,680 ADRs.

In May 2010, the Company approved the merger of the total amount of shares issued by Shertis Empreendimentos e Participações S.A., which main asset comprises 20% of the capital stock of Alphaville Urbanismo S.A. (AUSA). The Merger of Shares has the purpose of making viable the implementation of the Second Phase of the planned investment in the Investment Agreement and other Covenants, signed between the Company and Alphaville Participações S.A. (Alphapar) on October 2, 2006, thus increasing the interest of Gafisa in the capital stock of AUSA to 80%. As a result of the Merger of Shares, Shertis was converted into a wholly-owned subsidiary of Gafisa, with the issue of 9,797,792 new common shares to Alphapar, former shareholder of Shertis, thus resulting in a capital increase amounting to R\$ 20,283.

## **2. Presentation of the Quarterly Information**

The quarterly information was approved by the Board of Directors in their meeting held on July 29, 2010.

The quarterly information (ITR) was prepared and is being presented in accordance with the accounting practices adopted in Brazil, which take into consideration the provisions contained in the Brazilian Corporate Law – Law No. 6,404/76, amended by Laws Nos. 11,638/07 and 11,941/09, the rules set out by the Brazilian Securities Commission (CVM), the Pronouncement, Guidance and Interpretation issued by the Accounting Standard Committee (CPC), approved by Brazilian regulators, effective through December 31, 2009.

Over 2009 the Accounting Standard Committee (CPC) issued several pronouncements which implementation was required for 2010. On November 10, 2009, the CVM issued Resolution No. 603, amended by Resolution No. 626, which provides for the presentation of Quarterly Information (ITR) for 2010 and the early adoption of the accounting standards that shall be effective from 2010. These Resolutions permitted public companies to present their Quarterly Information during 2010, according to the accounting standards effective until December 31, 2009.

As mentioned above, the Company prepared its Quarterly Information in accordance with the accounting standards effective on December 31, 2009, therefore, at the time it prepares the financial statements for the year ending December 31, 2010, it will present again the Quarterly Information for 2010.

The Company is in the phase of analyzing the estimates for the potential effects produced by the changes introduced by the new accounting standards on its financial statements and decided not to include any change in the Quarterly Information at June 30, 2010 and March 31, 2010, in view of the complexity of and difficulty in measuring and quantifying the effects produced by the changes in the accounting practices applicable to its business. The Company is also discussing this matter with the other real estate companies to improve its understanding about its applicability in the segment and considering the Brazilian scenario. At present it is not possible to determine the effects of such changes on the shareholders' equity and results for the quarter ended June 30, 2010.

The main effects expected from the adoption of these new accounting standards are as follows:

- Revenue from sale and costs of real estate recognize in income statement when the title, risks and benefits are transferred to the real estate buyer (usually after the completion of the construction and upon the delivery of the apartment keys), and recognize the cost in income statement proportionally to the units sold taking into consideration the same criteria on recognition of revenue from sale of real estate.
- Business combinations: sets out the accounting treatment for business combinations regarding the recognition and measurement of acquired assets and assumed liabilities, goodwill based on future economic benefits, and minimum information to be disclosed by the Company.
- Construction contracts: sets out the accounting treatment for revenue and costs associated with construction contracts.
- Investments in associates: sets out how to record investments in associates in the parent company and consolidated financial statements.
- Interests in joint venture: sets out how to record interest in joint ventures and how to disclose assets, liabilities, income and expenses of these ventures in the financial statements of investors.
- Definition of principles for recognition, measurement and disclosure of financial instruments and requirements for disclosing information on financial instruments.
- Investment property: sets out the accounting treatment for investment property and respective disclosing requirements.
- Non-current assets held for sale and operations: sets out the accounting for non-current assets held for sale (on sale) and the presentation and disclosure of discontinued operations.

### **3. Significant accounting practices adopted in the preparation of the quarterly information**

#### **a) Accounting estimates**

The preparation of the quarterly information in accordance with the accounting practices adopted in Brazil requires the Company's management to make judgments to determine and record accounting estimates. Assets and liabilities affected by estimates and assumptions include the residual value of property and equipment, provision for impairment, allowance for doubtful accounts, deferred tax assets, provision for contingencies and measurement of financial instruments. The settlement of transactions involving these estimates may result in amounts different from those estimated in view of the inaccuracies inherent in the process for determining them. The Company review estimates and assumptions at least annually.



**b) Recognition of results**

**(i) Real estate development and sales**

Revenues, as well as costs and expenses directly related to real estate development units sold and not yet finished, are recognized over the course of the construction period and the following procedures are adopted::

**(a)** For completed units, the result is recognized when the sale is made, with the transfer of significant risks and rights, regardless of the receipt of the contractual amount, provided that the following conditions are met: (a) the result is determinable, that is, the collectibility of the sale price is reasonably assured or the amount that will not be collected can be estimated, and (b) the earnings process is virtually complete, that is, the Company is not obliged to perform significant activities after the sale to earn the profit. The collectibility of the sales price is demonstrated by the client's commitment to pay, which in turn is supported by initial and continuing investment..

**(b)** In the sales of uncompleted units, the following procedures and rules were observed:

§ The incurred cost (including the costs related to land, and other expenditures directly related to increase inventories) corresponding to the units sold is fully appropriated to the result.

§ The percentage of incurred cost (including costs related to land) is measured in relation to total estimated cost, and this percentage is applied on the revenues from units sold, determined in accordance with the terms established in the sales contracts, thus determining the amount of revenues and selling expenses to be recognized in direct proportion to cost.

§ The amount of revenues recognized that exceeds the amount received from clients is recorded as current or non-current assets. Any amount received in connection with the sale of units that exceeds the amount of revenues recognized is recorded as "Obligations for purchase of land and advances from clients".

§ Interest and inflation-indexation charges on accounts receivable as from the time the client takes possession of the property, as well as the adjustment to present value of accounts receivable, are appropriated to the result from the development and sale of real estate using the accrual basis of accounting □ pro rata basis.

§ The financial charges on accounts payable for acquisition of land and those directly associated with the financing of construction are recorded in inventories of properties for sale, and appropriated to the incurred cost of completed units, following the same criteria for appropriation of real estate development cost of units under construction sold.

The taxes on the difference between the revenues from real estate development and the accumulated revenues subject to tax are calculated and recognized when the difference in revenues is recognized.

The other advertising and publicity expenses are appropriated to results as they are incurred  
□ represented by media insertion □ using the accrual basis of accounting.

**(ii) Construction services**

Revenues from services consist primarily of amounts received regarding with construction management activities for third parties, technical management and management of real estate; revenues are recognized as services are rendered.

**(iii) Barter transactions**

Barter transactions of land in exchange for units, the value of land acquired by the Company is calculated based on the fair value of real estate units to be delivered. The fair value is recorded in inventories of Properties for sale against liabilities for Advances from clients, at the time the barter agreement is signed, provided that the real estate development recording is obtained. Revenues and costs incurred from barter transactions are appropriated to income over the course of construction period of the projects, as described in item (b).

**c) Financial instruments**

Financial instruments are recognized only from the date the Company becomes a party to the contract provisions of financial instruments, which include financial investments, accounts receivable and other receivables, cash and cash equivalents, loans and financing, as well as accounts payable and other debts. Financial instruments that are not recognized at fair value through income are added by any directly attributable transactions costs.

After the initial recognition, financial instruments are measured as described below:

**(i) Financial instruments at fair value through income**

A financial instrument is classified into fair value through income if held for trading, that is, designated as such when initially recognized. Financial instruments are designated at fair value through income if the Company manages these investments and makes decisions on purchase and sale based on their fair value according to the strategy of investment and risk management documented by the Company. After initial recognition, attributable transaction costs are recognized in income when incurred. Financial instruments at fair value through income are measured at fair value, and their fluctuations are recognized in income.

**(ii) Loans and receivables**

Loans and receivables are measured at cost amortized using the method of effective interest rate, reduced by possible impairment.



**d) Cash and cash equivalents**

Consist primarily of bank certificates of deposit and investment funds, denominated in reais, having a ready market and original maturity of 90 days or less or in regard to which there are no penalties or other restrictions for early redemption. Most of financial investments are classified into the category "financial assets at fair value through income".

Investment funds in which the Company is the sole owner are fully consolidated.

**e) Receivables from clients**

These are stated at cost plus accrued interest and indexation adjustments, net of adjustment to present value. The allowance for doubtful accounts arising from the provision of services, when applicable, is set up by the Company's management when there is no expectation of realization. In relation to receivables from development, the allowance for doubtful accounts is set up at an amount considered sufficient by Management to cover estimated losses on realization of credits that do not have general guarantee.

The installments due are indexed based on the National Civil Construction Index (INCC) during the construction phase, and based on the General Market Prices Index (IGP-M) and interest, after delivery of the units. For accounts receivable due of sale of units, the understanding of Management is that there is no need of setting up an allowance because it has general guarantee and the prices of units are above their book value, except for those related to the subsidiary Tenda.

**f) Certificates of real estate receivables (CRI)**

The Company assigns receivables for the securitization and issuance of mortgage-backed securities ("CRI"). When this assignment does not involve right of recourse, it is recorded as a reduction of accounts receivable. When the transaction involves recourse against the Company, the accounts receivable sold is maintained on the balance sheet. The financial guarantees, when a participation is acquired (subordinated CRI) and maintained to secure the receivables that were assigned, are recorded in the balance sheet in non-current receivables at fair value.

**g) Investment Fund of Receivables ("FIDC") and Real estate credit certificate ("CCI")**

The Company consolidates Investment Funds of Receivables (FIDC) in which it holds subordinated quotas, subscribed and paid in by the Company in receivables.

Pursuant to CVM Instruction No. 408, the consolidation by the Company of FDIC arises from the evaluation of the underlying and economic reality of these investments, considering, among others: (a) whether the Company still have control over the assigned receivables, (b) whether it still retains any right in relation to assigned receivables, (c) whether it still bears the risks and responsibilities for the assigned receivables, and (d) whether the Company

fundamentally or usually pledges guarantees to FIDC investors in relation to the expected receipts and interests, even informally.

Page 27

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When consolidating the FIDC in its quarterly information, the Company discloses the receivables in the group of accounts of receivables from clients and the FIDC net worth is reflected in other accounts payable, the balance of subordinated quotas held by the Company being eliminated in this consolidation process.

The financial costs of these transactions are appropriated on pro rata basis in the adequate heading of financial expenses.

The Company carries out the assignment and/or securitization of receivables related to credits of statutory lien on completed real estate ventures. This securitization is carried out upon the issuance of the real estate credit certificate (CCI), which is assigned to financial institutions that grant credit. The funds from assignment are classified in the heading other accounts payable, until certificates are settled by clients.

#### **h) Properties for sale**

Land is stated at cost of acquisition. Land is recorded only after the deed of property is registered. The Company also acquires land through barter transactions where, in exchange for the land acquired, it undertakes to deliver (a) real estate units under development or (b) part of the sales revenues originating from the sale of the real estate units. Land acquired through barter transaction is stated at fair value.

Properties are stated at construction cost, which does not exceed the net realizable value. In the case of real estate developments in progress, the portion in inventories corresponds to the cost incurred for units that have not yet been sold. The incurred cost comprises construction (materials, own or outsourced labor, and other related items), expenses for regularizing lands and ventures, and financial charges appropriated to the development as incurred during the construction phase.

When the cost of construction of properties for sale exceeds the expected cash flow from sales, once completed or still under construction, an impairment charge is recognized in the period when the book value is considered no longer to be recoverable.

Properties for sale are reviewed to evaluate the recovery of the book value of each real estate development when events or changes in macroeconomic scenarios indicate that the book value may not be recoverable. If the book value of a real estate development is not recoverable, compared to its realizable value through expected cash flows, a provision is recorded.

The Company capitalizes interest on developments during the construction phase, arising from the National Housing System □ SFH and other credit lines that are used for financing the construction of developments (limited to the corresponding financial expense amount), which are recognized in income in the proportion to units sold, the same criterion for other costs.

**i) Deferred selling expenses**

Brokerage expenditures are recorded in results following the same percentage-of-completion criteria adopted for the recognition of revenues. The charges related to sales commission of the buyer are not recognized as revenue or expense of the Company.

**j) Warranty provision**

The Company and its subsidiaries record a provision to cover expenditures for repairing construction defects covered during the warranty period, except for the subsidiaries that operate with outsourced companies, which are the own guarantors of the constructions services provided. The warranty period is five years from the delivery of the unit.

**k) Prepaid expenses**

These are taken to income in the period to which they relate.

**l) Property and equipment**

Recorded at cost. Depreciation is calculated based on the straight-line method considering the estimated useful life of the assets, as follows:

- (i)** Vehicles □ 5 years;
- (ii)** Office equipment and other installations □ 10 years;
- (iii)** Sales stands, facilities, model apartments and related furnishings - 1 year.

Expenditures incurred for the construction of sales stands, facilities, model apartments and related furnishings are capitalized as Property and equipment. Depreciation of these assets commences upon launch of the development and is recorded over the average term of one year and subject to periodical analysis of asset impairment.

**m) Intangible assets**

Intangible assets relate to the acquisition and development of computer systems and software licenses, recorded at acquisition cost, and are amortized over a period of up to five years.



**n) Goodwill and negative goodwill on the acquisition of investments**

The Company's investments in subsidiaries include goodwill when the acquisition cost exceeds the book value of net tangible assets of the acquired subsidiary and negative goodwill when the acquisition cost is lower.

Up to December 31, 2008, the goodwill is amortized in accordance with the underlying economic basis which considers factors such as the land bank, the ability to generate results from developments launched and/or to be launched and other inherent factors. From January 1, 2009 goodwill is no longer amortized in results for the period.

The Company annually evaluates at the balance sheet date whether there are any indications of permanent loss and potential adjustments to measure the residual portion not amortized of recorded goodwill, and records an impairment provision, if required, to adjust the carrying value of goodwill to recoverable amounts or to realizable values. If the book value exceeds the recoverable amount, the amount thereof is reduced.

Goodwill that cannot be justified economically is immediately charged to results for the year.

Negative goodwill that is justified economically is appropriated to results at the extent the assets which originated it are realized. Negative goodwill that is not justified economically is recognized in results only upon disposal of the investment.

**o) Investments in subsidiaries and joint-controlled investees**

If the Company holds more than half of the voting capital of another company, the latter is considered a subsidiary and is consolidated. In situations where shareholder agreements grant the other party veto rights affecting the Company's business decisions with regards to its subsidiary, such affiliates are considered to be jointly-controlled companies and are recorded on the equity method.

Cumulative movements after acquisitions are adjusted in cost of investment. Unrealized gains or transactions between Gafisa S.A. and its affiliates and subsidiary companies are eliminated in proportion to the Gafisa S.A.'s interest; unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred.

When the Company's interest in the losses of subsidiaries is equal to or higher than the amount invested, the Company recognizes the residual portion of the net capital deficiency since it assumes obligations to make payments on behalf of these companies or for advances for future capital increase.

The accounting practices of acquired subsidiaries are aligned with those of the parent company, in order to ensure consistency with the practices adopted by the Company.

**p) Obligations for purchase of land and advances from clients due to barter transactions**

These are contractual obligations established for purchases of land in inventory (Property for sale) which are stated at amortized cost plus interest and charges proportional to the period (pro rata basis), when applicable, net of adjustment to present value.

The obligations related to barter transactions of land in exchange for real estate units are stated at fair value, as advances from clients.

**q) Taxes on income**

Taxes on income in Brazil comprise Federal income tax (25%) and social contribution (9%), as recorded in the statutory accounting records, for entities on the taxable profit regime, for which the composite statutory rate is 34%. Deferred taxes are provided on all temporary tax differences.

As permitted by tax legislation, certain subsidiaries and jointly-controlled companies, the annual revenue of which were lower than a specified amount, opted for the presumed profit regime. For these companies, the income tax basis is calculated at the rate of 8% on gross revenues plus financial income and for the social contribution basis at 12% on gross revenues plus financial income, upon which the income tax and social contribution rates, 25% and 9%, respectively, are applied. The deferred tax assets are recognized to the extent that future taxable income is expected to be available to be used to offset temporary differences based on the budgeted future results prepared based on internal assumptions. New circumstances and economic scenarios may change the estimates, as approved by the Board.

Deferred tax assets arising from net operating losses have no expiration dates, though offset is restricted to 30% of annual taxable income. Taxable entities on the presumed profit regime cannot offset prior year losses against tax payable.

In the event realization of deferred tax assets is not considered to be probable, no amount is recorded (Note 16).

**r) Other current and non-current liabilities**

These liabilities are stated on the accrual basis at their known or estimated amounts, plus, when applicable, the corresponding charges and monetary variations through the balance sheet date, which contra-entry is included in income for the year. When applicable, current and non-current liabilities are recorded at present value based on interest rates that reflect the term, currency and risk of each transaction.

The liability for future compensation of employee vacations earned is fully accrued.

Gafisa S.A. and its subsidiaries do not offer private pension plans or retirement plan or other post-employment benefits to employees.



**s) Stock option plan**

As approved by its Board of Directors, the Company offers to its selected executives share-based compensation plans ("Stock Options").

The fair value of services received from the plan participants, in exchange for options, is determined in relation to the fair value of shares, on the grant date of each plan, and recognized as expense as contra-entry to shareholders' equity at the extent service is rendered.

**t) Profit sharing program for employees and officers**

The Company provides for the distribution of profit sharing benefits and bonuses to employees recognized in results in General and administrative expenses.

Additionally, the Company's bylaws establish the distribution of profit sharing to executive officers (in an amount that does not exceed the lower of their annual compensation or 10% of the Company's net income).

The bonus systems operate on a three-tier performance-based structure in which the corporate efficiency targets as approved by the Board of Directors must first be achieved, followed by targets for the business units and finally individual performance targets.

**u) Present value adjustment**

The assets and liabilities arising from long or short-term transactions, if they had a significant effect, were adjusted to present value.

In installment sales of unfinished units, real estate development entities have receivables formed prior to delivery of the units which does not accrue interest, were discounted to present value. The reversal of the adjustment to present value, considering that an important part of the Company's activities is to finance its customers, was made as a contra-entry to the real estate development revenue group itself, consistent with the interest accrued on the portion of accounts receivable related to the "after the keys" period

The financial charges of funds used in the construction and finance of real estate ventures shall be capitalized. As interest from funds used to finance the acquisition of land for development and construction is capitalized, the accretion of the present value adjustment arising from the obligation is recorded in Real estate development operating costs or against inventories of Properties for sale, as the case may be, until the construction phase of the venture is completed.

Accordingly, certain asset and liability items are adjusted to present value based on discount rates that reflect management's best estimate of the value of money over time and the specific risks of the asset and the liability.

The applied discount rate's underlying economic basis and assumption is the average rate of the financing and loans obtained by the Company, net of the inflation-index effect of IGP-M (Note 5).

**v) Impairment**

Management reviews annually the carrying value of assets with the objective of evaluating events or changes in economic and operational circumstances that may indicate impairment or reduction in their recoverable amounts. When such evidences are found, the carrying amount is higher than the recoverable one, so a provision for impairment is set up, adjusting the carrying to the recoverable amount. The goodwill and intangible assets with indefinite useful lives have the recovery of their amounts tested annually, whether there is or not indications of reduction in value.

**w) Debenture and share issuance expenses**

Transaction costs and premiums on issuance of securities, as well as share issuance expenses are accounted for as a direct reduction of capital raised. In addition, transaction costs and premiums on issuance of debt securities are amortized over the terms of the security and the balance is presented net of issuance expenses.

**x) Contingent assets and liabilities and legal obligations**

The accounting practices to record and disclose contingent assets and liabilities and legal obligations are as follows: (i) Contingent assets are recognized only when there are general guarantees or final and unappealable favorable court decisions. Contingent assets which depend on probable successful lawsuits are only disclosed in a Note to the quarterly information; and (ii) Contingent liabilities are accrued when losses are considered probable and the involved amounts are reasonably measurable. Contingent liabilities which losses are considered possible are only disclosed in a Note to financial statements, and those which losses are considered remote are not accrued nor disclosed.

**y) Statements of cash flows**

Statements of cash flows are prepared and presented as per CVM Resolution No. 547, of August 13, 2008, which approved the CPC 03 □ Statement of Cash Flows.

**z) Earnings per share**

Earnings per share are calculated based on the number of shares outstanding at the balance sheet dates.

**aa) Consolidated quarterly information**

The consolidated quarterly information of the Company, which include the quarterly information indicated in Note 8, were prepared in accordance with the applicable consolidation practices and legal provisions. Accordingly, intercompany balances, accounts, income and expenses, and unrealized earnings were eliminated. The jointly-controlled investees are consolidated in proportion to the interest held by the parent company.



**4. Cash and cash equivalents and financial investments**

|  | <i>Parent company</i> |                   | <i>Consolidated</i> |                   |
|--|-----------------------|-------------------|---------------------|-------------------|
|  | <i>06/30/2010</i>     | <i>03/31/2010</i> | <i>06/30/2010</i>   | <i>03/31/2010</i> |
| <i>Cash and cash equivalents</i>                                 |                       |                   |                     |                   |
| <i>Cash and banks</i>  | 58,552                | 24,539            | 144,568             | 193,615           |
| <i>Cash equivalents</i>  |                       |                   |                     |                   |
| <i>Investment funds</i>  | 500,833               | 1,023,246         | 670,458             | 1,107,646         |
| <i>Securities purchased under agreement to resell</i>            | 117,159               | 31,080            | 208,440             | 87,316            |
| <i>Bank Certificates of Deposits CDBs</i>                        | 66,696                | 22,222            | 88,731              | 93,480            |
| <i>Other</i>   | 13,295                | 72,916            | 24,568              | 72,936            |
| <i>Total cash and cash equivalents</i>                           | <b>756,535</b>        | <b>1,174,003</b>  | <b>1,136,765</b>    | <b>1,554,993</b>  |
| <i>Restricted cash in guarantee of loans</i>                     | 390,824               | 395,483           | 507,858             | 425,563           |
| <i>Total financial investments</i>                               | <b>1,088,807</b>      | <b>1,544,947</b>  | <b>1,500,055</b>    | <b>1,786,941</b>  |
| <i>Restricted credits (a)</i>                                    | -                     | -                 | 161,761             | 145,057           |
| <i>Total cash and cash equivalents and financial investments</i> | <b>1,147,359</b>      | <b>1,569,486</b>  | <b>1,806,384</b>    | <b>2,125,613</b>  |

**(a)** Transfer from clients which the Company expects to receive in up to 90 days.

At June 30, 2010, Bank Deposit Certificates □ CDBs include earned interest from 98.75% to 105% (March 31, 2010 - 98% to 102.5%) of Interbank Deposit Certificate □ CDI. Securities purchased under agreement to resell include earned interest from 98% to 104% (March 31, 2010 □ 98.25% to 101.75%) of CDI. Both investments are made in first class financial institutions.

At June 30, the amount related to investment funds is recorded at fair value through income. At June 30, 2010, the investment fund portfolio is composed of securities purchased under agreement to resell, Bank Certificates of Deposit and government securities. Pursuant to CVM Instruction No. 408/04, financial investment in Investment Funds in which the Company has exclusive interest is consolidated.

Fundo de Investimento Arena is a multimarket fund under management and administration of Santander Asset Management and custody of Itau Unibanco. The objective of this fund is to appreciate the value of its quotas by investing the funds of its investment portfolio, which may be composed of financial and/or other operating assets available in the financial and capital markets that yield fixed return. Assets eligible to the portfolio are the following: government bonds, derivative contracts, debentures, CDBs and Bank Receipts of Deposits (RDBs), investment fund quotas of classes accepted by CVM and securities purchased under agreement to resell, according to the rules of the National Monetary Council (CMN). There is no grace period for redemption of quotas, which can be redeemed with a return at any time. The fund's tax treatment is that applicable to long-term investment funds.

Fundo de Investimento Colina is a fixed-income private credit fund under management and administration of Santander Asset Management and custody of Itau Unibanco. The objective of this fund is to provide a return higher than 101% of CDI. The assets eligible to the portfolio are the following: government bonds, derivative contracts, debentures, CDBs and RDBs. The consolidated portfolio can generate exposure to Selic/CDI, fixed rate and price indices. There is no grace period for redemption of quotas, which can be redeemed with a return at any time. The fund's tax treatment is that applicable to long-term investment funds.

Fundo de Investimento Vista is a fixed-income private credit fund under management and administration of Votorantim Asset Management and custody of Itau Unibanco. The objective of this fund is to provide a return higher than 101% of CDI. The assets eligible to the portfolio are the following: government bonds, derivative contracts, debentures, CDBs and RDBs. The consolidated portfolio can generate exposure to Selic/CDI, fixed rate and price indices. There is no grace period for redemption of quotas, which can be redeemed with a return at any time. The fund's tax treatment is that applicable to long-term investment funds.

The balance sheet of investment funds is as follows:

| <b>Assets</b>                                    | <b>Vista</b>   | <b>Colina</b>  | <b>Arena</b>   |
|--|----------------|----------------|----------------|
| <i>Current</i>                                   | 255,329        | 304,791        | 573,526        |
| <b>Total assets</b>                              | <b>255,329</b> | <b>304,791</b> | <b>573,526</b> |
| <b>Liabilities</b>                               |                |                |                |
| <i>Current</i>                                   | 35             | 45             | 407            |
| <b>Shareholders equity</b>                       |                |                |                |
| <i>Capital stock</i>                             | 243,836        | 291,284        | 544,030        |
| <i>Retained earnings</i>                         | 1,419          | 898            | 1,058          |
| <i>Income for the period</i>                     | 10,039         | 12,564         | 28,031         |
| <b>Total shareholders equity</b>                 | <b>255,294</b> | <b>304,746</b> | <b>573,119</b> |
| <b>Total liabilities and shareholders equity</b> | <b>255,329</b> | <b>304,791</b> | <b>573,526</b> |

**5. Receivables from clients**

|  | <b>Parent company</b> |                   | <b>Consolidated</b> |                   |
|--|-----------------------|-------------------|---------------------|-------------------|
|  | <b>06/30/2010</b>     | <b>03/31/2010</b> | <b>06/30/2010</b>   | <b>03/31/2010</b> |
| <i>Real estate development and sales</i> | 1,714,067             | 1,632,776         | 4,557,660           | 4,105,463         |
| <i>(-) Adjustment to present value</i>   | (25,505)              | (31,599)          | (90,915)            | (79,587)          |
| <i>Services and construction</i>         | 75,162                | 79,401            | 77,073              | 81,312            |
| <i>Other receivables</i>                 | 35,431                | 33,577            | 2,287               | 8,944             |
|  | <b>1,799,155</b>      | <b>1,714,155</b>  | <b>4,546,105</b>    | <b>4,116,132</b>  |
| <i>Current</i>                           | 1,245,035             | 1,059,185         | 2,470,944           | 2,193,650         |
| <i>Non-current</i>                       | 554,120               | 654,970           | 2,075,161           | 1,922,482         |

**(i)** The balance of accounts receivable from units sold and not yet delivered is limited to the portion of revenues accounted for net of the amounts already received.

The balances of advances from clients (development and services), which exceed the revenues recorded in the period, amount to R\$ 233,962 in consolidated balance at June 30, 2010 (March 31, 2010 - R\$ 222,866), and are classified in Obligations for purchase of land and advances from clients.

Accounts receivable from completed real estate units delivered are in general subject to annual interest of 12% plus IGP-M variation, the financial income being recorded in income as Revenue from real estate development; the interest recognized for the periods ended June 30, 2010 and June 30, 2009 amounted to R\$ 15,101 and R\$ 27,990, respectively.

An allowance for doubtful accounts is not considered necessary, except for Tenda, since the history of losses on accounts receivable is insignificant. The Company's evaluation of the risk of loss takes into account that these credits refer mostly to developments under construction, where the transfer of the property deed only takes place after the settlement and/or negotiation of the client receivables.

The allowance for doubtful accounts for Tenda totaled R\$ 17,985 (consolidated) at June 30, 2010 (March 31, 2010 □ R\$ 17,995), and is considered sufficient by the Company's management to cover the estimated of future losses on the realization of accounts receivable of this subsidiary.

The total reversal value of the adjustment to present value recognized in the real estate development revenue for the period ended June 30, 2010 amounted to R\$ 7,686 (parent company) and R\$ (3,990) (consolidated), respectively.

Receivables from real estate units not yet finished were measured at present value considering the discount rate determined according to the criterion described in Note 3(u). The net rate applied by the Company and its subsidiaries varied from 5.16% to 7.11% for the quarter ended June 30, 2010.

**(ii)** On March 31, 2009, the Company carried out a FIDC transaction, which consists of an assignment of a portfolio comprising select residential and commercial real estate receivables arising from Gafisa and its subsidiaries. This portfolio was assigned and transferred to "Gafisa FIDC" which issued Senior and Subordinated quotas. This first issuance of senior quotas was made through an offering restricted to qualified investors. Subordinated quotas were subscribed exclusively by Gafisa. Gafisa FIDC acquired the portfolio of receivables at a discount rate equivalent to the interest rate of finance contracts.

Gafisa was hired by Gafisa FIDC and will be remunerated for performing, among other duties, the conciliation of the receipt of receivables owned by the fund and the collection of past due receivables. The transaction structure provides for the substitution of the Company as collection agent in case of non-fulfillment of the responsibilities described in the collection service contract.

The Company assigned its receivables portfolio amounting to R\$ 119,622 to Gafisa FIDC in exchange for cash, at the transfer date, discounted to present value, for R\$ 88,664. The following two quota types were issued: Senior and Subordinated. The subordinated quotas were exclusively subscribed by Gafisa S.A., representing approximately 21% of the amount issued, totaling R\$ 18,958 (present value). At June 30, 2010 it totaled R\$ 16,476 (Note 8). Senior and Subordinated quota receivables are indexed by IGP-M and incur interest at 12% per year.

The Company consolidated Gafisa FIDC in its quarterly information, accordingly, it discloses at June 30, 2010 receivables amounting to R\$ 43,802 in the group of accounts of receivables from clients, and R\$ 27,326 is reflected in other accounts payable, the balance of subordinated quotas held by the Company being eliminated in this consolidation process.

**(iii)** On June 26, 2009, the Company carried out a CCI transaction, which consists of an assignment of a portfolio comprising select residential real estate credits from Gafisa and its subsidiaries. The Company assigned its receivables portfolio amounting to R\$ 89,102 in exchange for cash, at the transfer date, discounted to present value, of R\$ 69,315, classified into the heading "Other Accounts Payable - Credit Assignments".

8 book CCIs were issued, amounting to R\$ 69,315 at the date of issue. These 8 CCIs are backed by Receivables which installments fall due on and up to June 26, 2014 ("CCI-Investor").

CCI-Investor, pursuant to Article 125 of the Brazilian Civil Code, carry general guarantees represented by statutory lien on real estate units, as soon as the following occurs: (i) the suspensive condition included in the registration takes place, in the record of the respective real estate units; (ii) the assignment of receivables from the assignors to SPEs, as provided for in Article 167, item II, (21) of Law No. 6,015, of December 31, 1973; and (iii) the issue of CCI Investor by SPEs, as provided for in Article 18, paragraph 5 of Law No. 10,931/04.

Gafisa was hired and will be remunerated for performing, among other duties, the conciliation of the receipt of receivables, guarantee the CCIs, and the collection of past due receivables. The transaction structure provides for the substitution of Gafisa as collection agent in case of non-fulfillment of the responsibilities described in the collection service contract.

## 6. Properties for sale

|   | <i>Parent company</i> |                   | <i>Consolidated</i> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <i>06/30/2010</i>     | <i>03/31/2010</i> | <i>06/30/2010</i>   | <i>03/31/2010</i> |
| <i>Land, net of adjustment to present value</i> | 307,853               | 360,043           | 701,790             | 745,119           |
| <i>Property under construction</i>              | 354,808               | 302,684           | 947,023             | 842,023           |
| <i>Completed units</i>                          | 102,997               | 80,988            | 205,739             | 169,373           |
|   | <b>765,658</b>        | <b>743,715</b>    | <b>1,854,552</b>    | <b>1,756,515</b>  |
| <i>Current portion</i>                          | 607,847               | 594,153           | 1,446,760           | 1,327,966         |
| <i>Non-current portion</i>                      | 157,811               | 149,562           | 407,792             | 428,549           |

The Company has undertaken commitments to build units bartered for land, accounted for based on the fair value of the bartered units. At June 30, 2010 the balance of land acquired through barter transactions amounted to R\$ 46,783 (parent company) and R\$ 103,830 (consolidated).

As mentioned in Note 10, the balance of financial charges at June 30, 2010 amounts to R\$ 71,208 (parent company) and R\$ 101,896 (consolidated).

The adjustment to present value in the property for sale balance refers to the portion of the contra-entry to the adjustment to present value of Obligations for purchase of land without effect on results (Note 14).

**7. Other accounts receivable**

|   | <b>Parent company</b> |                   | <b>Consolidated</b> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <b>06/30/2010</b>     | <b>03/31/2010</b> | <b>06/30/2010</b>   | <b>03/31/2010</b> |
| <i>Current accounts related to real estate ventures (*)<br/>(Note 18)</i> | 401,280               | 54,255            | 122,889             | 14,874            |
| <i>Advances to suppliers</i>  | 4,951                 | 4,065             | 51,048              | 58,932            |
| <i>Credit assignment receivable</i>                                       | 4,093                 | 4,093             | 4,087               | 4,087             |
| <i>Credit financing to be released</i>                                    | 2,804                 | 3,292             | 3,678               | 4,166             |
| <i>Deferred PIS and COFINS</i>  | 372                   | 227               | 2,707               | 2,475             |
| <i>Recoverable taxes</i>  | 26,508                | 19,851            | 51,226              | 43,882            |
| <i>Advances for future capital increase</i>                               | 156,437               | 135,570           | -                   | -                 |
| <i>Loan</i>   | 24,400                | 21,493            | -                   | -                 |
| <i>Other</i>  | 37,767                | 22,686            | 37,140              | 20,103            |
|   | 658,612               | 265,532           | 272,775             | 148,519           |
| <i>Current</i>  | 613,186               | 237,464           | 141,740             | 95,436            |
| <i>Non-current</i>  | 45,426                | 28,068            | 131,035             | 53,083            |

**(\*)** The Company participates in the development of real estate ventures with other partners, directly or through related parties, based on the constitution of condominiums and/or consortia. The management structure of these enterprises and the cash management are centralized in the lead partner of the enterprise, which manages the construction schedule and budgets. Thus, the lead partner ensures that the investments of the necessary funds are made and allocated as planned. The sources and use of resources of the venture are reflected in these balances, observing the respective participation percentage, which are not subject to indexation or financial charges and do not have a predetermined maturity date. The average term for the development and completion of the projects in which the resources are invested is between 24 and 30 months. The Company receives a compensation for the management of these ventures.

As mentioned in Note 1, on June 29, 2009, Gafisa S.A. and Construtora Tenda S.A. entered into a Private Instrument for Assignment and Transfer of Quotas and Other Covenants, in which Gafisa assigns and transfers to Tenda 41,341,895 quotas of Cotia1 Empreendimento Imobiliário for the net book value of R\$ 41,342 (recognized in the heading "Current accounts related to real estate venture"), payable in 36 monthly installments from March 2010 to March 2013. The value of each installment will be added by interests at 0.6821% per month, and monetary adjustment equivalent to the positive variation of IGPM.



## 8. Investments in subsidiaries

In January 2007, upon the acquisition of 60% of AUSA, arising from the merger of Catalufa Participações Ltda., a capital increase of R\$ 134,029 was approved upon the issuance for public subscription of 6,358,116 common shares. This transaction generated goodwill of R\$ 170,941 recorded based on expected future profitability, which was partially amortized exponentially and progressively up to December 31, 2008 to match the estimated profit before taxes of AUSA on accrual basis of accounting.

As mentioned in Note 1, in May 2010 the Company approved the merger of the total amount of shares issued by Shertis Empreendimentos e Participações S.A., which main asset comprises 20% of the capital stock of AUSA. The Merger of Shares has the purpose of making viable the implementation of the Second Phase of the planned investment in the Investment Agreement and other Covenants, signed between the Company and Alphaville Participações S.A. (Alphapar) on October 2, 2006, thus increasing the interest of Gafisa in the capital stock of AUSA to 80%. As a result of the Merger of Shares, Shertis was converted into a wholly-owned subsidiary of Gafisa, with the issue of 9,797,792 new common shares to Alphapar, former shareholder of Shertis for the issue price of R\$ 20,283 at carrying value.

The Company has a commitment to purchase the remaining 20% of AUSA's capital stock based on the fair value of AUSA, evaluated at the future acquisition dates, the purchase consideration for which cannot yet be calculated and, consequently, is not recognized. The contract for acquisition provides that the Company undertakes to purchase the remaining 20% of AUSA in 2012 in cash or shares, at the sole discretion of the Company.

On October 26, 2007, the Company acquired 70% of Cipesa, and Gafisa and Cipesa incorporated a new company, Cipesa Empreendimentos Imobiliários Ltda. ("Nova Cipesa"), in which the Company holds a 70% interest and Cipesa has 30%. Gafisa made a contribution in Nova Cipesa of R\$ 50,000 in cash and acquired the shares which Cipesa held in Nova Cipesa amounting to R\$ 15,000, paid on October 26, 2008. Cipesa is entitled to receive from the Company a variable portion corresponding to 2% of the Total Sales Value (VGV), as defined, of the projects launched by Nova Cipesa through 2014, not to exceed R\$ 25,000. Accordingly, the Company's purchase consideration totaled R\$ 90,000 and goodwill amounting to R\$ 40,686 was recorded, based on expected future profitability.

In November 2007, the Company acquired for R\$ 40,000 the remaining interest in certain ventures with Redevco do Brasil Ltda.. As a result of this transaction, the Company recognized negative goodwill of R\$ 31,235, based on expected future profitability, which was amortized exponentially and progressively up to June 30, 2010, based on the estimated profit before taxes on net income of these SPEs. In the period ended June 30, 2010, the Company amortized negative goodwill amounting to R\$ 1,363 arising from the acquisition of these SPEs (June 30, 2009  $\square$  R\$ 3,901).

On October 21, 2008, as part of the acquisition of its interest in Tenda, the Company contributed the net assets of Fit Residencial amounting to R\$ 411,241, acquiring 60% of the shareholders' equity of Tenda, which at that date presented shareholders' equity book value of R\$ 1,036,072, with an investment of R\$ 621,643. The sale of the 40% quotas of Fit Residencial to Tenda shareholders in exchange for the Tenda shares generated negative goodwill of R\$ 210,402, which is based on expected future results, reflecting the gain on the sale of the interest in Fit Residencial (gain on the exchange of shares). This negative goodwill was amortized over the average construction period (through delivery of the units) of the real estate ventures of Fit Residencial at October 21, 2008, and by the negative effects on realization of certain assets arising from the acquisition of Tenda. In 2009, the total gain on partial sale of Fit Residencial was amortized in the amount of R\$ 169,394, of which R\$ 105,200 in the period ended June 30, 2009.

On December 30, 2009, the shareholders of Gafisa and Tenda approved the merger by Gafisa of total shares outstanding issued by Tenda. Because of the merger, Tenda became a wholly-owned subsidiary of Gafisa, and its shareholders received shares of Gafisa in exchange for their shares of Tenda at the ratio of 0.205 shares of Gafisa to one share of Tenda. In view of the exchange ratio, 32,889,563 common shares were issued for the total issue price of R\$ 448,844.

## (a) Ownership interests

### (i) Information on investees

| <i>Investees</i>                    | <i>Interest - %</i> |                  | <i>Shareholders equity</i> |                  | <i>Net income (loss) for the period</i> |         |
|-------------------------------------|---------------------|------------------|----------------------------|------------------|---|---------|
|                                     | <i>3/31/2010</i>    | <i>6/30/2010</i> | <i>3/31/2010</i>           | <i>6/30/2010</i> | <i>6/30/2009</i>                        |         |
| <i>Tenda</i>                        | 100                 | 100              | 1,168,002                  | 1,154,187        | 35,197                                  | 34,446  |
| <i>SPE Cotia</i>                    | -                   | -                | -                          | -                | -                                       | 272     |
| <i>AUSA</i>                         | 60                  | 60               | 133,620                    | 110,720          | 33,640                                  | 2,683   |
| <i>Cipesa Holding</i>               | 100                 | 100              | 45,307                     | 44,021           | 2,561                                   | (615)   |
| <i>Península SPE1 S.A.</i>          | 50                  | 50               | (3,102)                    | (3,483)          | 1,018                                   | (3,342) |
| <i>Península SPE2 S.A.</i>          | 50                  | 50               | 729                        | 656              | 129                                     | (15)    |
| <i>Res. das Palmeiras SPE Ltda.</i> | 100                 | 100              | 2,395                      | 2,363            | 59                                      | (79)    |
| <i>Gafisa SPE 27 Ltda.</i>          | 100                 | 100              | 14,086                     | 13,941           | (132)                                   | (943)   |
| <i>Gafisa SPE 28 Ltda.</i>          | 100                 | 100              | 880                        | 683              | 1,712                                   | (1,863) |
| <i>Gafisa SPE 30 Ltda.</i>          | 100                 | 100              | 19,116                     | 18,041           | 884                                     | (474)   |
| <i>Gafisa SPE 31 Ltda.</i>          | 100                 | 100              | 26,977                     | 26,931           | 63                                      | (628)   |
| <i>Gafisa SPE 35 Ltda.</i>          | 100                 | 100              | 5,758                      | 5,614            | 341                                     | (109)   |
| <i>Gafisa SPE 36 Ltda.</i>          | 100                 | 100              | 7,100                      | 5,869            | 706                                     | (1,157) |
| <i>Gafisa SPE 37 Ltda.</i>          | 100                 | 100              | 4,321                      | 4,091            | 197                                     | (655)   |
| <i>Gafisa SPE 38 Ltda.</i>          | 100                 | 100              | 9,228                      | 8,507            | 471                                     | 48      |
| <i>Gafisa SPE 39 Ltda.</i>          | 100                 | 100              | 9,212                      | 9,024            | 284                                     | 797     |

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|                            |     |     |        |        |         |         |
|----------------------------|-----|-----|--------|--------|---------|---------|
| <i>Gafisa SPE 41 Ltda.</i> | 100 | 100 | 32,729 | 31,938 | 308     | (5,758) |
| <i>Villagio Trust</i>      | 50  | 50  | 4,218  | 4,277  | (61)    | (692)   |
| <i>Gafisa SPE 40 Ltda.</i> | 50  | 50  | 6,933  | 6,869  | (43)    | (135)   |
| <i>Gafisa SPE 42 Ltda.</i> | 100 | 100 | 9,975  | 9,946  | (2,459) | 5,144   |
| <i>Gafisa SPE 44 Ltda.</i> | 40  | 40  | 3,581  | 3,584  | (5)     | (100)   |
| <i>Gafisa SPE 45 Ltda.</i> | 100 | 100 | 2,106  | 2,024  | 294     | (1,207) |
| <i>Gafisa SPE 46 Ltda.</i> | 60  | 60  | 2,149  | 2,295  | (2,074) | (180)   |
| <i>Gafisa SPE 47 Ltda.</i> | 80  | 80  | 16,278 | 16,475 | (293)   | (107)   |
| <i>Gafisa SPE 48 Ltda.</i> | -   | -   | -      | -      | -       | 1,674   |

| <i>Investees</i>                 | <i>Interest - %</i> |                  | <i>Shareholders equity</i> |                  | <i>Net income (loss)<br/>for the period</i> |         |
|----------------------------------|---------------------|------------------|----------------------------|------------------|---|---------|
|                                  | <i>3/31/2010</i>    | <i>6/30/2010</i> | <i>3/31/2010</i>           | <i>6/30/2010</i> | <i>6/30/2009</i>                            |         |
| <b>6/30/2010</b>                 |                     |                  |                            |                  |   |         |
| <i>Gafisa SPE 49 Ltda.</i>       | 100                 | 100              | 297                        | 202              | (7)   | (3)     |
| <i>Gafisa SPE 53 Ltda.</i>       | 80                  | 80               | 6,303                      | 6,017            | 379   | 779     |
| <i>Gafisa SPE 55 Ltda.</i>       | -                   | -                | -                          | -                | -   | 2,776   |
| <i>Gafisa SPE 65 Ltda.</i>       | 80                  | 80               | 5,274                      | 4,276            | 1,549                                       | 140     |
| <i>Gafisa SPE 68 Ltda.</i>       | 100                 | 100              | (1)                        | (555)            | -   | -       |
| <i>Gafisa SPE 72 Ltda.</i>       | 80                  | 80               | 1,275                      | 121              | 117   | (1)     |
| <i>Gafisa SPE 73 Ltda.</i>       | 80                  | 80               | 2,659                      | 3,430            | (892)                                       | (48)    |
| <i>Gafisa SPE 74 Ltda.</i>       | 100                 | 100              | (335)                      | (340)            | 4   | (11)    |
| <i>Gafisa SPE 59 Ltda.</i>       | 100                 | 100              | (6)                        | (5)              | (1)   | (2)     |
| <i>Gafisa SPE 76 Ltda.</i>       | 50                  | 50               | 83                         | 83               | (1)   | -       |
| <i>Gafisa SPE 79 Ltda.</i>       | 100                 | 100              | (16)                       | (16)             | (13)  | (2)     |
| <i>Gafisa SPE 75 Ltda.</i>       | 100                 | 100              | (77)                       | (75)             | (3)   | (17)    |
| <i>Gafisa SPE 80 Ltda.</i>       | 100                 | 100              | (7)                        | (6)              | (4)   | (2)     |
| <i>Gafisa SPE 85 Ltda.</i>       | 80                  | 80               | 16,418                     | 10,160           | 9,236                                       | 1,451   |
| <i>Gafisa SPE 86 Ltda.</i>       | -                   | -                | -                          | -                | -   | (476)   |
| <i>Gafisa SPE 81 Ltda.</i>       | 100                 | 100              | (829)                      | (82)             | (830)                                       | -       |
| <i>Gafisa SPE 82 Ltda.</i>       | 100                 | 100              | 1                          | 1                | -   | -       |
| <i>Gafisa SPE 83 Ltda.</i>       | 100                 | 100              | (11)                       | (7)              | (7)   | -       |
| <i>Gafisa SPE 87 Ltda.</i>       | 100                 | 100              | (276)                      | (241)            | (337)                                       | -       |
| <i>Gafisa SPE 88 Ltda.</i>       | 100                 | 100              | 16,869                     | 6,852            | 631   | -       |
| <i>Gafisa SPE 89 Ltda.</i>       | 100                 | 100              | 43,324                     | 39,442           | 6,429                                       | (1,072) |
| <i>Gafisa SPE 90 Ltda.</i>       | 100                 | 100              | 2,069                      | (116)            | 2,162                                       | -       |
| <i>Gafisa SPE 84 Ltda.</i>       | 100                 | 100              | 14,007                     | 13,443           | 554   | -       |
| <i>Dv Bv SPE S.A.</i>            | 50                  | 50               | 3,894                      | 3,878            | 3,462                                       | 897     |
| <i>DV SPE S.A.</i>               | 50                  | 50               | 1,901                      | 1,870            | 34  | 799     |
| <i>Gafisa SPE 22 Ltda.</i>       | 100                 | 100              | 6,287                      | 6,159            | 285   | 526     |
| <i>Gafisa SPE 29 Ltda.</i>       | 70                  | 70               | 610                        | 576              | 56  | (142)   |
| <i>Gafisa SPE 32 Ltda.</i>       | 80                  | 80               | 7,990                      | 7,000            | 2,156                                       | 131     |
| <i>Gafisa SPE 69 Ltda.</i>       | 100                 | 100              | 1,899                      | 1,860            | (189)                                       | (224)   |
| <i>Gafisa SPE 70 Ltda.</i>       | 55                  | 55               | 12,933                     | 12,685           | (11)  | (62)    |
| <i>Gafisa SPE 71 Ltda.</i>       | 80                  | 80               | 7,092                      | 5,132            | 2,983                                       | 943     |
| <i>Gafisa SPE 50 Ltda.</i>       | 80                  | 80               | 13,854                     | 13,664           | 1,756                                       | 2,750   |
| <i>Gafisa SPE 51 Ltda.</i>       | -                   | -                | -                          | -                | -   | 8,096   |
| <i>Gafisa SPE 61 Ltda.</i>       | 100                 | 100              | (19)                       | (19)             | (1)   | (2)     |
| <i>Tiner Empr. e Part. Ltda.</i> | 45                  | 45               | 8,495                      | 9,519            | 223   | (2,371) |

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|                                   |     |     |        |         |       |       |
|-----------------------------------|-----|-----|--------|---------|-------|-------|
| <i>O Bosque Empr. Imob. Ltda.</i> | 60  | 60  | 8,791  | 8,825   | (70)  | (679) |
| <i>Alta Vista</i>                 | 50  | 50  | 94     | (1,630) | 3,373 | 953   |
| <i>Dep. José Lages</i>            | 50  | 50  | 1,423  | 1,003   | 879   | 692   |
| <i>Sítio Jatiuca</i>              | 50  | 50  | 12,653 | 12,418  | 492   | 3,997 |
| <i>Spazio Natura</i>              | 50  | 50  | 1,386  | 1,390   | (7)   | (1)   |
| <i>Parque Aguas</i>               | 50  | 50  | 12,821 | 8,464   | 3,203 | 568   |
| <i>Parque Arvores</i>             | 50  | 50  | 18,081 | 14,282  | 3,196 | 314   |
| <i>Dubai Residencial</i>          | 50  | 50  | 12,439 | 10,567  | 2,160 | 101   |
| <i>Cara de Cão</i>                | -   | -   | -      | -       | -     | 2,319 |
| <i>Costa Maggiore</i>             | 50  | 50  | 8,703  | 8,180   | 2,058 | 1,065 |
| <i>Gafisa SPE 91 Ltda.</i>        | 100 | 100 | 1      | 1       | -     | -     |
| <i>Gafisa SPE 92 Ltda.</i>        | 80  | 80  | 41     | (239)   | 594   | (84)  |
| <i>Gafisa SPE 93 Ltda.</i>        | 100 | 100 | 526    | 408     | 313   | -     |
| <i>Gafisa SPE 94 Ltda.</i>        | 100 | 100 | 4      | 4       | -     | -     |
| <i>Gafisa SPE 95 Ltda.</i>        | 100 | 100 | (15)   | (15)    | -     | -     |
| <i>Gafisa SPE 96 Ltda.</i>        | 100 | 100 | (58)   | (58)    | -     | -     |
| <i>Gafisa SPE 97 Ltda.</i>        | 100 | 100 | 6      | 6       | -     | -     |
| <i>Gafisa SPE 98 Ltda.</i>        | 100 | 100 | (37)   | (37)    | -     | -     |
| <i>Gafisa SPE 99 Ltda.</i>        | 100 | 100 | (24)   | (24)    | -     | -     |
| <i>Gafisa SPE 100 Ltda.</i>       | 70  | 70  | 1,800  | 1,801   | -     | -     |
| <i>Gafisa SPE 101 Ltda.</i>       | 100 | 100 | (4)    | 1       | (5)   | -     |
| <i>Gafisa SPE 102 Ltda.</i>       | 80  | 100 | 1      | 1       | -     | -     |
| <i>Gafisa SPE 103 Ltda.</i>       | 100 | 100 | (40)   | (40)    | -     | -     |
| <i>Gafisa SPE 104 Ltda.</i>       | 100 | 100 | 1      | 1       | -     | -     |
| <i>Gafisa SPE 105 Ltda.</i>       | 100 | 100 | 1      | 1       | -     | -     |
| <i>Gafisa SPE 106 Ltda.</i>       | 100 | 100 | 5,215  | 1       | 5,214 | -     |
| <i>Gafisa SPE 107 Ltda.</i>       | 100 | 100 | 6,736  | 1       | 6,735 | -     |

| <i>Investees</i>                                     | <i>Interest - %</i> |                  | <i>Shareholders equity</i> |                  | <i>Net income (loss) for the period</i> |   |
|--|---------------------|------------------|----------------------------|------------------|---|---|
|  | <i>3/31/2010</i>    | <i>6/30/2010</i> | <i>3/31/2010</i>           | <i>6/30/2010</i> | <i>6/30/2009</i>                        |   |
| <b>6/30/2010</b>                                     |                     |                  |                            |                  |   |   |
| <i>Gafisa SPE 108 Ltda.</i>                          | -                   | 100              | -                          | 1                | -                                       | - |
| <i>Gafisa SPE 109 Ltda.</i>                          | 100                 | 100              | 835                        | 1                | (964)                                   | - |
| <i>Gafisa SPE 110 Ltda.</i>                          | 100                 | 100              | 1                          | 1                | -                                       | - |
| <i>Gafisa SPE 111 Ltda.</i>                          | 100                 | 100              | 1                          | 1                | -                                       | - |
| <i>Gafisa SPE 112 Ltda.</i>                          | 100                 | 100              | 1                          | 1                | -                                       | - |
| <i>Gafisa SPE 113 Ltda.</i>                          | 100                 | 100              | 1                          | 1                | -                                       | - |
| <i>Gafisa SPE 114 Ltda.</i>                          | 100                 | -                | 1                          | -                | -                                       | - |
| <i>Gafisa SPE 115 Ltda.</i>                          | 100                 | -                | 1                          | -                | -                                       | - |
| <i>Gafisa SPE 116 Ltda.</i>                          | 100                 | -                | 1                          | -                | -                                       | - |
| <i>Gafisa SPE 117 Ltda.</i>                          | 100                 | -                | 1                          | -                | -                                       | - |
| <i>Gafisa SPE 118 Ltda.</i>                          | 100                 | -                | 1                          | -                | -                                       | - |
| <i>City Park Brotas Emp. Imob. Ltda.</i>             | 50                  | 50               | 1,801                      | 1,603            | 194                                     | - |
| <i>City Park Acupe Emp. Imob. Ltda.</i>              | 50                  | 50               | 1,955                      | 1,707            | 342                                     | - |
| <i>Patamares 1 Emp. Imob. Ltda</i>                   | 50                  | 50               | 6,026                      | 6,289            | 648                                     | - |
| <i>City Park Exclusive Emp. Imob. Ltda.</i>          | 50                  | 50               | 300                        | 371              | (88)                                    | - |
| <i>Manhattan Square Emp. Imob. Coml. 1 SPE Ltda.</i> | 50                  | 50               | 227                        | (1,441)          | 1,551                                   | - |
| <i>Manhattan Square Emp. Imob. Coml. 2 SPE Ltda.</i> | 50                  | 50               | 1,249                      | 1,338            | (1)                                     | - |
| <i>Manhattan Square Emp. Imob. Res. 1 SPE Ltda.</i>  | 50                  | 50               | 3,890                      | (1,369)          | 5,832                                   | - |
| <i>Manhattan Square Emp. Imob. Res. 2 SPE Ltda.</i>  | 50                  | 50               | 2,627                      | 2,813            | (2)                                     | - |
| <i>Reserva Ecoville</i>                              | 50                  | 50               | 16,690                     | 14,746           | 1,843                                   | - |
| <i>OAS Graça Empreendimentos</i>                     | 50                  | 50               | (332)                      | (302)            | (51)                                    | - |
| <i>Varandas Emp. Imob. Ltda</i>                      | 50                  | -                | 1,929                      | -                | 1,928                                   | - |
| <i>Shertis Emp. Part. S.A.</i>                       | 100                 | -                | 28,578                     | -                | 2,592                                   | - |
| <i>FIT 13 SPE Emp. Imob. Ltda</i>                    | 50                  | -                | 15,456                     | -                | 1,171                                   | - |
| <i>Gafisa FIDC.</i>                                  | 100                 | 100              | 16,476                     | 16,806           | -                                       | - |

**(ii) Recorded balances**

| <i>Investees</i> | <i>Interest - %</i> |                  | <i>Investments</i> |                  | <i>Equity in earnings (losses)</i> |                  |
|------------------|---------------------|------------------|--------------------|------------------|------------------------------------|------------------|
|                  | <i>6/30/2010</i>    | <i>3/31/2010</i> | <i>6/30/2010</i>   | <i>3/31/2010</i> | <i>6/30/2010</i>                   | <i>6/30/2009</i> |

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|                                     |     |     |                  |                  |               |               |
|-------------------------------------|-----|-----|------------------|------------------|---------------|---------------|
| <i>Tenda</i>                        | 100 | 100 | 1,168,002        | 1,154,187        | 35,197        | 23,303        |
| <i>SPE Cotia</i>                    | -   | -   | -                | -                | -             | 136           |
| <i>AUSA</i>                         | 60  | 60  | 80,172           | 66,432           | 20,184        | 1,920         |
| <i>Cipesa Holding</i>               | 100 | 100 | 45,307           | 44,021           | 2,561         | (615)         |
|                                     |     |     | <b>1,293,481</b> | <b>1,264,640</b> | <b>57,942</b> | <b>24,744</b> |
| <i>Península SPE1 S.A.</i>          | 50  | 50  | (1,551)          | (1,742)          | 509           | (1,671)       |
| <i>Península SPE2 S.A.</i>          | 50  | 50  | 364              | 328              | 64            | (8)           |
| <i>Res. das Palmeiras SPE Ltda.</i> | 100 | 100 | 2,395            | 2,363            | 59            | (79)          |
| <i>Gafisa SPE 27 Ltda.</i>          | 100 | 100 | 14,086           | 13,941           | (132)         | (943)         |
| <i>Gafisa SPE 28 Ltda.</i>          | 100 | 100 | 880              | 683              | 1,712         | (1,863)       |
| <i>Gafisa SPE 30 Ltda.</i>          | 100 | 100 | 19,116           | 18,041           | 884           | (474)         |
| <i>Gafisa SPE 31 Ltda.</i>          | 100 | 100 | 26,977           | 26,931           | 63            | (628)         |
| <i>Gafisa SPE 35 Ltda.</i>          | 100 | 100 | 5,758            | 5,614            | 341           | (109)         |
| <i>Gafisa SPE 36 Ltda.</i>          | 100 | 100 | 7,100            | 5,869            | 706           | (1,157)       |
| <i>Gafisa SPE 37 Ltda.</i>          | 100 | 100 | 4,321            | 4,091            | 197           | (655)         |
| <i>Gafisa SPE 38 Ltda.</i>          | 100 | 100 | 9,228            | 8,507            | 471           | 48            |
| <i>Gafisa SPE 39 Ltda.</i>          | 100 | 100 | 9,212            | 9,024            | 284           | 797           |
| <i>Gafisa SPE 41 Ltda.</i>          | 100 | 100 | 32,729           | 31,938           | 308           | (5,758)       |
| <i>Villagio Trust</i>               | 50  | 50  | 2,109            | 2,138            | (31)          | (346)         |
| <i>Gafisa SPE 40 Ltda.</i>          | 50  | 50  | 3,467            | 3,434            | (22)          | (213)         |

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| <i>Investees</i>           | <i>Interest - %</i>        |                  | <i>Investments</i> |                  | <i>Equity in earnings<br/>(losses)</i> |                  |
|----------------------------|----------------------------|------------------|--------------------|------------------|--|------------------|
|                            | <i>6/30/2010</i>           | <i>3/31/2010</i> | <i>6/30/2010</i>   | <i>3/31/2010</i> | <i>6/30/2010</i>                       | <i>6/30/2009</i> |
|                            | <i>Gafisa SPE 42 Ltda.</i> | 100              | 100                | 9,975            | 9,946                                  | (2,459)          |
| <i>Gafisa SPE 44 Ltda.</i> | 40                         | 40               | 1,432              | 1,433            | (2)                                    | (40)             |
| <i>Gafisa SPE 45 Ltda.</i> | 100                        | 100              | 2,106              | 2,024            | 294                                    | (151)            |
| <i>Gafisa SPE 46 Ltda.</i> | 60                         | 60               | 1,289              | 1,377            | (1,245)                                | (251)            |
| <i>Gafisa SPE 47 Ltda.</i> | 80                         | 80               | 13,022             | 13,180           | (234)                                  | (86)             |
| <i>Gafisa SPE 48 Ltda.</i> | -                          | -                | -                  | -                | -                                      | 993              |
| <i>Gafisa SPE 49 Ltda.</i> | 100                        | 100              | 297                | 202              | (7)                                    | (3)              |
| <i>Gafisa SPE 53 Ltda.</i> | 80                         | 80               | 5,042              | 4,813            | 303                                    | 262              |
| <i>Gafisa SPE 55 Ltda.</i> | -                          | -                | -                  | -                | -                                      | 2,776            |
| <i>Gafisa SPE 65 Ltda.</i> | 80                         | 80               | 4,219              | 3,421            | 1,239                                  | (185)            |
| <i>Gafisa SPE 68 Ltda.</i> | 100                        | 100              | (1)                | (1)              | -                                      | -                |
| <i>Gafisa SPE 72 Ltda.</i> | 80                         | 80               | 1,020              | 96               | 93                                     | (540)            |
| <i>Gafisa SPE 73 Ltda.</i> | 80                         | 80               | 2,127              | 2,744            | (713)                                  | (492)            |
| <i>Gafisa SPE 74 Ltda.</i> | 100                        | 100              | (335)              | (340)            | 4                                      | (11)             |
| <i>Gafisa SPE 59 Ltda.</i> | 100                        | 100              | (6)                | (6)              | -                                      | (2)              |
| <i>Gafisa SPE 76 Ltda.</i> | 50                         | 50               | 42                 | 42               | -                                      | -                |
| <i>Gafisa SPE 79 Ltda.</i> | 100                        | 100              | (16)               | (16)             | (13)                                   | (2)              |
| <i>Gafisa SPE 75 Ltda.</i> | 100                        | 100              | (77)               | (75)             | (3)                                    | (17)             |
| <i>Gafisa SPE 80 Ltda.</i> | 100                        | 100              | (7)                | (6)              | (4)                                    | (2)              |
| <i>Gafisa SPE 85 Ltda.</i> | 80                         | 80               | 13,134             | 8,128            | 7,389                                  | 961              |
| <i>Gafisa SPE 86 Ltda.</i> | -                          | -                | -                  | -                | -                                      | (197)            |
| <i>Gafisa SPE 81 Ltda.</i> | 100                        | 100              | (829)              | (82)             | (830)                                  | -                |
| <i>Gafisa SPE 82 Ltda.</i> | 100                        | 100              | 1                  | 1                | -                                      | -                |
| <i>Gafisa SPE 83 Ltda.</i> | 100                        | 100              | (11)               | (7)              | (7)                                    | -                |
| <i>Gafisa SPE 87 Ltda.</i> | 100                        | 100              | (276)              | (241)            | (337)                                  | -                |
| <i>Gafisa SPE 88 Ltda.</i> | 100                        | 100              | 16,869             | 6,852            | 631                                    | -                |
| <i>Gafisa SPE 89 Ltda.</i> | 100                        | 100              | 43,324             | 39,442           | 6,429                                  | (1,072)          |
| <i>Gafisa SPE 90 Ltda.</i> | 100                        | 100              | 2,069              | (116)            | 2,162                                  | -                |
| <i>Gafisa SPE 84 Ltda.</i> | 100                        | 100              | 14,007             | 13,443           | 554                                    | -                |
| <i>Dv Bv SPE S.A.</i>      | 50                         | 50               | 1,947              | 1,939            | 1,731                                  | 449              |
| <i>DV SPE S.A.</i>         | 50                         | 50               | 951                | 935              | 17                                     | 399              |
| <i>Gafisa SPE 22 Ltda.</i> | 100                        | 100              | 6,287              | 6,159            | 285                                    | 526              |
| <i>Gafisa SPE 29 Ltda.</i> | 70                         | 70               | 427                | 403              | 39                                     | (100)            |
| <i>Gafisa SPE 32 Ltda.</i> | 80                         | 80               | 6,392              | 5,600            | 1,725                                  | 105              |
| <i>Gafisa SPE 69 Ltda.</i> | 100                        | 100              | 1,899              | 1,860            | (189)                                  | (224)            |
| <i>Gafisa SPE 70 Ltda.</i> | 55                         | 55               | 7,113              | 6,976            | (6)                                    | (34)             |

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|                                   |     |     |        |        |       |         |
|-----------------------------------|-----|-----|--------|--------|-------|---------|
| <i>Gafisa SPE 71 Ltda.</i>        | 80  | 80  | 5,675  | 4,106  | 2,386 | 522     |
| <i>Gafisa SPE 50 Ltda.</i>        | 80  | 80  | 11,083 | 10,911 | 1,405 | 2,012   |
| <i>Gafisa SPE 51 Ltda.</i>        | -   | -   | -      | -      | -     | 7,411   |
| <i>Gafisa SPE 61 Ltda.</i>        | 100 | 100 | (19)   | (19)   | (1)   | (2)     |
| <i>Tiner Empr. e Part. Ltda.</i>  | 45  | 45  | 3,824  | 4,283  | 100   | (1,678) |
| <i>O Bosque Empr. Imob. Ltda.</i> | 60  | 60  | 5,275  | 5,295  | (42)  | 339     |
| <i>Alta Vista</i>                 | 50  | 50  | 47     | (815)  | 1,687 | 477     |
| <i>Dep. José Lages</i>            | 50  | 50  | 712    | 502    | 440   | 272     |
| <i>Sítio Jatiuca</i>              | 50  | 50  | 6,327  | 6,209  | 247   | 1,998   |
| <i>Spazio Natura</i>              | 50  | 50  | 693    | 695    | (4)   | -       |
| <i>Parque Aguas</i>               | 50  | 50  | 6,410  | 4,232  | 1,602 | 285     |
| <i>Parque Arvores</i>             | 50  | 50  | 9,039  | 7,141  | 1,545 | 161     |
| <i>Dubai Residencial</i>          | 50  | 50  | 6,220  | 5,284  | 1,247 | 51      |
| <i>Cara de Cão</i>                | -   | -   | -      | -      | -     | 4,139   |
| <i>Costa Maggiore</i>             | 50  | 50  | 4,352  | 4,090  | 1,081 | (449)   |
| <i>Gafisa SPE 91 Ltda.</i>        | 100 | 100 | 1      | 1      | -     | -       |
| <i>Gafisa SPE 92 Ltda.</i>        | 80  | 80  | 33     | (191)  | 475   | (82)    |
| <i>Gafisa SPE 93 Ltda.</i>        | 100 | 100 | 526    | 408    | 313   | -       |
| <i>Gafisa SPE 94 Ltda.</i>        | 100 | 100 | 4      | 4      | -     | -       |
| <i>Gafisa SPE 95 Ltda.</i>        | 100 | 100 | (15)   | (15)   | -     | -       |
| <i>Gafisa SPE 96 Ltda.</i>        | 100 | 100 | (58)   | (58)   | -     | -       |
| <i>Gafisa SPE 97 Ltda.</i>        | 100 | 100 | 6      | 6      | -     | -       |
| <i>Gafisa SPE 98 Ltda.</i>        | 100 | 100 | (37)   | (37)   | -     | -       |
| <i>Gafisa SPE 99 Ltda.</i>        | 100 | 100 | (24)   | (24)   | -     | -       |
| <i>Gafisa SPE 100 Ltda.</i>       | 70  | 70  | 1,260  | 1,260  | -     | -       |
| <i>Gafisa SPE 101 Ltda.</i>       | 100 | 100 | (4)    | 1      | (5)   | -       |
| <i>Gafisa SPE 102 Ltda.</i>       | 80  | 100 | 1      | 1      | -     | -       |

| <i>Investees</i>                                     | <i>Interest - %</i> |                  | <i>Investments</i> |                  | <i>Equity in earnings (losses)</i> |                  |
|--|---------------------|------------------|--------------------|------------------|------------------------------------|------------------|
|  | <i>6/30/2010</i>    | <i>3/31/2010</i> | <i>6/30/2010</i>   | <i>3/31/2010</i> | <i>6/30/2010</i>                   | <i>6/30/2009</i> |
| <i>Gafisa SPE 103 Ltda.</i>                          | 100                 | 100              | (40)               | (40)             | -                                  | -                |
| <i>Gafisa SPE 104 Ltda.</i>                          | 100                 | 100              | 1                  | 1                | -                                  | -                |
| <i>Gafisa SPE 105 Ltda</i>                           | 100                 | 100              | 1                  | 1                | -                                  | -                |
| <i>Gafisa SPE 106 Ltda.</i>                          | 100                 | 100              | 5,215              | 1                | 5,214                              | -                |
| <i>Gafisa SPE 107 Ltda.</i>                          | 100                 | 100              | 6,736              | 1                | 6,735                              | -                |
| <i>Gafisa SPE 108 Ltda.</i>                          | -                   | 100              | -                  | 1                | -                                  | -                |
| <i>Gafisa SPE 109 Ltda.</i>                          | 100                 | 100              | 835                | 1                | (964)                              | -                |
| <i>Gafisa SPE 110 Ltda.</i>                          | 100                 | 100              | 1                  | 1                | --                                 | -                |
| <i>Gafisa SPE 111 Ltda.</i>                          | 100                 | 100              | 1                  | 1                | -                                  | -                |
| <i>Gafisa SPE 112 Ltda.</i>                          | 100                 | 100              | 1                  | 1                | -                                  | -                |
| <i>Gafisa SPE 113 Ltda.</i>                          | 100                 | 100              | 1                  | 1                | -                                  | -                |
| <i>Gafisa SPE 114 Ltda.</i>                          | 100                 | -                | 1                  | -                | -                                  | -                |
| <i>Gafisa SPE 115 Ltda.</i>                          | 100                 | -                | 1                  | -                | -                                  | -                |
| <i>Gafisa SPE 116 Ltda.</i>                          | 100                 | -                | 1                  | -                | -                                  | -                |
| <i>Gafisa SPE 117 Ltda.</i>                          | 100                 | -                | 1                  | -                | -                                  | -                |
| <i>Gafisa SPE 118 Ltda.</i>                          | 100                 | -                | 1                  | -                | -                                  | -                |
| <i>City Park Brotas Emp. Imob. Ltda.</i>             | 50                  | 50               | 900                | 801              | 857                                | -                |
| <i>City Park Acupe Emp. Imob. Ltda.</i>              | 50                  | 50               | 977                | 854              | 647                                | -                |
| <i>Patamares 1 Emp. Imob. Ltda</i>                   | 50                  | 50               | 3,013              | 3,145            | 382                                | -                |
| <i>City Park Exclusive Emp. Imob. Ltda.</i>          | 50                  | 50               | 150                | 185              | 47                                 | -                |
| <i>Manhattan Square Emp. Imob. Coml. 1 SPE Ltda.</i> | 50                  | 50               | 113                | (720)            | 776                                | -                |
| <i>Manhattan Square Emp. Imob. Coml. 2 SPE Ltda.</i> | 50                  | 50               | 624                | 669              | 87                                 | -                |
| <i>Manhattan Square Emp. Imob. Res. 1 SPE Ltda.</i>  | 50                  | 50               | 1,945              | (685)            | 2,916                              | -                |
| <i>Manhattan Square Emp. Imob. Res. 2 SPE Ltda.</i>  | 50                  | 50               | 1,314              | 1,406            | 91                                 | -                |
| <i>Reserva Ecoville</i>                              | 50                  | 50               | 8,345              | 7,373            | 1,503                              | -                |
| <i>OAS Graça Empreend.</i>                           | 50                  | 50               | (166)              | (151)            | 232                                | -                |
| <i>Varandas Emp. Imob. Ltda</i>                      | 50                  | -                | 965                | -                | 964                                | -                |
| <i>Shertis Emp. Part. S.A.</i>                       | 100                 | -                | 28,578             | -                | 2,592                              | -                |
| <i>FIT 13 SPE Emp. Imob. Ltda</i>                    | 50                  | -                | 7,725              | -                | 394                                | -                |
| <i>Gafisa FIDC.</i>                                  | 100                 | 100              | 16,476             | 16,806           | -                                  | -                |
|  |                     |                  | <b>434,672</b>     | <b>344,209</b>   | <b>57,208</b>                      | <b>8,033</b>     |
| <i>Provision for loss on investments</i>             |                     |                  | 3,472              | 5,386            | -                                  | -                |

|                              |                  |                  |                |               |
|------------------------------|------------------|------------------|----------------|---------------|
|                              | <b>1,731,625</b> | <b>1,614,235</b> | <b>115,150</b> | <b>32,777</b> |
| <i>Other investments (*)</i> | 344,706          | 348,840          | -              | -             |
| <i>Total investments</i>     | <b>2,076,331</b> | <b>1,963,075</b> | <b>115,150</b> | <b>32,777</b> |

**(\*)** As a result of the setting up in January 2008 of a special partnership (SCP), the Company started to hold quotas in such partnership that totaled R\$ 344,706 at June 30, 2010 (March 31, 2010 □ R\$ 348,840) as described in Note 12.

**(b) Negative goodwill on acquisition of subsidiaries**

|                          |             |                                     | 6/30/2010  | 3/31/2010 |
|--------------------------|-------------|-------------------------------------|------------|-----------|
|                          | <i>Cost</i> | <i>Accumulated<br/>amortization</i> | <i>Net</i> |           |
| <i>Negative goodwill</i> |             |                                     |            |           |
| <i>Redevco</i>           | (31,235)    | 23,190                              | (8,045)    | (8,203)   |

## 9. Intangible assets

### Goodwill on acquisition of subsidiaries

|                                    | <i>Cost</i>    | <i>Accumulated<br/>amortization</i> | <i>Consolidated</i>       |                           |
|------------------------------------|----------------|-------------------------------------|---------------------------|---------------------------|
|                                    |                |                                     | <i>06/30/2010<br/>Net</i> | <i>03/31/2010<br/>Net</i> |
| <i>Goodwill</i>                    |                |                                     |                           |                           |
| <i>AUSA</i>                        | <i>170,941</i> | <i>(18,085)</i>                     | <i>152,856</i>            | <i>152,856</i>            |
| <i>Cipesa</i>                      | <i>40,686</i>  | <i>-</i>                            | <i>40,686</i>             | <i>40,686</i>             |
| <i>Other</i>                       | <i>5,240</i>   | <i>(3,911)</i>                      | <i>1,329</i>              | <i>1,992</i>              |
|                                    | <i>216,867</i> | <i>(21,997)</i>                     | <i>194,871</i>            | <i>195,534</i>            |
| <br><i>Other intangible assets</i> |                |                                     | <i>16,280</i>             | <i>12,047</i>             |
| <i>(a)</i>                         |                |                                     | <i>211,151</i>            | <i>207,581</i>            |

**(a)** Refers to expenditures on acquisition and implementation of information systems and software licenses, net of amortization.

## 10. Loans and financing

| <i>Type of operation</i>                 | <i>Annual<br/>interest</i> | <i>Parent company</i> |                   | <i>Consolidated</i> |                   |
|--|----------------------------|-----------------------|-------------------|---------------------|-------------------|
|  |                            | <i>06/30/2010</i>     | <i>03/31/2010</i> | <i>06/30/2010</i>   | <i>03/31/2010</i> |
| <i>Working capital:</i>                  |                            |                       |                   |                     |                   |
|  | <i>% a 3.29% +</i>         |                       |                   |                     |                   |
| <i>CCB and other</i>                     | <i>CDI</i>                 | <i>532,696</i>        | <i>518,406</i>    | <i>678,377</i>      | <i>699,945</i>    |
|  |                            | <i>532,696</i>        | <i>518,406</i>    | <i>678,377</i>      | <i>699,945</i>    |
|  | <i>+ 6.2 % to</i>          |                       |                   |                     |                   |
| <i>National Housing System - SFH (a)</i> | <i>11.4%</i>               | <i>293,173</i>        | <i>259,815</i>    | <i>499,186</i>      | <i>445,863</i>    |
|  |                            | <i>825,869</i>        | <i>778,221</i>    | <i>1,177,563</i>    | <i>1,145,808</i>  |
| <br><i>Current portion</i>               |                            | <i>642,401</i>        | <i>554,995</i>    | <i>825,382</i>      | <i>735,741</i>    |
| <i>Non-current portion</i>               |                            | <i>183,468</i>        | <i>223,226</i>    | <i>352,181</i>      | <i>410,067</i>    |

**Rates**

§ CDI □ Interbank Deposit Certificate.

§ TR □ Referential Rate.

**(a)** Funding for working capital □ SFH and for developments correspond to credit lines from financial institutions.

At June 30, 2010, the Company has resources approved to be released for approximately 72 ventures amounting to R\$ 559,786 (parent company) and R\$ 1,359,094 (consolidated) that will be used in future periods, at the extent these developments progress physically and financially, according to the Company's project schedule.

Consolidated non-current portion matures as follows:

Page 46

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|      | <i>Parent company</i> |                  | <i>Consolidated</i> |                  |
|------|-----------------------|------------------|---------------------|------------------|
|      | <i>6/30/2010</i>      | <i>3/31/2010</i> | <i>6/30/2010</i>    | <i>3/31/2010</i> |
| 2011 | 147,833               | 195,962          | 229,637             | 290,101          |
| 2012 | 32,569                | 24,823           | 90,540              | 84,698           |
| 2013 | 3,066                 | 2,441            | 32,004              | 35,268           |
|      | <b>183,468</b>        | <b>223,226</b>   | <b>352,181</b>      | <b>410,067</b>   |

Loans and financing are guaranteed by sureties of the investors, mortgage of the units, assignment of rights, receivables from clients and the proceeds from the sale of our properties (amount of R\$ 2,709,989 □ not audited), which cover the following guarantees: (a) to creditors of the payment related to the purchase of land, (b) to clients who purchase the units related to the delivery of the real estate, and (c) to the creditor for the purchase of interest in real estate ventures.

Additionally, the consolidated balance of accounts pledged in guarantee totals R\$ 405,488 at June 30, 2010 (R\$ 425,563 at March 31, 2009) (Note 4).

Financial expenses of loans, finance and debentures are capitalized at cost of each venture, according to the use of funds, and appropriated to results based on the criterion adopted for recognizing revenue, or allocated to results if funds are not used, as shown below:

|                                      | <i>Parent company</i> |                   | <i>Consolidated</i> |                   |
|--------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                      | <i>06/30/2010</i>     | <i>06/30/2009</i> | <i>06/30/2010</i>   | <i>06/30/2009</i> |
| <i>Gross financial charges</i>       | 52,388                | 53,207            | 87,740              | 76,388            |
| <i>Capitalized financial charges</i> | (18,615)              | (12,569)          | (32,900)            | (25,900)          |
| <i>Net financial charges</i>         | 33,773                | 40,638            | 54,840              | 50,488            |

*Financial charges included in Properties for sale:*

|                                       |          |          |          |          |
|---------------------------------------|----------|----------|----------|----------|
| <i>Opening balance</i>                | 69,712   | 75,153   | 94,100   | 91,524   |
| <i>Capitalized financial charges</i>  | 18,615   | 12,569   | 32,900   | 25,900   |
| <i>Charges appropriated to income</i> | (17,119) | (10,735) | (25,104) | (20,186) |
| <i>Closing balance</i>                | 71,208   | 76,987   | 101,896  | 97,238   |

## 11. Debentures

In September 2006, the Company obtained approval for its Second Debenture Issuance Program, which allows it to place up to R\$ 500,000 in non-convertible simple subordinated debentures secured by a general guarantee.

In June 2008, the Company obtained approval for its Third Debenture Issuance Program, which allows it to place R\$ 1,000,000 in simple debentures with a general guarantee maturing in five years.

In April 2009, the subsidiary Tenda obtained approval for its First Debenture Issuance Program, which allows it to place up to R\$ 600,000 in non-convertible simple subordinated debentures, in a single and undivided lot, secured by a

floating and additional guarantee, with semi-annual maturities between October 1, 2012 and April 1, 2014. The funds raised through the issuance will be exclusively used in the finance of real estate ventures focused only on the popular segment and that meet the eligibility criteria.

In August 2009, the Company obtained approval for its sixth issuance of non-convertible simple debentures in two series, secured by a general guarantee, maturing in two years and unit face value at the issuance date of R\$ 10,000, totaling R\$ 250,000.

In December 2009, the Company obtained approval for its seventh issuance of nonconvertible simple debentures in a single and undivided lot, sole series, secured by a floating and additional guarantee, in the total amount of R\$ 600,000, maturing in five years.

Under the Second and Third Programs of Gafisa, the Company issued 24,000 and 25,000 series debentures, respectively, corresponding to R\$ 240,000 and R\$ 250,000, with the below features.

Under the First Program of Tenda, this subsidiary issued only one debenture, a sole series amounting to R\$ 600,000, as shown below.

| <i>Program/issuances</i>               | <i>Principal</i> | <i>Annual remuneration</i> | <i>Final maturity</i> | <i>Parent company</i> |                   | <i>Consolidated</i> |                   |
|--|------------------|----------------------------|-----------------------|-----------------------|-------------------|---------------------|-------------------|
|  |                  |                            |                       | <i>06/30/2010</i>     | <i>03/31/2010</i> | <i>06/30/2010</i>   | <i>03/31/2010</i> |
| <i>Second program / First issuance</i> | 240,000          | CDI + 3.25%                | September 2011        | 149,049               | 144,482           | 149,049             | 144,482           |
| <i>Third program / First issuance</i>  | 250,000          | 107.20% CDI                | May 2013              | 252,916               | 257,986           | 252,916             | 257,986           |
| <i>Sixth issuance</i>                  | 250,000          | CDI + 1.5%                 | August 2011           | 260,704               | 253,749           | 260,704             | 253,749           |
| <i>Seventh issuance</i>                | 600,000          | TR + 8.25%                 | December 2014         | 597,465               | 607,982           | 597,465             | 607,982           |
| <i>First issuance (Tenda)</i>          | 600,000          | TR + 8%                    | April 2014            | -                     | -                 | 611,474             | 623,593           |
|  |                  |                            |                       | <b>1,260,134</b>      | <b>1,264,199</b>  | <b>1,871,608</b>    | <b>1,887,792</b>  |
| <i>Current portion</i>                 |                  |                            |                       | 112,134               | 116,199           | 123,608             | 139,792           |
| <i>Non-current portion, principal</i>  |                  |                            |                       | 1,148,000             | 1,148,000         | 1,748,000           | 1,748,000         |

Consolidated non-current portions mature as follows:

| <i>Parent company</i> |                  | <i>Consolidated</i> |                  |
|-----------------------|------------------|---------------------|------------------|
| <i>6/30/2010</i>      | <i>3/31/2010</i> | <i>6/30/2010</i>    | <i>3/31/2010</i> |

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|      |                  |                  |                  |                  |
|------|------------------|------------------|------------------|------------------|
| 2011 | 298,000          | 298,000          | 298,000          | 298,000          |
| 2012 | 125,000          | 125,000          | 275,000          | 275,000          |
| 2013 | 425,000          | 425,000          | 725,000          | 725,000          |
| 2014 | 300,000          | 300,000          | 450,000          | 450,000          |
|      | <b>1,148,000</b> | <b>1,148,000</b> | <b>1,748,000</b> | <b>1,748,000</b> |

The Company has restrictive debenture covenants which limit its ability to perform certain actions, such as the issuance of debt, and that could require the early redemption or refinancing of loans if the Company does not fulfill these. The first placement of the Second Program and the first placement of the Third Program have cross-restrictive covenants in which an event of default or early maturity of any debt above R\$ 5 million and R\$ 10 million, respectively, requires the Company to early amortize the first placement of the Second Program.

On July 21, 2009, the Company renegotiated with the debenture holders the restrictive debenture covenants of the Second Program, and obtained the approval for taking out the covenant that limited the Company's net debt to R\$ 1.0 billion and increasing the financial flexibility, changing the calculation of the

ratio between net debt and shareholders' equity. As a result of these changes, interest repaid by the Company increased from CDI + 2% to 3.25% per year.

The actual ratios and minimum and maximum amounts stipulated by these restrictive covenants at June 30, 2010 and March 31, 2010 are as follows:

|  | <b>6/30/2010</b> | <b>3/31/2010</b> |
|--|------------------|------------------|
| <i>Second program – first placement</i>  |                  |                  |
| <i>Total debt, less debt of projects, less cash and cash equivalents cannot exceed 75% of shareholders' equity plus noncontrolling interests</i> | -13%             | -22%             |
| <i>Total receivables from clients, plus inventory of finished units, required to be over 2.0 times total debt</i>                                | 2.6 times        | 2.4 times        |
| <i>Third program – first placement</i>   |                  |                  |
| <i>Total debt, less SFH debt, less cash and cash equivalents cannot exceed 75% of shareholders' equity</i>                                       | 21%              | 13%              |
| <i>Total receivables from clients, plus inventory of finished units, required to be over 2.2 times total debt</i>                                | 6.5 times        | 8.1 times        |
| <i>Seventh placement</i>   |                  |                  |
| <i>EBIT balance is under 1.3 times the net financial expense</i>   | -6 times         | -4 times         |
| <i>Total accounts receivable plus inventory of finished units required to be 2.0 over times net debt and debt of projects</i>                    | -17.1 times      | -9.5 times       |
| <i>Total debt, less debt of projects, less cash and cash equivalents cannot exceed 75% of shareholders' equity plus noncontrolling interests</i> | -13%             | -22%             |

At June 30, 2010, the Company is in compliance with the aforementioned clauses and other non-restrictive clauses.

Expenses for issuance of debentures and actual interest rates are as follows:

| <i>Issuance</i>        | <i>Transaction cost</i> | <i>Actual interest rate</i> | <i>Transaction cost to be appropriated</i> |
|------------------------|-------------------------|-----------------------------|--|
| <i>Fourth issuance</i> | 3,409                   | 13.81%                      | 795  |
| <i>Fifth issuance</i>  | 1,179                   | 11.66%                      | 933  |

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|                         |               |  |              |
|-------------------------|---------------|--|--------------|
| <i>Sixth issuance</i>   | <i>819</i>    | <i>Series 1: 12,60%</i>                  | <i>444</i>   |
| <i>Seventh issuance</i> | <i>7,040</i>  | <i>Series 2: 10,88%</i><br><i>11.00%</i> | <i>6,219</i> |
|                         | <i>12,447</i> |  | <i>8,391</i> |

**12. Other accounts payable**

|   | <i>Parent company</i> |                   | <i>Consolidated</i> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <i>06/30/2010</i>     | <i>03/31/2010</i> | <i>06/30/2010</i>   | <i>03/31/2010</i> |
| <i>Obligation to venture partners (a)</i>             | 300,000               | 300,000           | 380,000             | 300,000           |
| <i>Credit assignments</i>                             | 100,724               | 103,082           | 104,470             | 114,950           |
| <i>Acquisition of investments</i>                     | 3,094                 | -                 | 23,327              | 17,412            |
| <i>Other accounts payable</i>                         | 40,849                | 18,502            | 101,771             | 24,734            |
| <i>Rescission disbursement payable and provisions</i> | -                     | -                 | 28,163              | 28,534            |
| <i>Dividends - payable to investors</i>               | -                     | -                 | 14,469              | 4,262             |
| <i>FIDC obligations</i>                               | -                     | -                 | 27,326              | 31,640            |
| <i>Warranty provision</i>                             | 21,702                | 19,875            | 31,165              | 27,655            |
| <i>Provision for loss on investments</i>              | 3,471                 | 5,386             | -                   | -                 |
| <i>Loan with third parties</i>                        | -                     | -                 | 28,089              | 27,812            |
|   | 469,840               | 446,845           | 738,780             | 576,999           |
| <i>Current portion</i>                                | 167,684               | 145,347           | 217,569             | 205,465           |
| <i>Non-current portion</i>                            | 302,156               | 301,498           | 521,211             | 371,534           |

**(a)** In January 2008, the Company formed an unincorporated venture (SCP), the main objective of which is to hold interests in other real estate development companies. At June 30, 2010, the SCP received contributions of R\$ 313,084 (represented by 13,084,000 Class A quotas fully held by the Company and 300,000,000 Class B quotas held by other venture partners). The SCP will preferably use these funds to acquire equity investments and increase the capital of its investees. As the decision to invest or not is made jointly by all quotaholders, the venture is treated as a variable interest entity and the Company deemed to be the primary beneficiary; at June 30, 2010, Obligations to venture partners amounting to R\$ 300,000 mature on January 31, 2014. The SCP has a defined term which ends on January 31, 2014 at which time the Company is required to redeem the venture partner's interest. The venture partner receives an annual dividend substantially equivalent to the variation in the Interbank Deposit Certificate (CDI) rate, at June 30, 2010, the amount accrued totaled R\$ 11,205. The SCP's charter provides for the compliance with certain covenants by the Company, in its capacity as lead partner, which include the maintenance of minimum indices of net debt and receivables. At June 30, 2010, the SCP and the Company were in compliance with these clauses.

In April 2010, Alphaville Urbanismo S.A. ( Company ) paid in the capital of a Company, the main objective of which is the holding of interests in other companies, which shall have as main objective the development and carry out of real estate ventures. At June 30, 2010, the Company has subscribed capital and paid-in capital reserve amounting to R\$ 161,720 (comprising 81,719,641 common shares held by the Company and 80,000,000 preferred shares held by other shareholders). As a result of this transaction, because of prudence and taking into consideration the rights to which the holders of preferred shares are entitled, such

as payment of fixed dividends and redemption, at June 30, 2010, a Payable to Investors account is recognized at R\$ 80,000, with final maturity on March 31, 2014. The preferred shares shall pay cumulative fixed dividends, practically equivalent to the variation of the General Market Prices Index (IGP-M) plus 7.25% p.a., taking into consideration that the amount provisioned at June 30, 2010 totaled R\$ 3,264. The Company's Bylaws sets out that certain matters shall

be submitted for the approval from preferred shareholders through vote, such as the rights conferred by such shares, increase or reduction in capital, allocation of profit, set up and use of any profit reserve, and disposal of assets. At June 30, 2010, the Company is in compliance with the above-described clauses.

### 13. Commitments and provision for contingencies

The Company and its subsidiaries are party in lawsuits and administrative proceedings at several courts and government agencies that arise from the normal course of business, involving tax, labor, civil and other matters. Management, based on information provided by its legal counsel and analysis of the pending claims and, with respect to the labor claims, based on past experience regarding the amounts claimed, recognized a provision in an amount considered sufficient to cover the probable losses arising from claims in progress.

In the period ended June 30, 2010, the changes in the provision for contingencies are summarized as follows:

|   | <i>Parent company</i> | <i>Consolidated</i> | <b>2010</b>   |
|---|-----------------------|---------------------|---------------|
| <i>Balance at March 31, 2010</i>          |                       | 82,722              | 124,802       |
| <i>Additions</i>                          |                       | 2,737               | 6,562         |
| <i>Write-offs</i>                         |                       | (1,442)             | (1,897)       |
| <i>Balance at June 30, 2010</i>           |                       | 84,017              | 129,467       |
| <br>                                      |                       |                     |               |
| <i>(-) Court-mandated escrow deposits</i> |                       | (65,601)            | (70,485)      |
|   |                       | <b>18,416</b>       | <b>58,982</b> |
| <br>                                      |                       |                     |               |
| <i>Current portion</i>                    |                       | 6,312               | 6,312         |
| <br>                                      |                       |                     |               |
| <i>Non-current portion</i>                |                       | 12,104              | 52,670        |

#### Tax, labor and civil lawsuits

|                           | <i>Parent company</i> |                   | <i>Consolidated</i> |                   |        |
|---------------------------|-----------------------|-------------------|---------------------|-------------------|--------|
|                           | <i>06/30/2010</i>     | <i>03/31/2010</i> | <i>06/30/2010</i>   | <i>03/31/2010</i> |        |
| <i>Civil lawsuits (a)</i> | 80,362                | 79,933            | 95,963              | 95,642            | 95,642 |
| <i>Tax lawsuits (b)</i>   | 347                   | 6                 | 12,663              | 19,549            | 19,549 |

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|   |               |               |                |                |
|---|---------------|---------------|----------------|----------------|
| <i>Labor claims</i>                       | 3,308         | 2,783         | 20,841         | 9,611          |
|   | <b>84,017</b> | <b>82,722</b> | <b>129,467</b> | <b>124,802</b> |
| <i>(-) Court-mandated escrow deposits</i> | (65,601)      | (64,204)      | (70,485)       | (65,519)       |
| <i>Net balance</i>                        | <b>18,416</b> | <b>18,518</b> | <b>58,982</b>  | <b>59,283</b>  |

**(a)** At June 30, 2010, the provisions for contingent liability related to civil lawsuits include R\$ 73,316, related to lawsuits in which the Company is included as successor in foreclosure actions, in which the original debtor is

Page 51

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a former shareholder of Gafisa, Cimob Companhia Imobiliária ("Cimob"), among other companies of the group, on the understanding that the Company should be liable for the debts of Cimob. Some lawsuits, amounting to R\$ 8,053, are backed by a guarantee insurance, in addition to a judicial deposit amounting to R\$ 63,678, in connection with the blocking of Gafisa's bank accounts; and there is also the blocking of Gafisa's treasury to guarantee the foreclosure.

The Company is filing appeals against all decisions, as it considers that the inclusion of Gafisa in the lawsuits is legally unreasonable; these appeals aim at releasing amounts and obtaining the recognition that it cannot be held liable for the debt of a company that does not have any relationship with Gafisa. The Company has even obtained favorable decisions in some similar cases, in which it was awarded final and unappealable decisions recognizing the lack of responsibility for the debts of Cimob. The final decision on the Company's appeal, however, cannot be predicted at present.

**(b)** The subsidiary AUSA is a party in judicial lawsuits and administrative proceedings related to Excise Tax (IPI) and Value-added Tax on Sales and Services (ICMS) on two imports of aircraft in 2001 and 2005, respectively, under leasing agreements without purchase option. The likelihood of loss in the ICMS case is estimated by legal counsel as (i) probable in regard to the principal and interest, and (ii) remote in regard to the fine for noncompliance with ancillary obligations. The amount of the contingency estimated by legal counsel as a probable loss amounts to R\$ 10,706 and is recorded in a provision in the financial information at June 30, 2010.

At June 30, 2010, the Company is monitoring other lawsuits and risks, the likelihood of which, based on the position of legal counsel, is possible but not probable, totaling approximately R\$ 142,175, calculated based on the estimated loss percentage, that may be incurred by Gafisa, taking into consideration the participation of third parties in the lawsuits for which management believes a provision for loss is not necessary.

### **(b) Commitment to complete developments**

The Company is committed to deliver units to owners of land who exchange land for real estate units developed by the Company.

The Company is also committed to complete units sold and to comply with the requirements of the building regulations and licenses approved by the proper authorities.

As described in Note 4, at June 30, 2010, the Company has resources approved and recorded as financial investments guaranteed which will be released to the extent ventures progresses in the total amount of R\$ 390,824 (parent company) and R\$ 507,858 (consolidated) to meet these commitments.



**14. Obligations for purchase of land and advances from clients**

|  | <i>Parent company</i> |                   | <i>Consolidated</i> |                   |
|--|-----------------------|-------------------|---------------------|-------------------|
|  | <i>06/30/2010</i>     | <i>03/31/2010</i> | <i>06/30/2010</i>   | <i>03/31/2010</i> |
| <i>Obligations for purchase of land, net</i> |                       |                   |                     |                   |
| <i>of adjustment to present value</i>        | 117,749               | 140,374           | 304,371             | 326,815           |
| <i>Advances from clients</i>                 |                       |                   |                     |                   |
| <i>Development and sales</i>                 | 91,052                | 85,815            | 233,961             | 222,866           |
| <i>Barter transactions</i>                   | 46,783                | 45,380            | 103,830             | 82,499            |
|  | <b>255,584</b>        | <b>271,569</b>    | <b>642,162</b>      | <b>632,180</b>    |
| <i>Current portion</i>                       | 208,200               | 222,749           | 466,078             | 470,986           |
| <i>Non-current portion</i>                   | 47,384                | 48,820            | 176,084             | 161,194           |

The present value adjustment accreted to Real estate development operating costs for the quarter ended June 30, 2010 amount to R\$ (271) (parent company) and R\$ (628) (consolidated).

**15. Shareholders' equity****15.1. Capital**

At June 30, 2010, the Company's capital totaled R\$ 2,712,899 represented by 429,348,244 nominative common shares without par value, 599,486 of which were held in treasury.

According to the Bylaws, the Company's capital may be increased without need of amending it, upon resolution of the Board of Directors, which shall set the conditions for issuance until the limit of 600,000,000 (six hundred million) common shares.

On April 27, 2010, the distribution of minimum mandatory dividends for 2009 was approved in the amount of R\$ 50,716.

On May 27, 2010, the capital increase of R\$ 20,283 with the issue of 9,797,792 shares was approved, arising from the merger of the shares of Shertis (Note 1).

In the quarter ended June 30, 2010, the capital increases were approved in the amount of R\$ 1,399, related to the stock option plan and the exercise of 214,178 common shares.

The change in the number of shares outstanding (in thousands) was as follows:

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*Common shares in thousands*

|                                   |                |
|-----------------------------------|----------------|
| <i>March 31, 2010</i>             | <i>418,736</i> |
| <i>Merger of Shertis 20% AUSA</i> | <i>9,798</i>   |
| <i>Exercise of stock option</i>   | <i>214</i>     |
| <i>June 30, 2010</i>              | <i>428,748</i> |

## **15.2. Stock option plans**

### **(i) Gafisa**

A total of six stock option plans are offered by the Company. The first plan was launched in 2000 and is managed by a committee that periodically creates new stock option plans, determining their terms, which, among other things, (i) define the length of service that is required for employees to be eligible to the benefits of the plans, (ii) select the employees that will be entitled to participate, and (iii) establish the purchase prices of the preferred shares to be exercised under the plans.

To be eligible for the plans (plans from 2000 to 2002), participant employees are required to contribute 10% of the value of total benefited options on the date the option is granted and, additionally, for each of the following five years, 18% of the price of the grant per year.

To be eligible for the 2006 and 2007 plans, employees are required to contribute at least 70% of the annual bonus received to exercise the options, under penalty of losing the right to exercise all options of subsequent lots.

The exercise price of the grant is inflation adjusted (IGP-M index), plus annual interest at 3%. The stock option may be exercised in one to five years subsequent to the initial date of the work period established in each of the plans. The shares are usually available to employees over a period of ten years after their contribution.

The Company records the cash receipt against a liability account to the extent the employees make advances for the purchase of the shares during the vesting period. There were no advanced payments in the year ended June 30, 2010.

The Company may decide to issue new shares or transfer the treasury shares to the employees in accordance with the clauses established in the plans. The Company has the right of first refusal on shares issued under the plans in the event of dismissals and retirement. In such cases, the amounts advanced are returned to the employees, in certain circumstances, at amounts that correspond to the greater of the market value of the shares (as established in the rules of the plans) or the amount inflation-indexed (IGP-M) plus annual interest at 3%.

In 2008, the Company issued a new stock option plan. In order to become eligible for the grant, employees are required to contribute from 25% to 80% of their annual net bonus to exercise the options within 30 days from the program date.

On June 26, 2009, the Company issued a new stock option plan for granting 1,300,000 options. In addition, the exchange of the 2,740,000 options of the 2007 and 2008 plans for 1,900,000 options granted under this new stock option plan was approved.

The assumptions adopted for recording the stock option plan for 2009 were the following: expected volatility of 40%, expected share dividends of 1.91%, and risk-free interest rate at

8.99%.

Page 54

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From July 1, 2009, the Company's management opted for using the Binomial and Monte Carlo models for pricing the options granted in replacement for the Black-Scholes model, because on its understanding these models are capable of including and calculating with a wider range of variables and assumptions comprising the plans of the Company. The effect of this model replacement was brought about prospectively on July 1, 2009, with the recording of income amounting to R\$ 3,300 for the period ended June 30, 2010.

On December 17, 2009, the Company issued a new stock option plan for granting 140,000 options. In addition, the exchange of the 512,280 options of the 2007 plan was approved for 402,500 options granted under this new stock option plan.

The changes in the number of stock options and corresponding weighted average exercise prices are as follows:

|   | <b>6/30/2010</b>             |  | <b>3/31/2010</b>             |  |
|---|------------------------------|--|------------------------------|--|
|   | <b>Number of options (*)</b> | <b>Weighted average exercise price (*)</b> | <b>Number of options (*)</b> | <b>Weighted average exercise price (*)</b> |
| <i>Options outstanding at the beginning of the period</i> | 10,245,394                   | 12.18                                      | 11,860,550                   | 13.07                                      |
| <i>Options granted</i>                                    | -                            | -  | 7,485,000                    | 7.88                                       |
| <i>Options exercised</i>                                  | (604,678)                    | 6.28                                       | (2,200,112)                  | 7.82                                       |
| <i>Options exchanged</i>                                  | -                            | -  | (6,504,560)                  | 15.65                                      |
| <i>Options expired</i>                                    | (5,502)                      | 15.33                                      | -                            | -  |
| <i>Options cancelled</i>                                  | (184,440)                    | 14.59                                      | (395,484)                    | 16.49                                      |
| <i>Options outstanding at the end of the period</i>       | <b>9,450,774</b>             | <b>13.76</b>                               | <b>10,245,394</b>            | <b>12.18</b>                               |
| <i>Options exercisable at the end of the period</i>       | <b>2,518,304</b>             | <b>13.59</b>                               | <b>3,312,924</b>             | <b>13.37</b>                               |

(\*)Information presented taking into consideration the split of shares approved on February 22, 2010.

The analysis of prices is as follows, taking into consideration the split of shares on February 22, 2010:

|   | <b>Reais</b>     |                  |
|---|------------------|------------------|
|   | <b>6/30/2010</b> | <b>3/31/2010</b> |
| <i>Exercise price per option at the end of the period</i> | 4.41-22.64       | 4.27-21.70       |

|  |       |       |
|--|-------|-------|
| <i>Weighted average exercise price at the option grant date</i>  | 8.62  | 8.62  |
| <i>Weighted average market price per share at the grant date</i> | 8.10  | 8.10  |
| <i>Market price per share at the end of the period</i>           | 10.80 | 12.29 |

The options granted will confer their holders the right to subscribe the Company's shares, after completing one to five years of employment with the Company (strict conditions on exercise of options), and will expire after ten years from the grant date.

At June 30, 2010, the dilution percentage is 0.06%, corresponding to earnings per share after dilution amounting to R\$ 0.1511 (R\$ 0.1512 before dilution) (March 31, 2010, dilution at 0.06%).

In the period ended June 30, 2010, the Company recognized the amounts of R\$ 3,718 (parent company) and R\$ 5,767 (consolidated) in operating expenses. The amounts recognized in the parent company represent the realization of the capital reserve in shareholders' equity.

## (ii) Tenda

Tenda has a total of three stock option plans, the first two were approved in June 2008, and the other one in April 2009. These plans, limited to the maximum of 5% of total capital shares and approved by the Board of Directors, stipulate the general terms, which, among other things, (i) define the length of service that is required for employees to be eligible to the benefits of the plans, (ii) select the employees that will be entitled to participate, and (iii) establish the purchase prices of the preferred shares to be exercised under the plans.

In the option granted in 2008, when exercising the option the base price will be adjusted according to the market value of shares, based on the average price in the 20 trading sessions prior to the commencement of each annual exercise period. The exercise price is adjusted according to a fixed price, according to the share value in the market, at the time of the two exercise periods for each annual lot. In the options granted in 2009, the vesting price is adjusted by the IGP-M variation, plus interests at 3%. The stock option may be exercised by beneficiaries, who shall partially use their annual bonuses, as awarded, in up to 10 years subsequent to the initial date of the work period established in each of the plans. The shares are usually available to employees over a period of two to five years after their contribution.

|   | <b>6/30/2010</b> |                 | <b>3/31/2009</b> |                 |
|---|------------------|-----------------|------------------|-----------------|
|   | <b>Number of</b> | <b>Weighted</b> | <b>Number of</b> | <b>Weighted</b> |
|   | <b>options</b>   | <b>average</b>  | <b>options</b>   | <b>average</b>  |
|   |                  | <b>exercise</b> |                  | <b>exercise</b> |
|   |                  | <b>price</b>    |                  | <b>price</b>    |
| <i>Options outstanding at the beginning of the period</i> | 3,874,534        | 4.64            | 3,956,534        | 7.20            |
| <i>Options granted</i>                                    | -                | -               | -                | -               |
| <i>Options exercised</i>                                  | (97,212)         | 6.88            | (82,000)         | 2.65            |
| <i>Options cancelled</i>                                  | (422,683)        | 6.99            | -                | -               |
| <i>Options outstanding at the end of the period</i>       | 3,436,639        | 6.88            | 3,874,534        | 4.64            |

In the period ended June 30, 2010, Tenda recorded stock option plan expenses amounting to R\$ 1,910.

**(iii) AUSA**

The subsidiary AUSA has three stock option plans, the first launched in 2007. The stock option plan of AUSA was approved on June 26, 2007 at the Annual

Page 56

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Shareholders' Meeting and at the Board of Directors Meeting held on the same date.

On June 1, 2010, two new stock option plans were issued by the Company for granting of a total of 738 options.

The assumptions adopted in the recognition of the stock option plan for 2009 were the following: expected volatility of 40% and risk-free interest rate at 9.39%.

The changes in the number of stock options and their corresponding weighted average exercise prices for the year are as follows:

### **3/31/2010**

|   | <b>Number of options</b> | <b>Weighted average exercise price</b> |
|---|--------------------------|--|
| <i>Options outstanding at the beginning of the period</i> | 1,557                    | 6,843.52                               |
| <i>Options granted</i>                                    | 738                      | 10,477.60                              |
| <i>Options exercised</i>                                  | -                        | -                                      |
| <i>Options cancelled</i>                                  | -                        | -                                      |
| <br><i>Options outstanding at the end of the period</i>   | <br>2,295                | <br>8,012.12                           |

At June 30, 2010, 1,024 options were exercisable. The exercise prices per option on June 30, 2010 were from R\$ 9,338.36 to R\$ 9,479.96.

The market value of each option granted was estimated at the grant date using the Binomial option pricing model.

## **16. Deferred taxes**

Deferred taxes are recorded to reflect the future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their respective carrying amounts.

According to CVM Instruction No. 371, of June 27, 2002, the Company, based on a technical study, approved by Management, on the estimate of future taxable income, recognized tax credits on income tax and social contribution loss carryforwards for prior years, which do not have maturity and can be offset up to 30% of annual taxable income. The carrying amount of deferred tax asset is periodically reviewed, whereas projects are reviewed annually; in case there are significant factors that may change such projection, these are reviewed over the year by the Company.

Deferred taxes result from the following:

Page 57

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|   | <i>Parent company</i> |                   | <i>Consolidated</i> |                   |
|---|-----------------------|-------------------|---------------------|-------------------|
|   | <i>06/30/2010</i>     | <i>03/31/2010</i> | <i>06/30/2010</i>   | <i>03/31/2010</i> |
| <i>Assets</i>                             |                       |                   |                     |                   |
| <i>Temporary differences - Lalur</i>      | 73,832                | 82,286            | 93,014              | 101,444           |
| <i>Income tax and social contribution</i> |                       |                   |                     |                   |
| <i>loss carryforwards</i>                 | 38,894                | 24,976            | 143,114             | 128,310           |
| <i>Tax credits from downstream</i>        | 1,557                 | 2,335             | 11,068              | 12,865            |
| <i>Temporary differences - CPC</i>        | 51,950                | 51,819            | 64,497              | 64,513            |
|   | <b>166,233</b>        | <b>161,416</b>    | <b>311,693</b>      | <b>307,132</b>    |
|   |                       |                   |                     | 307,132           |
| <i>Liabilities</i>                        |                       |                   |                     |                   |
| <i>Negative goodwill</i>                  | 86,813                | 86,483            | 86,813              | 86,483            |
| <i>Temporary differences - CPC</i>        | 26,328                | 24,393            | 33,185              | 28,722            |
| <i>Differences between income taxed</i>   |                       |                   |                     |                   |
| <i>on Cash basis and recorded on</i>      | 105,225               | 94,840            | 364,455             | 337,291           |
| <i>Non-current portion</i>                | <b>218,366</b>        | <b>205,716</b>    | <b>484,453</b>      | <b>452,496</b>    |

The Company calculates its taxes based on the recognition of results proportionally to the receipt of the contracted sales, in accordance with the tax rules determined by the Federal Revenue Service (SRF) Instruction 84/79, which differs from the calculation of the accounting revenues based on the costs incurred versus total estimated cost. The tax basis will crystallize over an average period of four years as cash inflows arise and the corresponding projects are completed.

Other than for Tenda, Gafisa has not recorded a deferred income tax asset on the tax losses and social contribution tax loss carryforwards of its subsidiaries which adopt the taxable income regime and do not have a history of taxable income for the past three years.

The projections of future taxable income consider estimates that are related, among other things, to the Company's performance and the behavior of the market in which it operates, as well as certain economic factors. Actual results could differ from these estimates.

Management considers that deferred tax assets arising from temporary differences will be realized at the extent the contingencies and events are settled.

Based on estimated future taxable income of Gafisa, the expected recovery profile of the income tax and social contribution loss carryforwards of the parent company and Tenda is:

|              | <b><i>Parent company</i></b> | <b><i>Consolidated</i></b> |
|--------------|------------------------------|----------------------------|
| 2010         | -                            | -                          |
| 2011         | 9,605                        | 17,606                     |
| 2012         | 29,289                       | 46,619                     |
| 2013         | -                            | 18,455                     |
| 2014         | -                            | 33,927                     |
| Other        | -                            | 26,507                     |
| <b>Total</b> | <b>38,894</b>                | <b>143,114</b>             |

The reconciliation of the statutory to effective tax rate for the periods ended June 30, 2010 and 2009 is as follows:

|   | <b>6/30/2010</b> | <b>Consolidated<br/>6/30/2009</b> |
|---|------------------|-----------------------------------|
| <i>Income before taxes on income and noncontrolling interest</i>  | 231,786          | 162,799                           |
| <i>Income tax calculated at the standard rate - 34%</i>           | (78,807)         | (55,352)                          |
| <i>Net effect of subsidiaries taxed on presumed profit regime</i> | 36,454           | 18,471                            |
| <i>Amortization of negative goodwill</i>                          | -                | (3,649)                           |
| <i>Tax losses (negative tax basis used)</i>                       | 72               | 106                               |
| <i>Stock option plan</i>  | (1,961)          | (4,186)                           |
| <i>Other permanent differences</i>                                | (308)            | 7,496                             |
|   | <b>(44,549)</b>  | <b>(36,934)</b>                   |

**(a) Adherence to the "Crisis Tax Recovery Program" (Crisis Refis)**

Pursuant to Law No. 11,941/2009 of May 27, 2009 and the Provisional Measure No. 470/2009 of October 13, 2009, the Company and its subsidiaries submitted the Request for Special Installment Payment - "REFIS IV" to the Federal Revenue Service, with the migration of the debt balance of the Extraordinary Installment Payment of the Ministry of Finance (PAEX) and inclusion of the lawsuits ended against the Federal Revenue Service amounting to R\$ 25,120. Such Law and Provisional Measure establish a reduction in fine, interest, legal charges and payment with tax loss. The Company opted for the cash payment of tax debts amounting to R\$ 17,304, and the consolidated gain with the adherence to Refis amounted to R\$ 3,999. The total portion payable in installment amounted to R\$ 6,818, divided into 180 monthly installments, the minimum installment starting from September 2009 until the consolidation of the debt plus interest corresponding to the monthly variation of SELIC.

The Company is required to make regular tax and contribution payments, in installments and in cash, as basic condition for maintaining the installment payment and its conditions. At June 30, 2010, the Company is in compliance with the payments.

**17. Financial instruments**

The Company and its subsidiaries participate in operations involving financial instruments. Management of these instruments is made through operational strategies and internal controls aimed at liquidity, return and safety. The use of financial instruments with objective of hedge is made through a periodical analysis of exposure to the risk that the management intends to cover (exchange, interest rate, etc) which is approved by the Board of Directors for

authorization and performance of the proposed strategy. The policy on control consists of permanently following up the contracted conditions in relation to the conditions prevailing in the market. The Company and its subsidiaries do not invest for speculation in derivatives or any other risky assets. The result from these operations is consistent with the policies and strategies devised by the Company's management.

The Company's and its subsidiaries operations are subject to the risk factors described below:

**(a) Risk considerations**

**(i) Credit risk**

The Company and its subsidiaries restrict their exposure to credit risks associated with cash and cash equivalents, investing in financial institutions considered highly rated and in short-term securities.

With regards to accounts receivable, the Company restricts its exposure to credit risks through sales to a broad base of clients and ongoing credit analysis. Additionally, there is no history of losses due to the existence of liens for the recovery of its products in the cases of default during the construction period.

Other than for Tenda, the Company management did not deem necessary the recognition of a provision to cover losses for the recovery of receivables related to delivered real estate units at June 30, 2010. There was no significant concentration of credit risks related to clients for this period.

**(ii) Derivative financial instruments**

The Company adopts the policy of participating in operations involving derivative financial instruments with the objective of mitigating or eliminating currency risks, as described below.

In the period ended June 30, 2009, the Company had derivative financial instruments, settled in that same year, with the objective of hedging against fluctuations in foreign exchange rates.

**(iii) Interest rate risk**

It arises from the possibility that the Company and its subsidiaries earn gains or incur losses because of fluctuations in the interest rates of its financial assets and liabilities. Aiming at mitigating this kind of risk, the Company and its subsidiaries seek to diversify funding in terms of fixed and floating rates. The interest rates on loans, financing and debentures are disclosed in Notes 10 and 11. The interest rates contracted on financial investments are disclosed in Note 4. Accounts receivable from real estate units delivered, as disclosed in Note 5, are subject to annual interest rate of 12%, appropriated on pro rata basis.

**(iv) Capital structure risk (or financial risk)**

It arises from the choice between own (capital contribution and retained earnings) and third-party capital that the Company and its subsidiaries make to finance their operations. In order to mitigate liquidity risks and optimize the weighted average cost of capital, the Company and its subsidiaries permanently monitor the levels of indebtedness according to the market standards and the fulfillment of indices (covenants) provided for in loan, finance and debenture contracts.



**(b) Valuation of financial instruments**

The main financial instruments receivable and payable are described below, as well as the criteria for their valuation:

**(i) Cash and cash equivalents and financial investments**

The market value of these assets does not differ significantly from the amounts presented on the quarterly information (Note 4). The contracted rates reflect usual market conditions.

Investment funds in which the Company has an exclusive interest make transactions with derivatives, among others. As mentioned in Note 4, the amount accounted for investment funds is recorded at market value at June 30, 2010.

**(ii) Loans, financing and debentures**

Loans and financing are recorded based on the contractual interest rates of each operation, except for loans denominated in foreign currency, which are stated at fair value as contra-entry to results. Interest rate estimates for contracting operations with similar terms and amounts are used for the determination of market value. The terms and conditions of loans, financing and debentures obtained are presented in Notes 10 and 11. The fair value of the other loans and financing, recorded based on the contractual interest of each operation, does not significantly differ from the amounts presented in the quarterly information.

**18. Related parties****18.1. Transaction with related parties**

| <b>Current account<br/>Condominium and consortia</b> | <b>Parent company</b> |                  | <b>Consolidated</b> |                  |
|--|-----------------------|------------------|---------------------|------------------|
|  | <b>6/30/2010</b>      | <b>3/31/2010</b> | <b>6/30/2010</b>    | <b>3/31/2010</b> |
| A116Alpha 4  | (4,020)               | (5,887)          | (4,020)             | (5,887)          |
| A146Consórcio Ezetec & Gafisa                        | 1,801                 | 7,897            | 1,801               | 7,897            |
| A166Consórcio Ezetec Gafisa                          | 1,290                 | 579              | 1,290               | 579              |
| A175Cond Constr Empr Pinheiros                       | 3,066                 | 3,064            | 3,066               | 3,064            |
| A195Condomínio Parque da Tijuca                      | (783)                 | (532)            | (783)               | (532)            |
| A205Condomínio em Const. Barra First Class           | 1,367                 | (46)             | 1,367               | (46)             |
| A226Civilcorp  | 2,062                 | 2,184            | 2,062               | 2,184            |
| A255Condomínio do Ed Barra Premium                   | 1,261                 | 553              | 1,261               | 553              |
| A266Consórcio Gafisa Rizzo                           | (2,611)               | (1,360)          | (2,611)             | (1,360)          |
| A286Evolucao Chacara das Flores                      | 9                     | 7                | 9                   | 7                |
| A315Condomínio Passo da Patria II                    | 563                   | 569              | 563                 | 569              |
| A395Cond Constr Palazzo Farnese                      | (17)                  | (17)             | (17)                | (17)             |
| A436Alpha 3  | (4,283)               | (4,230)          | (4,283)             | (4,230)          |
| A475Condomínio Iguatemi                              | 3                     | 3                | 3                   | 3                |
| A486Consórcio Quintas Nova Cidade                    | 36                    | 36               | 36                  | 36               |
| A506Consórcio Ponta Negra                            | 2,488                 | 2,488            | 2,488               | 2,488            |
| A536Consórcio SISPAR & Gafisa                        | 11,198                | 9,825            | 11,198              | 9,825            |



|   |          |          |          |          |
|---|----------|----------|----------|----------|
| A575 Cd. Advanced Ofs Gafisa-Metro          | (1,325)  | (1,175)  | (1,325)  | (1,175)  |
| A606 Condomínio ACQUA                       | (2,586)  | (3,959)  | (2,586)  | (3,959)  |
| A616 Cond.Constr.Living                     | (2,344)  | (1,976)  | (2,344)  | (1,976)  |
| A666 Consórcio Bem Viver                    | (391)    | (375)    | (391)    | (375)    |
| A795 Cond.Urbaniz.Lot Quintas Rio           | (7,595)  | (6,247)  | (7,595)  | (6,247)  |
| A815 Cond.Constr. Homem de Melo             | 81       | 83       | 81       | 83       |
| A946 Consórcio OAS Gafisa - Garden          | 292      | 292      | 292      | 292      |
| B075 Cond. de const. La Traviata            | (869)    | (758)    | (869)    | (758)    |
| B125 Cond. Em Constr LACEDEMONIA            | 29       | 57       | 29       | 57       |
| B226 Evolucao New Place                     | (675)    | (673)    | (675)    | (673)    |
| B236 Consórcio Gafisa Algo                  | 678      | 722      | 678      | 722      |
| B256 Columbia Outeiro dos Nobres            | (153)    | (153)    | (153)    | (153)    |
| B336 Evolucao - Reserva do Bosque           | 14       | 12       | 14       | 12       |
| B346 Evolucao Reserva do Parque             | 38       | 52       | 38       | 52       |
| B496 Consórcio Gafisa&Bricks                | 656      | 654      | 656      | 654      |
| B525 Cond.Constr. Fernando Torres           | 136      | 136      | 136      | 136      |
| B625 Cond de Const Sunrise Reside           | 269      | 321      | 269      | 321      |
| B746 Evolucao Ventos do Leste               | 159      | 112      | 159      | 112      |
| B796 Consórcio Quatro Estações              | (1,323)  | (1,326)  | (1,323)  | (1,326)  |
| B905 Cond em Const Sampaio Viana            | 972      | 951      | 972      | 951      |
| B945 Cond. Constr Monte Alegre              | 1,429    | 1,456    | 1,429    | 1,456    |
| B965 Cond. Constr.Afonso de Freitas         | 1,653    | 1,674    | 1,653    | 1,674    |
| B986 Consórcio New Point                    | 1,097    | 1,135    | 1,097    | 1,135    |
| C136 Evolução - Campo Grande                | 584      | 611      | 584      | 611      |
| C175 Condomínio do Ed Oontal Beach          | (1,165)  | (1,113)  | (1,165)  | (1,113)  |
| C296 Consórcio OAS Gafisa - Garden          | 6,050    | 6,050    | 6,050    | 6,050    |
| C565 Cond Constr Infra Panamby              | (90)     | (112)    | (90)     | (112)    |
| C575 Condomínio Strelitzia                  | (1,391)  | (1,406)  | (1,391)  | (1,406)  |
| C585 Cond Constr Anthuriun                  | 1,967    | 2,169    | 1,967    | 2,169    |
| C595 Condomínio Hibiscus                    | 2,753    | 2,766    | 2,753    | 2,766    |
| C605 Cond em Constr Splendor                | (1,856)  | (1,848)  | (1,856)  | (1,848)  |
| C615 Condomínio Palazzo                     | (1,775)  | (1,672)  | (1,775)  | (1,672)  |
| C625 Cond Constr Doble View                 | (4,717)  | (4,201)  | (4,717)  | (4,201)  |
| C635 Panamby - Torre K1                     | 129      | 224      | 129      | 224      |
| C645 Condomínio Cypris                      | (2,798)  | (2,291)  | (2,798)  | (2,291)  |
| C655 Cond em Constr Doppio Spazio           | (2,659)  | (2,596)  | (2,659)  | (2,596)  |
| C706 Consórcio Res. Sta Cecília             | 11,435   | 11,761   | 11,435   | 11,761   |
| D076 Consórcio Planc e Gafisa               | 690      | 690      | 690      | 690      |
| D096 Consórcio Gafisa&Rizzo (susp)          | 1,418    | 1,664    | 1,418    | 1,664    |
| D116 Consórcio Gafisa OAS - Abaeté          | 5,596    | 35,765   | 5,596    | 35,765   |
| D535 Cond do Clube Quintas do Rio           | 1        | 1        | 1        | 1        |
| D886 Cons OAS-Gafisa Horto Panamby          | (33,799) | (26,647) | (33,799) | (26,647) |
| D896 Consórcio OAS e Gafisa □ Horto Panamby | 5,845    | 5,845    | 5,845    | 5,845    |
| E116 Consórcio Ponta Negra □ Ed Marseille   | (9,737)  | (6,142)  | (9,737)  | (6,142)  |
| E126 Consórcio Ponta Negra □ Ed Nice        | (5,462)  | (5,308)  | (5,462)  | (5,308)  |

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|  |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| <i>E166 Manhattan Square</i>                 | 2,841         | 2,841         | 2,841         | 2,841         |
| <i>E336 Cons. Eztec Gafisa Pedro Luis</i>    | (9,755)       | (11,954)      | (9,755)       | (11,954)      |
| <i>E346 Consórcio Planc Boa Esperança</i>    | 1,308         | 1,314         | 1,308         | 1,314         |
| <i>E736 Consórcio OAS e Gafisa □ Tribeca</i> | (15,505)      | (15,042)      | (15,505)      | (15,042)      |
| <i>E746 Consórcio OAS e Gafisa □ Soho</i>    | 12,993        | 16,701        | 12,993        | 16,701        |
| <i>E946 Consórcio Gafisa</i>                 | (77)          | (77)          | (77)          | (77)          |
| <i>F178 Consórcio Ventos do Leste</i>        | 148           | (1)           | 148           | (1)           |
| <i>S016 Bairro Novo Cotia</i>                | 9509          | 9,506         | 9509          | 9,506         |
| <i>S026 Bairro Novo Camaçari</i>             | 1260          | 1,259         | 1260          | 1,259         |
|  | <b>22,587</b> | <b>24,905</b> | <b>22,587</b> | <b>24,905</b> |

| <b>Current account</b>                | <b>Parent company</b> |                  | <b>Consolidated</b> |                  |
|---------------------------------------|-----------------------|------------------|---------------------|------------------|
|                                       | <b>6/30/2010</b>      | <b>3/31/2010</b> | <b>6/30/2010</b>    | <b>3/31/2010</b> |
| <b>Condominium and consortia</b>      |                       |                  |                     |                  |
| GAF - GAFISA + INCORPORADAS           |                       |                  |                     |                  |
| Vida Participação □ Construtora Tenda | 45,127                | 45,127           | -                   | -                |
| 0010 Gafisa SPE 10 SA                 | (711)                 | 6,836            | (711)               | 6,836            |
| 0060 Gafisa Vendas I.Imob Ltda        | 2,384                 | 2,384            | 2,384               | 2,384            |
| E910 Projeto Alga                     | (25,000)              | (25,000)         | (25,000)            | (25,000)         |
| Other                                 | -                     | (351)            | -                   | (351)            |
|                                       | <b>21,800</b>         | <b>28,996</b>    | <b>(23,327)</b>     | <b>(16,131)</b>  |
| <b>SPEs</b>                           | <b>6/30/2010</b>      | <b>3/31/2010</b> | <b>6/30/2010</b>    | <b>3/31/2010</b> |
| 0020 Alphaville Urbanismo             | 13,270                | 13,270           | -                   | -                |
| 0030 Construtora Tenda                | 352,212               | (4,018)          | 99,139              | 9,153            |
| 0040 Bairro Novo Emp Imob S.A.        | 1,968                 | 1,968            | -                   | -                |
| 0050 Cipesa Empreendimentos Imobil.   | 404                   | 403              | 404                 | 402              |
| A010 The House                        | 84                    | 84               | -                   | -                |
| A020 GAFISA SPE 46 EMPREEND IMOBILI   | 13,914                | 7,998            | -                   | -                |
| A070 GAFISA SPE 40 EMPR.IMOB LTDA     | 1,028                 | 1,028            | 290                 | 290              |
| A180 VISTTA IBIRAPUERA                | (74)                  | (73)             | (70)                | (70)             |
| A290 Blue II Plan. Prom e Venda Lt    | (2,612)               | (3,484)          | -                   | (3,496)          |
| A300 SAÍ AMARELA S/A                  | (1,144)               | (1,144)          | -                   | (1,176)          |
| A320 GAFISA SPE-49 EMPRE.IMOB.LTDA    | 2,783                 | 2,785            | 2,783               | 2,785            |
| A340 London Green                     | 9                     | 9                | 9                   | 9                |
| A350 GAFISA SPE-35 LTDA               | (3,183)               | 1                | 1                   | 1                |
| A410 GAFISA SPE 38 EMPR IMOB LTDA     | 4,808                 | 4,783            | -                   | -                |
| A420 LT INCORPORADORA SPE LTDA.       | (1,249)               | 1,081            | -                   | (513)            |
| A490 RES. DAS PALMEIRAS INC. SPE LT   | 649                   | 659              | 649                 | 659              |
| A580 GAFISA SPE 41 EMPR.IMOB.LTDA.    | (20,321)              | (14,462)         | -                   | -                |
| A630 Dolce VitaBella Vita SPE SA      | 176                   | 144              | 176                 | 144              |
| A640 SAIRA VERDE EMPREEND.IMOBIL.LT   | 166                   | 166              | 166                 | 165              |
| A680 GAFISA SPE 22 LTDA               | 731                   | 872              | -                   | (272)            |
| A720 CSF Prímula                      | (2,400)               | (80,849)         | -                   | -                |
| A730 GAFISA SPE 39 EMPR.IMOBIL LTDA   | (2,117)               | (1,981)          | 1,801               | 1,801            |
| A750 CSF SANTTORINO                   | 149                   | 149              | 149                 | 149              |
| A800 DV SPE SA                        | (578)                 | (578)            | -                   | (578)            |
| A870 GAFISA SPE 48 EMPREEND IMOBILI   | (622)                 | (427)            | -                   | (432)            |
| A990 GAFISA SPE-53 EMPRE.IMOB.LTDA    | (183)                 | (175)            | -                   | (184)            |
| B040 Jardim II Planej.Prom.Vda.Ltda   | 328                   | 6,159            | -                   | (9,152)          |
| B210 GAFISA SPE 37 EMPREEND.IMOBIL.   | 1,424                 | 1,924            | 1,424               | 1,918            |
| B270 GAFISA SPE-51 EMPRE.IMOB.LTDA    | (430)                 | (301)            | -                   | (310)            |
| B430 GAFISA SPE 36 EMPR IMOB LTDA     | 16,419                | 19,876           | -                   | -                |
| B440 GAFISA SPE 47 EMPREEND IMOBILI   | (335)                 | 167              | -                   | 167              |
| B590 SUNPLACE SPE LTDA                | (181)                 | (191)            | -                   | (191)            |
| B600 SUNPLAZA PERSONAL OFFICE         | (21)                  | (21)             | -                   | (21)             |
| B630 Sunshine SPE Ltda.               | 944                   | 1,094            | 944                 | 1,094            |
| B640 GAFISA SPE 30 LTDA               | (12,214)              | (5,468)          | -                   | -                |
| B760 Gafisa SPE-50 Empr. Imob. Ltda   | (2,000)               | (716)            | -                   | 600              |

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|                                     |          |          |       |         |
|-------------------------------------|----------|----------|-------|---------|
| B800 TINER CAMPO BELO I EMPR.IMOBIL | (30,944) | (30,943) | -     | -       |
| B830 GAFISA SPE-33 LTDA             | 3,011    | 3,105    | -     | (685)   |
| B950 COND.AFONSO DE FREITAS         | (798)    | (323)    | -     | (323)   |
| C010 Jardim I Planej.Prom.Vda. Ltda | 5,275    | 5,664    | 1,664 | 1,664   |
| C040 PAULISTA CORPORATE             | 50       | 50       | 50    | 50      |
| C070 VERDES PRAÇAS INC.IMOB SPE LT  | (1,943)  | (24,380) | -     | -       |
| C080 OLIMPIC CONDOMINIUM RESORT     | (22,706) | (109)    | -     | (109)   |
| C100 GAFISA SPE 42 EMPR.IMOB.LTDA.  | (1,016)  | 3,315    | -     | (168)   |
| C150 PENÍNSULA I SPE SA             | (2,548)  | (2,048)  | 516   | 516     |
| C160 PENÍNSULA 2 SPE SA             | 4,478    | 4,778    | -     | (3,914) |
| C180 Blue I SPE Ltda.               | 5,357    | 5,328    | 2,140 | 2,143   |
| C220 Blue II Plan Prom e Venda Lt   | (6)      | (6)      | -     | (6)     |
| C230 Blue II Plan Prom e Venda Lt   | (3)      | (3)      | -     | (3)     |
| C250 GRAND VALLEY                   | 123      | 123      | 123   | 123     |
| C370 OLIMPIC CHAC. SANTO ANTONIO    | 81       | 81       | 81    | 81      |
| C400 FELICITA                       | 5        | 5        | 5     | 5       |
| C410 Gafisa SPE-55 Empr. Imob. Ltda | 67       | 247      | 67    | 247     |
| C440 Gafisa SPE 32                  | (1,765)  | (1,724)  | -     | (1,724) |
| C460 CYRELA GAFISA SPE LTDA         | 2,984    | 2,984    | -     | -       |

|                                       |         |         |       |         |
|---------------------------------------|---------|---------|-------|---------|
| C480 Alto da Barra de São Miguel      | (118)   | (118)   | -     | (118)   |
| C490 Unigafisa Part SCP               | 41,406  | 37,253  | -     | -       |
| C510 PQ BARUERI COND - FASE 1         | 6       | 6       | -     | 6       |
| C540 Villagio Panamby Trust SA        | (678)   | (553)   | (678) | (553)   |
| C550 DIODON PARTICIPAÇÕES LTDA.       | (5,491) | (5,646) | -     | -       |
| C680 DIODON PARTICIPAÇÕES LTDA.       | 131     | 131     | -     | -       |
| C800 GAFISA SPE 44 EMPREEND IMOBILI   | 400     | 94      | 400   | 94      |
| C850 Sitio Jatiuca Emp. Imob. S       | -       | 1,437   | -     | -       |
| C860 Spazio Natura Emp. Imob. Ltd     | (5)     | 4       | -     | 4       |
| C870 SOLARES DA VILA MARIA            | 7       | 7       | 7     | 7       |
| D080 O Bosque Empreend. Imob. Ltda    | 177     | 177     | 177   | 177     |
| D100 GAFISA SPE 65 EMPREEND IMOB LTD  | 948     | 398     | 259   | 259     |
| D280 Cara de Cão                      | (7,870) | (2,967) | -     | -       |
| D340 Laguna Di Mare □ fase 2          | (2,246) | -       | -     | -       |
| D590 GAFISA SPE-72                    | 1,664   | 1       | -     | 1       |
| D620 Gafisa SPE-52 E. Imob. Ltda      | 143     | 189     | 143   | 181     |
| D630 GPARK ÁRVORES - FASE 1           | (5,625) | 1,810   | -     | -       |
| D730 Gafisa SPE-32 Ltda               | 2,220   | 2,220   | -     | -       |
| D940 Terreno Ribeirão / Curupira      | 1,352   | 1,352   | -     | -       |
| E080 TERRENO QD C-13 LOTE CENTRAL     | 137     | 137     | 137   | 137     |
| E210 UNIDADE AVULSA HOLLIDAY SALVA    | (225)   | (225)   | -     | -       |
| E240 Edif Nice                        | (95)    | (95)    | -     | -       |
| E350 Gafisa SPE-71                    | 102     | 80      | 50    | 54      |
| E360 Zildete                          | 1,382   | 1,382   | -     | -       |
| E380 Clube Baiano de Tênis            | 313     | 313     | -     | -       |
| E410 Gafisa SPE-73                    | 2       | 1       | -     | 1       |
| E440 MADUREIRA - SOARES CALDEIRA      | 4,500   | 4,500   | -     | -       |
| E550 Gafisa SPE 69 Empreendimertos    | 3,963   | 3,938   | -     | -       |
| E560 GAFISA SPE 43 EMPR.IMOB.LTDA.    | 5       | 5       | -     | 5       |
| E600 SPE Franere GAF 04               | (1,500) | -       | -     | -       |
| E770 Gafisa SPE-74 Emp Imob Ltda      | 1,780   | 1,780   | -     | (2,277) |
| E780 GAFISA SPE 59 EMPREEND IMOB LTDA | 3       | 3       | 3     | 3       |
| E880 PROJETO VILLA-LOBOS              | 1,253   | 1,253   | -     | -       |
| E970 Gafisa SPE 68 Empreendimertos    | 23      | 23      | 22    | 22      |
| E980 Gafisa SPE-76 Emp Imob Ltda      | 22      | 22      | 22    | 22      |
| E990 Gafisa SPE-77 Emp Imob Ltda      | 3,336   | 3,335   | -     | -       |
| F100 Gafisa SPE-78 Emp Imob Ltda      | 218     | 182     | 159   | 159     |
| F110 Gafisa SPE-79 Emp Imob Ltda      | 24      | 18      | -     | (173)   |
| F120 Gafisa SPE 70 Empreendimertos    | 5       | 5       | 5     | 5       |
| F130 GAFISA SPE 61 EMPREENDIMENTO I   | (150)   | (150)   | -     | (150)   |
| F140 SOC.EM CTA.DE PARTICIP. GAFISA   | (878)   | (878)   | -     | -       |
| F260 Gafisa SPE-75 Emp Imob Ltda      | 356     | 356     | -     | (356)   |
| F270 Gafisa SPE-80 Emp Imob Ltda      | 7       | 6       | -     | 6       |
| F520 Gafisa SPE-85 Emp Imob Ltda      | (749)   | (256)   | -     | (272)   |
| F580 Gafisa SPE-86 Emp Imob Ltda      | -       | -       | -     | -       |
| F590 Gafisa SPE-81 Emp Imob Ltda      | 1,906   | 139     | -     | -       |
| F600 Gafisa SPE-82 Emp Imob Ltda      | 1       | 1       | 1     | 1       |
| F610 Gafisa SPE-83 Emp Imob Ltda      | 522     | 515     | 502   | 502     |

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|  |          |         |     |      |
|--|----------|---------|-----|------|
| <i>F620 Gafisa SPE-87 Emp Imob Ltda</i>  | 1,282    | 1,789   | -   | -    |
| <i>F630 Gafisa SPE-88 Emp Imob Ltda</i>  | (1,086)  | (66)    | -   | (66) |
| <i>F640 Gafisa SPE-89 Emp Imob Ltda</i>  | 755      | (1,853) | -   | -    |
| <i>F650 Gafisa SPE-90 Emp Imob Ltda</i>  | 2,847    | 6,274   | 688 | 688  |
| <i>F660 Gafisa SPE-84 Emp Imob Ltda</i>  | (10,160) | (7,224) | -   | -    |
| <i>F910 Gafisa SPE-91 Emp Imob Ltda</i>  | 12,951   | 276     | 258 | 258  |
| <i>F920 Angelo Agostini</i>              | (885)    | (1,083) | -   | -    |
| <i>F940 Gafisa SPE-102 Emp Imob Ltda</i> | 705      | -       | -   | -    |
| <i>F950 SPE Franere Gafisa 06</i>        | 66       | -       | -   | -    |
| <i>F970 Gafisa SPE-92 Emp Imob Ltda</i>  | 191      | 110     | -   | 98   |
| <i>F980 Gafisa SPE-93 Emp Imob Ltda</i>  | 2,649    | 2,649   | -   | -    |
| <i>F990 Gafisa SPE-94 Emp Imob Ltda</i>  | 3,043    | 3,043   | -   | -    |
| <i>G010 Gafisa SPE-95 Emp Imob Ltda</i>  | 1,943    | 1,943   | -   | -    |
| <i>G020 Gafisa SPE-96 Emp Imob Ltda</i>  | 1,609    | 1,609   | -   | -    |
| <i>G030 Gafisa SPE-97 Emp Imob Ltda</i>  | 263      | 263     | -   | -    |
| <i>G040 Gafisa SPE-98 Emp Imob Ltda</i>  | 2,190    | 2,190   | -   | -    |
| <i>G050 Gafisa SPE-99 Emp Imob Ltda</i>  | 1,314    | 1,314   | -   | -    |
| <i>G060 Gafisa SPE-103 Emp Imob Ltda</i> | 1,394    | 1,394   | -   | -    |
| <i>G150 SITIO JATIUCA SPE LTDA</i>       | 1,910    | 6,861   | -   | -    |

|                                     |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
| G160 DEPUT JOSE LAJES EMP IMOB      | 36             | 41             | 36             | (9)            |
| G170 ALTA VISTTA                    | 156            | 1,329          | 156            | 989            |
| G220 OAS CITY PARK BROTAS EMP.      | 268            | 268            | 268            | 268            |
| G250 RESERVA SPAZIO NATURA          | 3              | 3              | 3              | 3              |
| G260 CITY PARK ACUPE EMP. IMOB.     | 429            | 429            | 429            | 429            |
| G270 Gafisa SPE-106 Emp Imob Ltda   | 7,637          | 187            | -              | -              |
| G280 Gafisa SPE-107 Emp Imob Ltda   | (2,120)        | 530            | -              | -              |
| G300 Gafisa SPE-109 Emp Imob Ltda   | 748            | -              | -              | -              |
| G320 Gafisa SPE-112 Emp Imob Ltda   | 34             | -              | -              | -              |
| G420 OFFICE LIFE                    | 626            | 626            | 626            | 626            |
| G430 API SPE 29 □ Plan. E Desenv.   | 1,548          | -              | -              | -              |
| G490 ESPACIO LAGUNA 504             | (1,290)        | (1,290)        | -              | -              |
| G500 CITY PARK EXCLUSIVE            | 534            | 534            | -              | -              |
| L130 Gafisa SPE-77 Emp              | (1,143)        | (736)          | -              | (83)           |
| N030 MARIO COVAS SPE EMPREENDIMENTO | 40             | 40             | 40             | 40             |
| N040 IMBUI I SPE EMPREENDIMENTO IMO | 1              | 1              | 1              | 1              |
| N090 ACEDIO SPE EMPREEND IMOB LTDA  | 1              | 1              | 1              | 1              |
| N120 MARIA INES SPE EMPREEND IMOB.  | 1              | 1              | 1              | 1              |
| N230 GAFISA SPE 64 EMPREENDIMENTO I | 1              | 1              | 1              | 1              |
| N250 FIT Jd Botanico SPE Emp.       | 1              | 1              | 1              | 1              |
| X100 CIPESA EMPREENDIMENTOS IMOBILI | 12             | 12             | 12             | 12             |
|                                     | <b>394,678</b> | <b>(9,472)</b> | <b>116,241</b> | <b>(3,694)</b> |

Thirty party's works

|                                     |         |       |         |       |
|-------------------------------------|---------|-------|---------|-------|
| A053 Camargo Corrêa Des.Imob SA     | 895     | 917   | 895     | 917   |
| A103 Genesis Desenvol Imob S/A      | (264)   | (216) | (264)   | (216) |
| A213 Empr. Icorp. Boulevard SPE LT  | 46      | 56    | 46      | 56    |
| A243 Cond. Const. Barra First Class | -       | 31    | -       | 31    |
| A833 Klabin Segall S.A.             | 582     | 532   | 582     | 532   |
| A843 Edge Incorp.e Part.LTDA        | 146     | 146   | 146     | 146   |
| A853 Multiplan Plan. Particip. e Ad | 100     | 100   | 100     | 100   |
| A933 Administ Shopping Nova America | -       | 90    | -       | 90    |
| A973 Ypuã Empreendimentos Imob      | 4       | 200   | 4       | 200   |
| A983 Holiday Inn São Jose           | 447     | -     | 447     | -     |
| B023 IURD Jundiaí                   | 40      | -     | 40      | -     |
| B053 Cond.Constr. Jd Des Tuiliere   | (122)   | (124) | (122)   | (124) |
| B103 Rossi AEM Incorporação Ltda    | 3       | 3     | 3       | 3     |
| B113 Magna Vita                     | 48      | -     | 48      | -     |
| B293 Patrimônio Constr.e Empr.Ltda  | 307     | 307   | 307     | 307   |
| B323 Camargo Corrêa Des.Imob SA     | 329     | (46)  | 329     | (46)  |
| B353 Cond Park Village              | (107)   | (88)  | (107)   | (88)  |
| B363 Boulevard0 Jardins Empr Incorp | (6,397) | (89)  | (6,397) | (89)  |
| B383 Rezende Imóveis e Construções  | (54)    | 809   | (54)    | 809   |
| B393 São José Constr e Com Ltda     | 775     | 543   | 775     | 543   |
| B403 Condomínio Civil Eldorado      | 335     | 276   | 335     | 276   |

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| <i>B423 Tati Construtora Incorp Ltda</i>    | 293   | 286   | 293   | 286   |
| <i>B693 Columbia Engenharia Ltda</i>        | 431   | 431   | 431   | 431   |
| <i>B753 Civilcorp Incorporações Ltda</i>    | 8     | 4     | 8     | 4     |
| <i>B773 Waldomiro Zarzur Eng. Const.Lt</i>  | 1,818 | 1,801 | 1,818 | 1,801 |
| <i>B783 Rossi Residencial S/A</i>           | 431   | 431   | 431   | 431   |
| <i>B863 RDV 11 SPE LTDA.</i>                | (781) | (781) | (781) | (781) |
| <i>B813 Tangua Patrimonial Ltda</i>         | (495) | (540) | (495) | (540) |
| <i>B913 Jorges Imóveis e Administrações</i> | 1     | 1     | 1     | 1     |
| <i>C273 Camargo Corrêa Des.Imob SA</i>      | (263) | (661) | (263) | (661) |
| <i>C283 Camargo Corrêa Des.Imob SA</i>      | (220) | (323) | (220) | (323) |
| <i>C433 Patrimônio Const Empreend Ltda</i>  | 155   | 155   | 155   | 155   |
| <i>D963 Alta Vistta Maceio (Controle)</i>   | 1     | 1     | 1     | 1     |
| <i>D973 Forest Ville (OAS)</i>              | 752   | 818   | 752   | 818   |
| <i>D983 Garden Ville (OAS)</i>              | 244   | 279   | 244   | 279   |
| <i>E093 JTR - Jatiuca Trade Residence</i>   | (1)   | 4,796 | (1)   | 4,796 |
| <i>E103 Acquarelle (Controle)</i>           | 637   | 124   | 637   | 124   |
| <i>E133 Riv Ponta Negra - Ed Nice</i>       | 3,318 | 3,054 | 3,318 | 3,054 |
| <i>E313 Palm Ville (OAS)</i>                | 183   | 354   | 183   | 354   |
| <i>E323 Art Ville (OAS)</i>                 | 228   | 330   | 228   | 330   |
| <i>E503 OSCAR FREIRE OPEN VIEW</i>          | (183) | (601) | (183) | (601) |
| <i>E513 OPEN VIEW GALENO DE ALMEIDA</i>     | (61)  | (255) | (61)  | (255) |
| <i>F323 Conj Comercial New Age</i>          | 4,682 | 4,667 | 4,682 | 4,667 |

|                                |                |               |                |               |
|--------------------------------|----------------|---------------|----------------|---------------|
| F833 Carlyle RB2 AS            | (1,500)        | (6,530)       | (1,500)        | (6,530)       |
| F873 Partifib P. I. Fiorata Lt | 29             | (430)         | 29             | (430)         |
| Other                          | 568            | (1,032)       | 568            | (1,032)       |
|                                | <b>7,388</b>   | <b>9,826</b>  | <b>7,388</b>   | <b>9,826</b>  |
| <i>Grand total (a)</i>         | <b>401,280</b> | <b>54,255</b> | <b>122,889</b> | <b>14,874</b> |

**(a)** The nature of related party operations is described in Note 7.

## 18.2. Endorsements, guaranties and sureties

The financial transactions of the wholly-owned subsidiaries or special purpose entities of the Company have the endorsement and surety in proportion to the interest of the Company in the capital stock of such companies, except certain specific cases in which the Company provide guaranties for its partners.

## 19. Profit sharing

The Company has a profit sharing plan that entitles its employees and those of its subsidiaries to participate in the distribution of profits of the Company that is tied to a stock option plan, the payment of dividends to shareholders and the achievement of specific targets, established and agreed-upon at the beginning of each year. At June 30, 2010, the Company recorded a provision for profit sharing amounting to R\$ 6,800 in the parent company balance and R\$ 12,579 in consolidated balance under the heading General and Administrative Expenses.

## 20. Insurance

Gafisa S.A. and its subsidiaries maintain insurance policies against engineering risk, barter guarantee, guarantee for the completion of the work and civil liability related to unintentional personal damages caused to third parties and material damages to tangible assets, as well as against fire hazards, lightning strikes, electrical damages, natural disasters and gas explosion. The contracted coverage is considered sufficient by management to cover possible risks involving its assets and/or responsibilities. In view of their nature, the risk assumptions made are not included in the scope of the review of quarterly information. Accordingly, they were not reviewed by our independent public accountants.

## 21. Segment information

Starting in 2007, following the respective acquisition, formation and merger of Alphaville, FIT Residencial, Bairro Novo and Tenda, the Company's Management assesses segment information on the basis of different business segments and economic data rather than based on the geographic regions of its operations.



The segments in which the Company operates are the following: Gafisa for ventures targeted at high and medium income; Alphaville for platted lots; and Tenda for ventures targeted at low income.

The Company's chief executive officer, who is responsible for allocating resources among the businesses and monitoring their progresses, uses economic present value data, which is derived from a combination of historical and forecasted operating results. The Company provides below a measure of historical profit or loss, selected segment assets and other related information for each reporting segment.

This information is gathered internally and used by management to develop economic present value estimates, provided to the chief executive officer for making operating decisions, including the allocation of resources among segments. The information is derived from the statutory accounting records which are maintained in accordance with the accounting practices adopted in Brazil. The reporting segments do not separate operating expenses, total assets and depreciation. No revenues from an individual client represented more than 10% of net sales and/or services.

|   | <b>06/30/2010</b>      |                  |                |                   |
|---|------------------------|------------------|----------------|-------------------|
|   | <b>Gafisa S.A. (i)</b> | <b>TENDA</b>     | <b>AUSA</b>    | <b>Total</b>      |
| <i>Net operating revenue</i>                            | 1,084,990              | 580,171          | 169,866        | 1,835,027         |
| <i>Operating costs</i>                                  | (804,695)              | (408,085)        | (90,099)       | (1,302,879)       |
| <i>Gross profit</i>                                     | <b>280,295</b>         | <b>172,086</b>   | <b>79,767</b>  | <b>532,148</b>    |
| <i>Gross margin - %</i>                                 | 25.8%                  | 29.7%            | 47.0%          | 29.0%             |
| <i>Receivables from clients (current and long term)</i> | 2,696,204              | 1,523,603        | 290,431        | 4,510,238         |
| <i>Properties for sale</i>                              | 1,176,549              | 555,062          | 158,808        | 1,890,419         |
| <i>Other assets</i>                                     | 1,826,484              | 718,413          | 152,640        | 2,697,537         |
| <i>Total assets</i>                                     | <b>5,699,237</b>       | <b>2,797,078</b> | <b>601,879</b> | <b>9,098,194</b>  |
|   |                        |                  |                | <b>06/30/2009</b> |
|   | <b>Gafisa S.A. (i)</b> | <b>TENDA</b>     | <b>AUSA</b>    | <b>Total</b>      |
| <i>Net operating revenue</i>                            | 689,484                | 468,140          | 90,081         | 1,247,705         |
| <i>Operating cost</i>                                   | (516,983)              | (319,727)        | (65,003)       | (901,713)         |
| <i>Gross profit</i>                                     | <b>172,501</b>         | <b>148,413</b>   | <b>25,078</b>  | <b>345,992</b>    |

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|  |           |           |         |           |
|--|-----------|-----------|---------|-----------|
| <i>Gross margin - %</i>                      | 25.0%     | 31.7%     | 27.8%   | 27.7%     |
| <i>Receivables from clients (current and</i> | 1,843,601 | 896,036   | 173,689 | 2,913,326 |
| <i>Properties for sale</i>                   | 1,146,207 | 492,655   | 151,063 | 1,789,925 |
| <i>Other assets</i>                          | 777,530   | 906,911   | 47,846  | 1,732,287 |
| <i>Total assets</i>                          | 3,767,338 | 2,295,602 | 372,598 | 6,435,538 |

*(i) Includes all subsidiaries, except Tenda and Alphaville Urbanismo S.A.*

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Page 67

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(A free translation of the original in Portuguese)

FEDERAL GOVERNMENT SERVICE

BRAZILIAN SECURITIES COMMISSION (CVM)

QUARTERLY INFORMATION - ITR

TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL AND OTHER

(Unaudited)

Corporate Legislation

BASE DATE - 06/30/2010

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01610-1

GAFISA S/A

01.545.826/0001-07

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**07.01 COMMENT ON THE COMPANY PERFORMANCE IN THE QUARTER**

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SEE 12.01 - COMMENT ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER.

Page 68

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(A free translation of the original in Portuguese)

FEDERAL GOVERNMENT SERVICE

BRAZILIAN SECURITIES COMMISSION (CVM)

QUARTERLY INFORMATION - ITR

TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL AND OTHER

(Unaudited)

Corporate Legislation

BASE DATE - 06/30/2010

---

01610-1

GAFISA S/A

01.545.826/0001-07

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**12.01 COMMENT ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER**

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## Gafisa Reports Results for Second Quarter 2010

--- Launches grew to R\$1.0 billion in the quarter and R\$1.7 billion in the 1H10, 61% and 118% higher, respectively, than the same periods of 2009 ---

--- Revenues increase to R\$ 927 million, a 31% increase over R\$ 706 million in 2Q09 ---

--- Adjusted EBITDA grew to R\$184 million from R\$111 million in 2Q09, on Adjusted EBITDA Margin of 19.8% versus 15.8% in 2Q09

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### IR Contact

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Rodrigo Pereira  
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IR Website:  
www.gafisa.com.br/ir

### 2Q10 Earnings Results

#### Conference Call

Wednesday, August 4, 2010

> In English

11:00 AM US EST

12:00 PM Brasilia Time

Phones:

**FOR IMMEDIATE RELEASE - São Paulo, August 3rd, 2010** Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), Brazil's leading diversified national homebuilder, today reported financial results for the second quarter ended June 30, 2010.

Commenting on results, Wilson Amaral, CEO of Gafisa, said "I am very pleased with our second quarter operating results which demonstrate our ability to not only capitalize on the power and recognition of our strong brands in the market, but also leverage our operating scale throughout the organization. The growth trajectory of sales continued, achieving R\$ 890 million during the quarter, with especially strong interest in our mid to high product segments of Gafisa and Alphaville. As planned, we picked up our launch pace of new developments to R\$1,008 million for the quarter, and we expect to continue increasing this pace throughout the remainder of the year. Our adjusted EBITDA for the quarter was R\$ 184 million with a margin of 19.8%, a marked improvement over last year's 15.8% during the same period. This reflects improved SG&A ratios including Tenda's

+1 800 860-2442 (US only)  
 +1 412 858-4600  
 (Other countries)  
 Code: Gafisa  
 > In Portuguese  
 09:00 AM US EST  
 10:00 AM Brasilia Time  
 Phone: +55 (11) 2188-0155  
 Code: Gafisa

#### Shares

GFSA3 Bovespa  
 GFA NYSE  
 Total Outstanding Shares:  
 429,348,244  
 Average daily trading volume  
 (90 days<sup>1</sup>): R\$ 110.7 million  
 1) Up to July 30<sup>th</sup>, 2010.

synergies and the emergent strength of the mid to high end segments where we have been able to increase prices to compensate for rising costs in some areas, resulting in improved gross, adjusted EBITDA, and backlog margins.

Amaral added, All sectors of the market continue to benefit from growth of the Brazilian economy, which resulted in the expansion of real wages, record low unemployment rates of 7% for the month of June and strong consumer confidence. We are especially well positioned to gain share with our portfolio of brands that serve all segment of the population. Tenda continues to be well positioned to benefit from the MCMV program with one of the lowest average price points of the industry (R\$ 110/unit launched in the 1H10). Access to housing credit is expanding also reflecting efficiency improvements at Caixa, which through June 26 processed over 226 thousand contracts under MCMV in 2010, valued at R\$17.6 billion as compared to a total of 275.5 thousand contracts valued at R\$14.1 billion for full year 2009. Tenda is poised to be one of the leading providers of housing to this segment while our other brands continue to be extremely popular among the mid to high segment of the Brazilian population.

### 2Q10 - Operating & Financial Highlights

- Consolidated launches totaled R\$ 1.0 billion for the quarter, a 61% increase over 2Q09. Tenda launched R\$ 290 million in the quarter, and R\$ 587 million in the 1H10, 206% higher than 1H09.
- Pre-sales reached R\$ 890 million for the quarter, a 7% increase as compared to 2Q09 or 25% increase when comparing 1H10 with 1H09.
- Net operating revenues, recognized by the Percentage of Completion ( PoC ) method, rose 4.4% to R\$ 927.4 million from R\$ 705.8 million in the 2Q09, reflecting a strong pace of execution.
- Adjusted EBITDA reached R\$ 184 million with a 19.8% margin, a 66% increase when compared to Adjusted EBITDA of R\$ 111.3 million reached in the 2Q09, mainly due to the strong performance in all segments and better SG&A ratios.
- Net Income before minorities, stock option and non recurring expenses was R\$ 114.1 million for the quarter (12.3% adjusted net margin), an increase of 41% compared with the R\$ 81.1 million in the 2Q09.
- The Backlog of Revenues to be recognized under the PoC method rose 9% to R\$ 3.2 billion from R\$ 2.9 billion reached in the 2Q09. The Margin to be recognized improved 125 bps to 36.4%.
- Gafisa's consolidated land bank totaled R\$15.8 billion in the 2Q10, with R\$ 121 million net increase over 1Q10, reflecting the internal policy of the Company to keep an average of 2-3 years of land bank.
- Gafisa's consolidated cash position reached R\$ 1.8 billion at the end of June, supporting the Company's strategy to fund and execute its growth plan.

## Index

|  |    |
|--|----|
| CEO Comments and Corporate Highlights for 2Q10 | 04 |
| Recent Developments                            | 05 |
| Launches                                       | 07 |
| Pre-Sales                                      | 08 |
| Sales Velocity                                 | 09 |
| Operations                                     | 09 |
| Land Bank                                      | 10 |
| Gross Profit                                   | 12 |
| SG&A   | 12 |
| EBITDA   | 13 |
| Net Income                                     | 14 |
| Backlog of Revenues and Results                | 14 |
| Liquidity                                      | 16 |
| Outlook  | 17 |

## CEO Comments and Corporate Highlights for 2Q10

The second quarter results demonstrated the strength of Gafisa's diversified portfolio of high quality national brands, Gafisa, Alphaville and Tenda, which together serve all segments of the large and growing Brazilian housing market. We were not only focused on meeting the growing housing demand through the launch of R\$1.0 billion in new developments, but also continued our drive to enhance operating efficiency which resulted in improved operating margins. A favorable macroeconomic environment and governmental and banking financial support of the industry contributed to robust demand for our housing products.

Brazilian economic indicators remained extremely favorable during the second quarter, despite the central bank's move to tighten monetary policy in order to control inflation, following an exceptionally strong first quarter of 2010 in which GDP grew an unprecedented 9% over the previous year. A vast supply of credit and pent-up demand from homebuyers, pushed by the expansion of real wages, record low unemployment rates which fell to 7% in June, and strong consumer confidence, contributed to a very favorable environment for our industry. We expect this scenario will prevail throughout the year barring any unexpected impact to economic activity caused by the upcoming October Presidential elections.

We expect a range of public and private financial institutions to continue to supply the necessary credit to sustain a high level of growth in the sector. In the affordable housing segments, Caixa Economica Federal will continue to play a central role in stimulating growth through its participation in the *Minha Casa, Minha Vida* program, providing subsidies and financing from the FGTS. All this helps insulate the mortgage market from general interest rate increases. Importantly, with respect to the middle and higher income housing segments, larger private sector banks have shown an appetite for gaining a greater share of the incipient, underserved mortgage market, currently equivalent to a very low 3.2% of GDP. This increasing participation is a development that bodes well for more competitive mortgages to be offered to the expanding middle classes and beyond.

Our Gafisa and Alphaville units, which serve the middle and higher income, turned in particularly strong performances as significantly high demand allowed price increases that offset higher labor and materials costs which also contributed to higher margins. Our EBITDA margin for the quarter was 19.8%, just above the mid range of our full year guidance's estimate (18.5% - 20.5%).

The number of developments launched in the mid- to high segments more than doubled from the previous year's quarter. Indicative of the success of our developments was the strong demand at Gafisa's Jardins das Orquideas, a project launched in June in São Paulo, where 89% of units were sold in the first weekend. While sales velocity is strong, we are primarily focused on an optimal combination of velocity that achieves improved margins.

While demand continues to be robust in the lower income segment, Gafisa's business plan for the second quarter prioritized enhancing Tenda's operating efficiency in preparation for a more aggressive sales and launch posture during the second half of the year. Among our initiatives to improve Tenda's execution capacity was the further standardization of building processes through broader use of innovative aluminum molds that reduce the construction cycle and help mitigate rising labor costs. Another significant achievement at Tenda during the quarter was the completion of the SAP enterprise software implementation, which will allow our business structure to operate in a more integrated efficient. These measures have already started to show results over SG&A ratios.

Our cash position remains very strong with R\$ 1.8 billion, which assures the company has the ability to continue at a strong pace of execution, while providing us with the flexibility to opportunistically benefit from the market dynamics and favorable economic scenario expanding all segments we serve.

*Wilson Amaral, CEO -- Gafisa S.A.*

## Recent Developments

**Improved Operating Margin** Gafisa's improved operating margin during the quarter reflects the benefits of the Company's national reach, broad range of quality product offerings in various market segments, strong execution capacity, as well as robust market fundamentals. Strong demand permitted higher pricing, mainly in the mid and upper middle segments, in markets such as São Paulo while improved G&A and direct selling expenses as a percentage of net revenues (from 8.4% to 5.9%, and from 7.3% to 6.6%, respectively) also contributed to higher EBITDA margin of 19.8%, more than offsetting higher labor and materials costs throughout the sector.

**Successful Launching of Largest Project in Alphaville's History** Alphaville launched the first phase of Alphaville Brasilia, the largest project in the company's history. This first phase comprised 861 thousand  $\text{m}^2$  or 498 units. The total project area is approximately 22 million  $\text{m}^2$ , compared to an area of less than 10 million  $\text{m}^2$  at the original Alphaville in Barueri. The whole project is expected to take between 15 and 20 years to develop. The successful sales velocity of this first phase (95% sold within one week) was a good testimony of the project potential.

In addition to posting strong sales numbers, the Alphaville unit extended the footprint of its well-recognized brand during the quarter, launching six new community developments with potential sales value of more than R\$225 million in diverse regions throughout the country. These included the above mentioned project in the capital city of Brasilia, the second phase of Alphaville Riberão Preto in São Paulo's country side (182 units), Alphaville Jacuhy in the coastal city of Vitoria (168 units), and Alphaville Mossoró, a smaller project in the state of Rio Grande do Norte (93 units). Alphaville remains the largest and only national community development company in Brazil.

**Use of Innovative Construction Techniques** Gafisa finished the quarter employing innovative aluminum molds in seven projects under construction, and expects to use this technology in a total of 15 projects by the end of 2010. These molds, which were first used by Tenda and shorten the construction cycle up to 1/3 of the standard time are being used in developments throughout Brazil under the Tenda brand. Under the Gafisa brand we are also testing a similar innovative technology that could reduce construction period by 6 months. Tenda's projects include Portal do Sol, an affordable development of 416 units in Rio de Janeiro with an estimated construction cycle of just 6 months, and Grand Ville das Artes, an extensive, 1,000-unit complex in the state of Bahia. We also completed the implementation of SAP enterprise software, which began running in July. These measures have already begun to raise the overall efficiency of Tenda by mitigating rising materials costs through purchasing leverage, lowering construction time, and permitting greater integration with Gafisa's operations and best practices.

**Increased Mortgage Transfers to Caixa** Gafisa through Tenda continued ongoing efforts to streamline financial credit procedures and enhancing our relationship with Caixa Economica Federal, the mortgage lender which plays a central role in administration of the federal housing program, Minha Casa, Minha Vida. As a result, we were able to contract 6,239 units in the 2Q10 (9,027 in the 1H10), an increase of 124% when compared to the 1Q10. We have also transferred 2,515 mortgages during the 2Q10 (4,413 in the 1H10), with more than 1,000 in June alone, reflecting the monthly improvement achieved.

**Tenda's Low Average Unit Price** Tenda continues to be well positioned to meet growing demand for MCMV program. The average price per unit of Tenda is one of the lowest when compared to the universe

of Brazilian listed homebuilders. In the 1H10 the average launch price per unit was R\$ 109 thousand while the average sales price was R\$100 thousand. Respectively 16% and 23% below the MCMV price limit. Approximately 75% of Tenda's launches and sales had an average price per unit below R\$ 130 thousand.

| <b>Operating and Financial Highlights (R\$000, unless otherwise specified)</b> | <b>2Q10</b> | <b>2Q09</b> | <b>2Q10 vs. 2Q09 (%)</b> | <b>1Q10</b> | <b>2Q10 vs. 1Q10 (%)</b> | <b>1H10</b> | <b>1H09</b> | <b>1H10 vs. 1H09 (%)</b> |
|--|-------------|-------------|--------------------------|-------------|--------------------------|-------------|-------------|--------------------------|
| Launches (%Gafisa)   | 1,008,528   | 626,282     | 61.0%                    | 703,209     | 43.4%                    | 1,711,738   | 786,525     | 117.6%                   |
| Launches (100%)  | 1,461,510   | 742,411     | 96.9%                    | 849,874     | 72.0%                    | 2,311,384   | 920,834     | 151.0%                   |
| Launches, units (%Gafisa)  | 4,398       | 2,568       | 71.3%                    | 3,883       | 13.3%                    | 8,281       | 3,219       | 157.3%                   |
| Launches, units (100%)   | 6,213       | 3,079       | 101.8%                   | 4,141       | 50.0%                    | 10,354      | 3,833       | 170.1%                   |
| Contracted sales (%Gafisa)   | 889,761     | 835,443     | 6.5%                     | 857,321     | 3.8%                     | 1,747,082   | 1,394,008   | 25.3%                    |
| Contracted sales (100%)  | 1,151,788   | 984,308     | 17.0%                    | 1,024,850   | 12.4%                    | 2,176,638   | 1,652,729   | 31.7%                    |
| Contracted sales, units (% Gafisa)   | 4,476       | 5,894       | -24.1%                   | 5,253       | -14.8%                   | 9,729       | 9,995       | -2.7%                    |
| Contracted sales, units (100%)   | 5,536       | 6,550       | -15.5%                   | 5,955       | -7.0%                    | 11,491      | 11,256      | 2.1%                     |
| Completed Projects (%Gafisa)   | 631,216     | 263,926     | 139.2%                   | 325,902     | 93.7%                    | 957,118     | 670,426     | 42.8%                    |
| Completed Projects, units (%Gafisa)  | 4,782       | 3,784       | 26.4%                    | 2,715       | 76.1%                    | 7,497       | 6,431       | 16.6%                    |
| Net revenues   | 927,442     | 705,818     | 31.4%                    | 907,585     | 2.2%                     | 1,835,027   | 1,247,705   | 47.1%                    |
| Gross profit   | 279,492     | 191,353     | 46.1%                    | 252,656     | 10.6%                    | 532,148     | 345,992     | 53.8%                    |
| Gross margin   | 30.1%       | 27.1%       | 302 bps                  | 27.8%       | 230 bps                  | 29.0%       | 27.7%       | 127 bps                  |
| Adjusted Gross Margin <sup>1)</sup>  | 32.8%       | 30.1%       | 271 bps                  | 30.4%       | 249 bps                  | 31.6%       | 30.9%       | 75 bps                   |
| Adjusted EBITDA <sup>2)</sup>  | 183,970     | 111,319     | 65.3%                    | 168,459     | 9.2%                     | 352,429     | 187,963     | 87.5%                    |
| Adjusted EBITDA margin <sup>3)</sup>   | 19.8%       | 15.8%       | 406 bps                  | 18.6%       | 127 bps                  | 19.2%       | 15.1%       | 414 bps                  |
| Adjusted Net profit <sup>3)</sup>  | 114,113     | 81,127      | 40.7%                    | 79,625      | 43.3%                    | 193,737     | 138,182     | 40.2%                    |
| Adjusted Net margin <sup>3)</sup>  | 12.3%       | 11.5%       | 81 bps                   | 8.8%        | 353 bps                  | 10.6%       | 11.1%       | -52 bps                  |
| Net profit   | 97,269      | 57,768      | 68.4%                    | 64,819      | 50.1%                    | 162,087     | 94,501      | 71.5%                    |
| EPS (R\$) <sup>4)</sup>  | 0.2266      | 0.2216      | 2.2%                     | 0.1548      | 46.4%                    | 0.3775      | 0.3625      | 4.1%                     |
| Number of shares ('000 final) <sup>4)</sup>                                    | 429,348     | 260,676     | 64.7%                    | 418,737     | 2.5%                     | 429,348     | 260,676     | 64.7%                    |
| Revenues to be recognized  | 3,209       | 3,092       | 3.8%                     | 2,934       | 9.4%                     | 3,209       | 3,092       | 3.8%                     |
| Results to be recognized <sup>5)</sup>   | 1,167       | 1,125       | 3.8%                     | 1,030       | 13.3%                    | 1,167       | 1,125       | 3.8%                     |
| REF margin <sup>5)</sup>   | 36.4%       | 36.4%       | 0 bps                    | 35.1%       | 125 bps                  | 36.4%       | 36.4%       | 0 bps                    |
| Net debt and Investor obligations  | 1,622,787   | 1,486,441   | 9%                       | 1,207,988   | 34%                      | 1,622,787   | 1,486,441   | 9%                       |
|  | 1,806,384   | 1,056,312   | 71%                      | 2,125,613   | -15%                     | 1,806,384   | 1,056,312   | 71%                      |

|  |           |           |           |           |          |           |           |           |
|--|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|
| Cash and cash equivalent                         |           |           |           |           |          |           |           |           |
| Equity   | 3,545,413 | 1,717,246 | 106%      | 3,429,583 | 3%       | 3,545,413 | 1,717,246 | 106%      |
| Equity + Minority shareholders                   | 3,591,729 | 2,264,340 | 59%       | 3,492,889 | 3%       | 3,591,729 | 2,264,340 | 59%       |
| Total assets                                     | 9,098,194 | 6,435,538 | 41%       | 8,752,813 | 4%       | 9,098,194 | 6,435,538 | 41%       |
| (Net debt + Obligations) / (Equity + Minorities) | 45.2%     | 65.6%     | -2046 bps | 34.6%     | 1060 bps | 45.2%     | 65.6%     | -2046 bps |

1) Adjusted for capitalized interest

2) Adj. for expenses with stock options plans (non-cash),

3) Adjusted for expenses on stock option plans (non-cash), minority shareholders and non-recurring expenses

4) Adjusted for 1:2 stock split in the 1Q09

5) Results to be recognized net of PIS/Cofins - 3.65%; excludes the AVP method introduced by Law nº 11,638

## Launches

In the 2Q10, launches totaled R\$ 1.0 billion, an increase of 61% compared to the 2Q09, represented by 34 projects/phases, located in 27 cities.

45% of Gafisa launches represented a price per unit below R\$ 500 thousand, while nearly 75% of Tenda's launches had prices per unit below R\$ 130 thousand. The Gafisa segment was responsible for 49% of launches, Alphaville accounted for 22% and Tenda for the remaining 29%.

Tenda's launches comprised 29% of the total in the second quarter, and approximately 30%-35% of our full year estimate for the first half of launches in the affordable housing segment, since we have a higher than average concentration expected from Tenda in the second half of the year. The average price per unit of Tenda was R\$ 109 thousand, one of the lowest average among homebuilders listed on the Bovespa.

The tables below detail new projects launched during the 2Q and 1H 2010 and 2009:

**Table 1 - Launches per company per region**

| <b>%Gafisa - R\$000</b> |                       | <b>2Q10</b>      | <b>2Q09</b>    | <b>Var. (%)</b> | <b>1H10</b>      | <b>1H09</b>    | <b>Var. (%)</b> |
|-------------------------|-----------------------|------------------|----------------|-----------------|------------------|----------------|-----------------|
| <b>Gafisa</b>           | São Paulo             | 384,072          | 241,308        | 59%             | 567,290          | 315,259        | 80%             |
|                         | Rio de Janeiro        | 0                | 38,995         | -100%           | 49,564           | 63,202         | -22%            |
|                         | Other                 | 106,562          | 71,695         | 49%             | 183,078          | 111,899        | 64%             |
|                         | Total                 | 490,634          | 351,998        | 39%             | 799,932          | 490,360        | 63%             |
|                         | Units                 | 1,143            | 813            | 41%             | 1,886            | 1,291          | 46%             |
|                         |                       |                  |                |                 |                  |                |                 |
| <b>Alphaville</b>       | São Paulo             | 58,266           | 46,570         | 25%             | 155,534          | 46,570         | 234%            |
|                         | Rio de Janeiro        | -                | 35,896         | -100%           | -                | 35,896         | -100%           |
|                         | Other                 | 169,218          | -              | -               | 169,218          | 21,881         | 673%            |
|                         | Total                 | 227,483          | 82,466         | 176%            | 324,752          | 104,347        | 211%            |
|                         | Units                 | 681              | 267            | 155%            | 1,033            | 439            | 135%            |
|                         |                       |                  |                |                 |                  |                |                 |
| <b>Tenda</b>            | São Paulo             | 37,727           | 55,757         | -32%            | 70,398           | 55,757         | 26%             |
|                         | Rio de Janeiro        | 57,073           | -              | -               | 106,365          | -              | -               |
|                         | Other                 | 195,611          | 136,061        | 44%             | 410,291          | 136,061        | 202%            |
|                         | Total                 | 290,411          | 191,818        | 51%             | 587,054          | 191,818        | 206%            |
|                         | Units                 | 2,574            | 1,488          | 73%             | 5,362            | 1,488          | 260%            |
|                         |                       |                  |                |                 |                  |                |                 |
| <b>Consolidated</b>     | <b>Total - R\$000</b> | <b>1,008,528</b> | <b>626,282</b> | <b>61%</b>      | <b>1,711,738</b> | <b>786,525</b> | <b>118%</b>     |
|                         | <b>Total - Units</b>  | <b>4,398</b>     | <b>2,568</b>   | <b>71%</b>      | <b>8,281</b>     | <b>3,219</b>   | <b>157%</b>     |

**Table 2 - Launches per company per unit price**

| <b>%Gafisa - R\$000</b> |                        | <b>2Q10</b>      | <b>2Q09</b>    | <b>Var. (%)</b> | <b>1H10</b>      | <b>1H09</b>    | <b>Var. (%)</b> |
|-------------------------|------------------------|------------------|----------------|-----------------|------------------|----------------|-----------------|
| <b>Gafisa</b>           | = R\$500K              | 222,272          | 224,958        | -1%             | 365,088          | 303,517        | 20%             |
|                         | > R\$500K              | 268,362          | 127,040        | 111%            | 434,843          | 186,843        | 133%            |
|                         | Total                  | 490,634          | 351,998        | 39%             | 799,932          | 490,360        | 63%             |
| <b>Alphaville</b>       | > R\$100K;<br>=R\$500K | 227,483          | 82,466         | 176%            | 324,752          | 104,347        | 211%            |
|                         | Total                  | 227,483          | 82,466         | 176%            | 324,752          | 104,347        | 211%            |
| <b>Tenda</b>            | = R\$130K              | 216,666          | 64,079         | 238%            | 436,515          | 64,079         | 581%            |
|                         | > R\$130K;<br><R\$200K | 73,745           | 127,739        | -42%            | 150,539          | 127,739        | 18%             |
|                         | Total                  | 290,411          | 191,818        | 51%             | 587,054          | 191,818        | 206%            |
| <b>Consolidated</b>     |                        | <b>1,008,528</b> | <b>626,282</b> | <b>61%</b>      | <b>1,711,738</b> | <b>786,525</b> | <b>118%</b>     |

## Pre-Sales

Pre-sales in the quarter increased by 6.5% to R\$ 889.8 million when compared to the 2Q09.

The Gafisa segment was responsible for 51% of total pre-sales, while Alphaville and Tenda accounted for approximately 14% and 34% respectively. Considering Gafisa's pre-sales, 43% corresponded to units priced below R\$ 500 thousand, while 74% of Tenda's pre-sales came from units priced below R\$ 130 thousand.

The tables below illustrate a detailed breakdown of our pre-sales for the 2Q and 1H 2010 and 2009:

**Table 3 - Sales per company per region**

| <b>%Gafisa - (R\$000)</b> |                       | <b>2Q10</b>    | <b>2Q09</b>    | <b>Var. (%)</b> | <b>1H10</b>      | <b>1H09</b>      | <b>Var. (%)</b> |
|---------------------------|-----------------------|----------------|----------------|-----------------|------------------|------------------|-----------------|
| <b>Gafisa</b>             | São Paulo             | 319,435        | 198,855        | 61%             | 521,219          | 345,367          | 51%             |
|                           | Rio de Janeiro        | 35,693         | 90,905         | -61%            | 88,434           | 134,738          | -34%            |
|                           | Other                 | 101,131        | 99,910         | 1%              | 222,484          | 179,697          | 24%             |
|                           | <b>Total</b>          | <b>456,258</b> | <b>389,671</b> | <b>17%</b>      | <b>832,138</b>   | <b>659,802</b>   | <b>26%</b>      |
|                           | Units                 | 1,088          | 1,123          | -3%             | 2,038            | 1,850            | 10%             |
| <b>Alphaville</b>         | São Paulo             | 39,818         | 40,665         | -2%             | 105,981          | 43,972           | 141%            |
|                           | Rio de Janeiro        | 9,234          | 11,635         | -21%            | 17,770           | 20,721           | -14%            |
|                           | Other                 | 79,740         | 26,659         | 199%            | 121,685          | 49,645           | 145%            |
|                           | <b>Total</b>          | <b>128,792</b> | <b>78,959</b>  | <b>63%</b>      | <b>245,435</b>   | <b>114,338</b>   | <b>115%</b>     |
|                           | Units                 | 424            | 406            | 5%              | 997              | 622              | 60%             |
| <b>Tenda</b>              | São Paulo             | 53,390         | 139,195        | -62%            | 149,483          | 222,482          | -33%            |
|                           | Rio de Janeiro        | 66,035         | 70,217         | -6%             | 150,988          | 149,130          | 1%              |
|                           | Other                 | 185,286        | 157,401        | 18%             | 369,039          | 248,255          | 49%             |
|                           | <b>Total</b>          | <b>304,711</b> | <b>366,813</b> | <b>-17%</b>     | <b>669,510</b>   | <b>619,867</b>   | <b>8%</b>       |
|                           | Units                 | 2,964          | 4,366          | -32%            | 6,694            | 7,523            | -11%            |
| <b>Consolidated</b>       | <b>Total - R\$000</b> | <b>889,761</b> | <b>835,443</b> | <b>6.5%</b>     | <b>1,747,082</b> | <b>1,394,008</b> | <b>25%</b>      |
|                           | <b>Total - Units</b>  | <b>4,476</b>   | <b>5,894</b>   | <b>-24%</b>     | <b>9,729</b>     | <b>9,995</b>     | <b>-3%</b>      |

**Table 4 - Sales per company per unit price - PSV**

| <b>%Gafisa - (R\$000)</b> |              | <b>2Q10</b>    | <b>2Q09</b>    | <b>Var. (%)</b> | <b>1H10</b>    | <b>1H09</b>    | <b>Var. (%)</b> |
|---------------------------|--------------|----------------|----------------|-----------------|----------------|----------------|-----------------|
| <b>Gafisa</b>             | = R\$500K    | 196,795        | 216,353        | -9%             | 519,492        | 396,639        | 31%             |
|                           | > R\$500K    | 259,463        | 173,318        | 50%             | 312,645        | 263,163        | 19%             |
|                           | <b>Total</b> | <b>456,258</b> | <b>389,671</b> | <b>17%</b>      | <b>832,138</b> | <b>659,802</b> | <b>26%</b>      |
| <b>Alphaville</b>         | = R\$100K;   | -              | -              | -               | 27,450         | 19,569         | 40%             |
|                           |              | 128,792        | 78,959         | 63%             | 214,223        | 92,241         | 132%            |

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|                     |              |                |                |             |                  |                  |            |
|---------------------|--------------|----------------|----------------|-------------|------------------|------------------|------------|
|                     | > R\$100K; = |                |                |             |                  |                  |            |
|                     | R\$500K      |                |                |             |                  |                  |            |
|                     | > R\$500K    | -              | -              | -           | 3,762            | 2,529            | 49%        |
|                     | Total        | 128,792        | 78,959         | 63%         | 245,435          | 114,338          | 115%       |
| <b>Tenda</b>        | = R\$130K    | 225,846        | 326,916        | -31%        | 488,319          | 546,021          | -11%       |
|                     | > R\$130K;   |                |                |             |                  |                  |            |
|                     | <R\$200K     | 78,865         | 39,897         | 98%         | 181,191          | 73,845           | 145%       |
|                     | Total        | 304,711        | 366,813        | -17%        | 669,510          | 619,867          | 8%         |
| <b>Consolidated</b> | <b>Total</b> | <b>889,761</b> | <b>835,443</b> | <b>6.5%</b> | <b>1,747,082</b> | <b>1,394,008</b> | <b>25%</b> |

**Table 5 - Sales per company per unit price - Units**

| <b>%Gafisa - Units</b> |              | <b>2Q10</b>  | <b>2Q09</b>  | <b>Var. (%)</b> | <b>1H10</b>  | <b>1H09</b>  | <b>Var. (%)</b> |
|------------------------|--------------|--------------|--------------|-----------------|--------------|--------------|-----------------|
| <b>Gafisa</b>          | = R\$500K    | 669          | 982          | -32%            | 1,505        | 1,580        | -5%             |
|                        | > R\$500K    | 419          | 141          | 197%            | 533          | 270          | 97%             |
|                        | <b>Total</b> | <b>1,088</b> | <b>1,123</b> | <b>-3%</b>      | <b>2,038</b> | <b>1,850</b> | <b>10%</b>      |
| <b>Alphaville</b>      | = R\$100K;   | -            | -            | -               | 253          | 166          | 52%             |
|                        | > R\$100K; = | 424          | 406          | 4%              | 743          | 454          | 64%             |
|                        | R\$500K      | -            | -            | -               | 1            | 2            | -50%            |
|                        | > R\$500K    | -            | -            | -               | 1            | 2            | -50%            |
|                        | <b>Total</b> | <b>424</b>   | <b>406</b>   | <b>4%</b>       | <b>997</b>   | <b>622</b>   | <b>60%</b>      |
| <b>Tenda</b>           | = R\$130K    | 2,499        | 4,057        | -38%            | 5,592        | 6,974        | -20%            |
|                        | > R\$130K;   | 465          | 309          | 50%             | 1,102        | 549          | 101%            |
|                        | <R\$200K     | -            | -            | -               | -            | -            | -               |
|                        | <b>Total</b> | <b>2,964</b> | <b>4,366</b> | <b>-32%</b>     | <b>6,694</b> | <b>7,523</b> | <b>-11%</b>     |
| <b>Consolidated</b>    | <b>Total</b> | <b>4,476</b> | <b>5,895</b> | <b>-24%</b>     | <b>9,729</b> | <b>9,994</b> | <b>-3%</b>      |
|                        |              | 0            | 0            |                 |              |              |                 |

**Sales Velocity**

The consolidated company attained a sales velocity of 24.6% in the 2Q10, compared to a velocity of 23.8% in the 2Q09. Sales velocity increased as compared to the previous period, mainly due to the improved performance of Gafisa and Tenda during the quarter. The sales velocity of second quarter launches was 40.6%, which is consistent with our strategy to optimize the equilibrium between sales velocity and margins/return, fully compensating for cost pressure coming mainly from labor. Additionally, in this quarter we had a positive impact of R\$ 60.8 million, mainly due to an inventory price increase.

**Table 6 - Sales velocity per company**

|              | <b>R\$ million</b> | <b>Launches</b> | <b>Sales</b> | <b>Price Increase + Other</b> | <b>End of period Inventories</b> | <b>Sales velocity</b> |
|--------------|--------------------|-----------------|--------------|-------------------------------|----------------------------------|-----------------------|
| Gafisa       | 1,530.5            | 490.6           | 456.3        | 45.0                          | 1,609.9                          | 22.1%                 |
| AlphaVille   | 250.3              | 227.5           | 128.8        | 2.4                           | 351.3                            | 26.8%                 |
| Tenda        | 765.2              | 290.4           | 304.7        | 13.5                          | 764.4                            | 28.5%                 |
| <b>Total</b> | <b>2,546.0</b>     | <b>1,008.5</b>  | <b>889.8</b> | <b>60.8</b>                   | <b>2,725.6</b>                   | <b>24.6%</b>          |

## Completed Projects

During the second quarter, Gafisa completed 22 projects with 4,782 units equivalent at an approximate PSV of R\$ 631 million, Gafisa delivered 4 projects, Alphaville delivered 6 projects and Tenda delivered the remaining 12 projects/phases.

The tables below list our products completed in the 2Q10:

**Table 8 - Delivered projects**

| Company                | Project                             | Delivery | Launch      | Local               | % Gafisa | Units (%Gafisa) | PSV (%Gafisa)  |
|------------------------|-------------------------------------|----------|-------------|---------------------|----------|-----------------|----------------|
| <b>Gafisa 1Q10</b>     |                                     |          |             |                     |          | <b>585</b>      | <b>171,213</b> |
| Gafisa                 | ISLA                                | April    | Jan-07      | São Caetano - SP    | 100%     | 240             | 75,683         |
| Gafisa                 | RESERVA DO LAGO                     | June     | May-07      | Goiania - GO        | 100%     | 48              | 24,567         |
| Gafisa                 | MAGIC                               | June     | Jun-07      | São Paulo - SP      | 100%     | 268             | 87,129         |
| Gafisa                 | MIRANTE DO RIO                      | May      | Jun-06      | Belém -PA           | 50%      | 58              | 13,169         |
| <b>Gafisa 2Q10</b>     |                                     |          |             |                     |          | <b>614</b>      | <b>200,549</b> |
| <b>Alphaville 1Q10</b> |                                     |          |             |                     |          | -               | -              |
| Alphaville             | AlphaVille João Pessoa              | April    | Jun-08      | João Pessoa - PB    | 100%     | 124             | 24,509         |
| Alphaville             | Alphaville Araçagy                  | May      | Aug-07      | MA                  | 38%      | 126             | 23,136         |
| Alphaville             | Alphaville Londrina                 | May      | Jan-08      | Londrina - PR       | 63%      | 346             | 34,460         |
| Alphaville             | Alphaville Rio Costa do Sol F1 e F2 | June     | Sep-07      | Rio das Ostras - RJ | 58%      | 357             | 51,737         |
| Alphaville             | Alphaville Cuiabá                   | June     | May-08      | Cuiaba - MT         | 60%      | 254             | 24,112         |
| Alphaville             | Alphaville Jacuhy F1 e F2           | June     | Dec-07      | Vitória - ES        | 65%      | 554             | 95,854         |
| <b>Alphaville 2Q10</b> |                                     |          |             |                     |          | <b>1,762</b>    | <b>253,808</b> |
| <b>Tenda 1Q10</b>      |                                     |          |             |                     |          | <b>2,130</b>    | <b>154,689</b> |
| Tenda                  | RESIDENCIAL JULIANA LIFE - Fase I   | April    | November-07 | Belo Horizonte - MG | 100%     | 280             | 21,000         |
| Tenda                  | RESIDENCIAL BARTOLOMEU              | April    | November-07 | Novo Hamburgo -     | 100%     | 260             | 15,080         |

|                   | GUSMÃO II - Fase I<br>RESIDENCIAL            |       |              | RS                               |      |              |                |
|-------------------|--|-------|--------------|----------------------------------|------|--------------|----------------|
| Tenda             | CANADA - Fases I,<br>II e III                | April | May-07       | Betim - MG                       | 100% | 56           | 5,100          |
| Tenda             | RESIDENCIAL<br>BETIM LIFE I                  | April | September-07 | Governador<br>Valadares -<br>MG  | 100% | 144          | 9,072          |
| Tenda             | RESIDENCIAL<br>PARQUE DAS<br>AROEIRAS LIFE I | May   | January-08   | Governador<br>Valadares -<br>MG  | 100% | 240          | 20,841         |
| Tenda             | ARSENAL LIFE III -<br>Fase I                 | May   | October-07   | São Gonçalo -<br>RJ              | 100% | 128          | 9,146          |
| Tenda             | ARSENAL LIFE IV -<br>Fase I                  | May   | September-07 | Rio de Janeiro<br>- RJ           | 100% | 128          | 9,194          |
| Tenda             | MALAGA GARDEN<br>- Fase I                    | May   | February-08  | Rio de Janeiro<br>- RJ           | 100% | 300          | 21,000         |
| Tenda             | Vivendas do Sol II -<br>Fases I, II e III    | May   | October-09   | Porto Alegre -<br>RS             | 100% | 200          | 11,608         |
| Tenda             | RESIDENCIAL<br>MORADA DE<br>FERRAZ - Fase I  | May   | March-07     | Ferraz de<br>Vasconcelos -<br>SP | 100% | 110          | 10,098         |
| Tenda             | Valle Verde Cotia -<br>Fase 5b               | June  | July-09      | Cotia - SP                       | 100% | 448          | 38,000         |
| Tenda             | RESIDENCIAL<br>PARQUE VALENÇA<br>1D - Fase I | June  | December-07  | Suzano - SP                      | 100% | 112          | 6,720          |
| <b>Tenda 2Q10</b> |  |       |              |                                  |      | <b>2,406</b> | <b>176,859</b> |
| <b>Total 2Q10</b> |  |       |              |                                  |      | <b>4,782</b> | <b>631,216</b> |
| <b>Total 1H10</b> |  |       |              |                                  |      | <b>7,497</b> | <b>957,118</b> |

#### Land Bank

The Company's land bank of approximately R\$ 15.8 billion is composed of 198 different projects in 21 states, equivalent to more than 90 thousand units. In line with our strategy, 39% of our land bank was acquired through swaps which require no cash obligations.

The size of our land bank continued to benefit from the disbursement of a portion of the proceeds raised in the follow-on offering concluded in 1Q10. At the end of June we recorded a net increase of R\$ 121 million in the land bank, reflecting acquisitions that more than compensate the R\$1 billion launches in the quarter.

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

**Table 9 - Landbank per company per unit price**

|                     |                       | <b>PSV - R\$<br/>million<br/>(%Gafisa)</b> | <b>%Swap<br/>Total</b> | <b>%Swap<br/>Units</b> | <b>%Swap<br/>Financial</b> | <b>Potential<br/>units<br/>(%Gafisa)</b> |
|---------------------|-----------------------|--|------------------------|------------------------|----------------------------|--|
| <b>Gafisa</b>       | = R\$500K             | 4,261                                      | 52.4%                  | 45.0%                  | 7.4%                       | 14,291                                   |
|                     | > R\$500K             | 3,237                                      | 31.5%                  | 29.3%                  | 2.1%                       | 4,077                                    |
|                     | Total                 | 7,497                                      | 41.3%                  | 36.7%                  | 4.6%                       | 18,368                                   |
| <b>Alphaville</b>   | = R\$100K;            | 604  | 100.0%                 | 0.0%                   | 100.0%                     | 9,132                                    |
|                     | > R\$100K; = R\$500K  | 3,594                                      | 97.4%                  | 0.0%                   | 97.4%                      | 20,008                                   |
|                     | > R\$500K             | 100  | 0.0%                   | 0.0%                   | 0.0%                       | 130                                      |
|                     | Total                 | 4,298                                      | 96.8%                  | 0.0%                   | 96.8%                      | 29,270                                   |
| <b>Tenda</b>        | = R\$130K             | 3,568                                      | 31.4%                  | 31.4%                  | 0.0%                       | 37,188                                   |
|                     | > R\$130K; < R\$ 200K | 404  | 0.0%                   | 0.0%                   | 0.0%                       | 5,775                                    |
|                     | Total                 | 3,972                                      | 31.4%                  | 31.4%                  | 0.0%                       | 42,963                                   |
| <b>Consolidated</b> |                       | <b>15,768</b>                              | <b>39.3%</b>           | <b>35.5%</b>           | <b>3.8%</b>                | <b>90,601</b>                            |

**Number of projects**

|              |            |
|--------------|------------|
| Gafisa       | 60         |
| AlphaVille   | 42         |
| Tenda        | 96         |
| <b>Total</b> | <b>198</b> |

**Table 10 - Landbank Changes**

| <b>Land Bank (R\$ million)</b> | <b>Gafisa</b> | <b>Alphaville</b> | <b>Tenda</b> | <b>Total</b>  |
|--------------------------------|---------------|-------------------|--------------|---------------|
| Land Bank - BoP (1Q10)         | 7,606         | 3,952             | 4,089        | 15,647        |
| 2Q10 - Net Acquisitions        | 381.5         | 573.8             | 173.9        | 1,129         |
| 2Q10 - Launches                | (490.6)       | (227.5)           | (290.4)      | (1,009)       |
| <b>Land Bank - EoP (2Q10)</b>  | <b>7,497</b>  | <b>4,298</b>      | <b>3,972</b> | <b>15,768</b> |

**2Q10 - Revenues**

On the strength of solid sales in the 2Q10, both of newly launched projects and units from inventory, and an accelerated pace of construction, the Company was able to recognize substantial net operating revenues for 2Q10, which rose by 28.5% to R\$ 927.4 million from R\$ 721.8 million in the 2Q09, with Tenda contributing 32% of the consolidated revenues.

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).

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

**Table 11 - Sales vs. Recognized revenues****2Q10****2Q09**

| <b>R\$ 000</b> |  | <b>Sales</b> | <b>% Sales</b> | <b>Revenues</b> | <b>% Revenues</b> | <b>Sales</b> | <b>% Sales</b> | <b>Revenues</b> | <b>% Revenues</b> |
|----------------|--|--------------|----------------|-----------------|-------------------|--------------|----------------|-----------------|-------------------|
| <b>Gafisa</b>  | 2010 launches                                  | 387,449      | 66%            | 96,108          | 15%               | -            | 0%             | -               | 0%                |
|                | 2009 launches                                  | 90,820       | 16%            | 101,997         | 16%               | 180,663      | 39%            | 7,496           | 2%                |
|                | 2008 launches                                  | 61,589       | 11%            | 209,531         | 33%               | 118,484      | 25%            | 118,323         | 27%               |
|                | = 2007 launches                                | 45,193       | 8%             | 207,558         | 33%               | 169,482      | 36%            | 308,375         | 69%               |
|                | Third-Party<br>Construction<br>Revenues/Others | -            | 0%             | 12,276          | 2%                | -            | 0%             | 10,317          | 3%                |
|                | Total Gafisa                                   | 585,050      | 100%           | 627,470         | 100%              | 468,630      | 100%           | 444,512         | 100%              |
| <b>Tenda</b>   | Total Tenda                                    | 304,711      | ---            | 299,972         | ---               | 366,813      | ---            | 261,427         | ---               |
| <b>Total</b>   |  | 889,761      |                | 927,442         |                   | 835,443      |                | 705,939         |                   |

## 2Q10 - Gross Profits

On a consolidated basis, gross profit for the 2Q10 totaled R\$ 279.5 million, an increase of 46% over 2Q09, reflecting continued growth and business expansion. The gross margin for 2Q10 reached 30.1% (32.8% w/o capitalized interest) 302 bps higher than the 2Q09.

**Table 12 - Capitalized Interest**

| <b>(R\$000)</b>    |                              | <b>2Q10</b>    | <b>2Q09</b>   | <b>1Q10</b>   |
|--------------------|------------------------------|----------------|---------------|---------------|
| <b>Consolidado</b> | Initial balance              | 94,101         | 91,254        | 91,568        |
|                    | Capitalized interest         | 32,900         | 25,900        | 25,373        |
|                    | Interest transferred to COGS | (25,104)       | (21,317)      | (22,840)      |
|                    | <b>Final Balance</b>         | <b>101,897</b> | <b>95,837</b> | <b>94,101</b> |

## 2Q10 - Selling, General, and Administrative Expenses (SG&amp;A)

In the second quarter 2010, SG&A expenses totaled R\$ 116.1 million, compared to R\$ 110.5 in the same period of 2009. When compared to the 1Q10, SG&A increased from R\$ 108.7 million to R\$ 116.1 million. This increase in selling expenses was mainly related to higher launches and sales volume in the second quarter when compared to the 2Q09 and 1Q10. Despite this increase, we have seen an improvement in the G&A structures resulting in efficiencies when compared to the 2Q09, reflecting the benefits of the incorporation of Tenda.

The Company's SG&A/Net Revenue ratio improved by 312 bps as compared to the 2Q09, mainly due to the continued gains in operating efficiency at Tenda and from synergy gains related to the merger of Tenda into Gafisa. As Tenda's sales and revenues continue to ramp up in the coming quarters, it is expected that costs associated with its sales platform will be diluted and fixed cost ratios will improve.

It is noteworthy that we already achieved a comfortable level of SG&A/Net Revenue even before capturing all of the expected synergies such as those related to Tenda's utilization of SAP enterprise software, which began in July 2010. We expect to capture more benefits in 2011, including increased dilution.

When compared to the 2Q09, all expense ratios improved as compared to net revenues, resulting in a comfortable ratio of SG&A/Net Revenues of 12.5%, compared to 15.7% in 2Q09.

**Table 13 - Sales and G&A Expenses**

| <b>(R\$'000)</b>    |                                | <b>2Q10</b> | <b>2Q09</b> | <b>1Q10</b> | <b>2Q10 x<br/>2Q09</b> | <b>2Q10 x<br/>1Q10</b> |
|---------------------|--------------------------------|-------------|-------------|-------------|------------------------|------------------------|
| <b>Consolidated</b> | Selling expenses               | 61,140      | 51,182      | 51,294      | 19%                    | 19%                    |
|                     | G&A expenses                   | 55,125      | 59,312      | 57,418      | -7%                    | -4%                    |
|                     | SG&A                           | 116,265     | 110,493     | 108,712     | 5%                     | 7%                     |
|                     | Selling expenses / Launches    | 6.1%        | 8.2%        | 7.3%        | -211 bps               | -123 bps               |
|                     | G&A expenses / Launches        | 5.5%        | 9.5%        | 8.2%        | -400 bps               | -270 bps               |
|                     | SG&A / Launches                | 11.5%       | 17.6%       | 15.5%       | -611 bps               | -393 bps               |
|                     | Selling expenses / Sales       | 6.9%        | 6.1%        | 6.0%        | 75 bps                 | 89 bps                 |
|                     | G&A expenses / Sales           | 6.2%        | 7.1%        | 6.7%        | -90 bps                | -50 bps                |
|                     | SG&A / Sales                   | 13.1%       | 13.2%       | 12.7%       | -16 bps                | 39 bps                 |
|                     | Selling expenses / Net revenue | 6.6%        | 7.3%        | 5.7%        | -66 bps                | 94 bps                 |
|                     | G&A expenses / Net revenue     | 5.9%        | 8.4%        | 6.3%        | -246 bps               | -38 bps                |
|                     | SG&A / Net revenue             | 12.5%       | 15.7%       | 12.0%       | -312 bps               | 56 bps                 |

**2Q10 - Other Operating Results**

In the 2Q10, our results reflected a negative impact of R\$6.9 million, compared to R\$ 16.3 million in the 2Q09 mainly due to higher contingency provisions in the previous period.

## 2Q10 - Adjusted EBITDA

Our Adjusted EBITDA for the 2Q10 totaled R\$ 184 million, 65.3% higher than the R\$ 111.3 million for 2Q09, with a consolidated adjusted margin of 19.8%, compared to 15.8% in the 2Q09.

This gain is part of an expected gradual recovery due to the fact that the Company's results recognition increasingly reflects the execution of recent projects at the same time that our older-low margin projects are being delivered. This positive trend is clearly reflected in our Backlog margin of 36.4%.

Gafisa also benefitted from robust market fundamentals and strong demand that permitted higher pricing in markets such as São Paulo, mainly in the mid and upper middle segments, while improved G&A and direct selling expenses as a percentage of net revenues also contributed to higher EBITDA margin.

We continue to be confident that additional synergies related to the merger of Tenda could also benefit our margins in the future, and accordingly we are confident that we can achieve a result in keeping with our guidance of 18.5% to 20.5% EBITDA margin for 2010.

We adjust our EBITDA for expenses associated with stock options plans, as it represents a non-cash expense.

**Table 14 - Adjusted EBITDA**

| <b>(R\$'000)</b>    |  | <b>2Q10</b> | <b>2Q09</b> | <b>1Q10</b> | <b>2Q10 x<br/>2Q09</b> | <b>2Q10 x<br/>1Q10</b> |
|---------------------|--|-------------|-------------|-------------|------------------------|------------------------|
| <b>Consolidated</b> | Net Profit                             | 97,269      | 57,768      | 64,819      | 68%                    | 50%                    |
|                     | (+) Financial result                   | 13,911      | 12,720      | 33,268      | 9%                     | -58%                   |
|                     | (+) Income taxes                       | 22,060      | 20,621      | 22,489      | 7%                     | -2%                    |
|                     | (+) Depreciation and Amortization      | 8,781       | 6,399       | 10,238      | 37%                    | -14%                   |
|                     | (+) Capitalized Interest Expenses      | 25,106      | 21,316      | 22,840      | 18%                    | 10%                    |
|                     | (+) Minority shareholders              | 14,260      | 19,609      | 11,623      | -27%                   | 23%                    |
|                     | (+) Stock option plan expenses         | 2,584       | 3,750       | 3,183       | -31%                   | -19%                   |
|                     | (+) Tenda's goodwill net of provisions | -           | (30,865)    | -           | -                      | -                      |
|                     | Adjusted EBITDA                        | 183,970     | 111,319     | 168,459     | 65.3%                  | 9.2%                   |
|                     | Net Revenue                            | 927,442     | 705,818     | 907,585     | 31%                    | 2%                     |
|                     | Adjusted EBITDA margin                 | 19.8%       | 15.8%       | 18.6%       | 406 bps                | 127 bps                |

## 2Q10 - Depreciation and Amortization

Depreciation and amortization in the 2Q10 was R\$ 8.8 million, an increase of R\$ 2.5 million when compared to the R\$ 6.4 million recorded in 2Q09, reflecting business increased operations.

## 2Q10 Financial Result

Net financial expenses totaled R\$ 13.9 million in 2Q10, compared to net financial expenses of R\$ 12.7 million in the 2Q09, since the average net debt for both periods was about the same. When compared to a net expense of R\$ 33.3 million in the 1Q10, the reduction was mainly derived from the equity offering proceeds, which benefited the financial revenue account due to a higher average cash balance.

## 2Q10 - Taxes

Income taxes, social contribution and deferred taxes for 2Q10 amounted to R\$ 22.1 million compared to R\$20.6 million in 2Q09. The effective tax rate was 16.5% in the 2Q10 compared to 21% in 2Q09, mainly due to the deferred tax over the amortization of Tenda's negative goodwill that negatively impacted the 2Q09.

## 2Q10 - Adjusted Net Income

Net income in 2Q10 was R\$ 97.3 million compared to R\$ 57.8 million in the 2Q09. However, if we consider the adjusted net income (before deduction of expenses related to minority shareholders and stock options), this figure reached R\$ 114.1 million, with an adjusted net margin of 12.3%., representing growth of R\$ 33 million when compared to the R\$ 81.1 million in the 2Q09.

## 2Q10 - Earnings per Share

Earnings per share already adjusted for the 2:1 stock split in all comparable periods were R\$ 0.23/share in the 2Q10 compared to R\$ 0.22/share in 2Q09, a 2.2% increase. Shares outstanding at the end of the period were 428.7 million (ex. Treasury shares) and 260.7 million in the 2Q09.

## Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method reached R\$ 1.16 billion in the 2Q10, R\$ 37 million higher than 2Q09. The consolidated margin in the 2Q10 was 36.4%, 125 bps higher than the 1Q10, reflecting the fact that recent projects are having a greater impact on the company's results to be recognized while our older-lower margin projects are less and less, since we are delivering them.

The table below shows our revenues, costs and results to be recognized, as well as the expected margin:

**Table 15 - Results to be recognized (REF)**

| <b>(R\$ million)</b> |                                | <b>2Q10</b> | <b>2Q09</b> | <b>1Q10</b> | <b>2Q10 x<br/>2Q09</b> | <b>2Q10 x<br/>1Q10</b> |
|----------------------|--------------------------------|-------------|-------------|-------------|------------------------|------------------------|
| <b>Consolidated</b>  | Revenues to be recognized      | 3,209       | 3,092       | 2,934       | 3.8%                   | 9.4%                   |
|                      | Costs to be recognized         | (2,042)     | (1,968)     | (1,904)     | 3.8%                   | 7.3%                   |
|                      | Results to be recognized (REF) | 1,167       | 1,125       | 1,030       | 3.8%                   | 13.3%                  |
|                      | REF margin                     | 36.4%       | 36.4%       | 35.1%       | 0 bps                  | 125 bps                |

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

## Balance Sheet

### Cash and Cash Equivalents

On June 30, 2010, cash and cash equivalents exceeded R\$ 1.8 billion, 15% lower than the balance of R\$ 2.1 billion as of March 31, 2010, and 70% higher than the R\$ 1.06 billion recorded at the end of 2Q09, reflecting the proceeds from the equity offering completed at the end of 1Q10.

### Accounts Receivable

At the conclusion of the 2Q10, total accounts receivable increased by 10% to R\$ 7.9 billion, compared to R\$ 7.2 billion in 1Q10, and an increase of 30% as compared to the R\$ 6.0 billion balance in the 2Q09, reflecting increasing sales activity.

**Table 16 - Total receivables**

| <b>(R\$ million)</b> |                                    | <b>2Q10</b>    | <b>2Q09</b>    | <b>1Q10</b>    | <b>2Q10 x<br/>2Q09</b> | <b>2Q10<br/>x<br/>1Q10</b> |
|----------------------|------------------------------------|----------------|----------------|----------------|------------------------|----------------------------|
| <b>Consolidated</b>  | Receivables from developments - ST | 1,466.0        | 1,392.5        | 1,502.9        | 5%                     | -2%                        |
|                      | Receivables from developments - LT | 1,864.6        | 1,740.5        | 1,542.2        | 7%                     | 21%                        |
|                      | Receivables from PoC - ST          | 2,470.9        | 989.3          | 2,193.7        | 150%                   | 13%                        |
|                      | Receivables from PoC - LT          | 2,075.2        | 1,924.0        | 1,922.5        | 8%                     | 8%                         |
|                      | <b>Total</b>                       | <b>7,876.7</b> | <b>6,046.4</b> | <b>7,161.2</b> | <b>30%</b>             | <b>10%</b>                 |

Notes:

ST = short term; LT = long term

Receivables from developments: accounts receivable not yet recognized according to PoC and BRGAAP

Receivables from PoC: accounts receivable already recognized according do PoC and BRGAP

Page 81

## Inventory (Properties for Sale)

Inventory at market value totaled R\$ 2.7 billion in 2Q10, an increase of 2% when compared to R\$ 2.68 billion registered in the 2Q09. This almost flat market value reflects a relative reduction to a comfortable 9.2 months of sales based on 2Q10 sales figures.

Finished units represented 11.6% of our inventory at market value, while 56% of the total inventory reflects units where construction is up to 30% complete.

Table 17 - Inventories

| (R\$000)            |                          | 2Q10             | 2Q09             | 1Q10             | 2Q10x2Q09   | 2Q10x1Q10   |
|---------------------|--------------------------|------------------|------------------|------------------|-------------|-------------|
| <b>Consolidated</b> | Land                     | 701,790          | 747,762          | 745,119          | -6.1%       | -5.8%       |
|                     | Units under construction | 947,023          | 896,900          | 842,022          | 5.6%        | 12.5%       |
|                     | Completed units          | 205,739          | 145,263          | 169,373          | 41.6%       | 21.5%       |
|                     | <b>Total</b>             | <b>1,854,552</b> | <b>1,789,925</b> | <b>1,756,514</b> | <b>3.6%</b> | <b>5.6%</b> |

Table 18 - Inventories at market value per company

| PSV - (R\$000)      |                           | 2Q10             | 2Q09             | 1Q10             | 2Q10x2Q09   | 2Q10x1Q10   |
|---------------------|---------------------------|------------------|------------------|------------------|-------------|-------------|
| <b>Gafisa</b>       | 2010 launches             | 574,234          | -                | 232,793          | -           | 147%        |
|                     | 2009 launches             | 366,541          | 293,807          | 457,995          | 25%         | -20%        |
|                     | 2008 launches             | 601,252          | 801,983          | 643,511          | -25%        | -7%         |
|                     | 2007 and earlier launches | 419,205          | 649,368          | 446,506          | -35%        | -6%         |
|                     | <b>Total</b>              | <b>1,961,232</b> | <b>1,745,157</b> | <b>1,780,805</b> | <b>12%</b>  | <b>10%</b>  |
| <b>Tenda</b>        | 2010 launches             | 329,877          | -                | 188,727          | 0%          | 75%         |
|                     | 2009 launches             | 102,109          | 136,859          | 123,740          | -25%        | -17%        |
|                     | 2008 launches             | 220,143          | 483,850          | 325,067          | -55%        | -32%        |
|                     | 2007 and earlier launches | 112,238          | 313,298          | 127,647          | -64%        | -12%        |
|                     | <b>Total</b>              | <b>764,367</b>   | <b>934,007</b>   | <b>765,180</b>   | <b>-18%</b> | <b>0%</b>   |
| <b>Consolidated</b> | <b>Total</b>              | <b>2,725,599</b> | <b>2,679,165</b> | <b>2,545,985</b> | <b>1.7%</b> | <b>7.1%</b> |

Table 19 - Inventories per completion status

| Company      | Not started    | Up to 30% constructed | 30% to 70% constructed | More than 70% constructed | Finished units | Total 2Q10       |
|--------------|----------------|-----------------------|------------------------|---------------------------|----------------|------------------|
| Gafisa       | 400,406        | 310,502               | 634,342                | 363,391                   | 252,591        | 1,961,232        |
| Tenda        | 64,181         | 333,368               | 254,754                | 48,233                    | 63,830         | 764,367          |
| <b>Total</b> | <b>464,588</b> | <b>643,870</b>        | <b>889,096</b>         | <b>411,624</b>            | <b>316,421</b> | <b>2,725,599</b> |



## Liquidity

On June 30, 2010, Gafisa had a cash position of R\$ 1.8 billion. On the same date, Gafisa's debt and obligations to investors totaled R\$ 3.4 billion, resulting in a net debt and obligations of R\$ 1.6 billion. Net debt and investor obligation to equity and minorities ratio was 45.2% compared to 34.6% in 1Q10, mainly due to the R\$ 415 million cash burn in the quarter. When excluding Project Finance, this ratio reached a negative -2.4% net debt/Equity, a comfortable leverage level with a competitive cost, of less than 100% of the Selic rate.

Gafisa's cash burn rate of R\$ 415 million during the second quarter reflected a strong pace of construction activity at the Company and a R\$ 46 million expenditures in Land acquisition. Efforts undertaken to reduce the construction cycle and increased amount of receivables to be collected are expected to start to slow or revert this rate in 2011.

Currently we have access to a total of R\$ 3.8 billion in construction finance lines of credit provided by all of the major banks in Brazil. At this time we have R\$ 1.8 billion in signed contracts and R\$ 668 million in contracts in process, giving us additional availability of R\$ 1.3 billion.

We also have receivables (from units already delivered) of R\$ 250 million available for securitization. The following tables set forth information on our debt position as of June 30, 2010.

**Table 20 - Indebtedness and Investor obligations**

| <b>Type of obligation (R\$000)</b>   | <b>2Q10</b>      | <b>2Q09</b>      | <b>1Q10</b>      | <b>2Q10 x<br/>2Q09</b> | <b>2Q10 x<br/>1Q10</b> |
|--|------------------|------------------|------------------|------------------------|------------------------|
| Debentures - FGTS (project finance)  | 1,208,939        | 607,514          | 1,231,575        | 99.0%                  | -1.8%                  |
| Debentures - Working Capital   | 662,669          | 500,388          | 656,217          | 32.4%                  | 1.0%                   |
| Project financing (SFH)  | 499,186          | 398,648          | 458,008          | 25.2%                  | 9.0%                   |
| Working capital  | 678,377          | 730,804          | 687,801          | -7.2%                  | -1.4%                  |
| Incorporation of controlling company   | -                | 5,399            | -                | -                      | -                      |
| <b>Total consolidated debt</b>   | <b>3,049,171</b> | <b>2,242,753</b> | <b>3,033,601</b> | <b>36%</b>             | <b>1%</b>              |
| <b>Consolidated cash and availabilities</b>                                    | <b>1,806,384</b> | <b>1,056,312</b> | <b>1,125,613</b> | <b>71%</b>             | <b>-15%</b>            |
| <b>Investor Obligations</b>  | <b>380,000</b>   | <b>300,000</b>   | <b>300,000</b>   | <b>-</b>               | <b>-</b>               |
| <b>Net debt and investor obligations</b>                                       | <b>1,622,787</b> | <b>1,486,441</b> | <b>1,207,988</b> | <b>9%</b>              | <b>34%</b>             |
| <b>Equity + Minority shareholders</b>  | <b>3,591,729</b> | <b>2,264,340</b> | <b>3,492,889</b> | <b>59%</b>             | <b>3%</b>              |
| <b>(Net debt + Obligations) / (Equity + Minorities)</b>                        | <b>45.2%</b>     | <b>65.6%</b>     | <b>34.6%</b>     | <b>-2046 bps</b>       | <b>1060 bps</b>        |
| <b>(Net debt + Ob.) / (Eq + Min.) - Exc. Project Finance (SFH + FGTS Deb.)</b> | <b>-2.4%</b>     | <b>21%</b>       | <b>-13.8%</b>    | <b>-2359 bps</b>       | <b>1141 bps</b>        |

**Table 21 - Debt maturity per company**

| <b>(R\$ million)</b>                | <b>Average Cost (p.a.)</b> | <b>Total</b> | <b>Up to<br/>June/2011</b> | <b>Up to<br/>June/2012</b> | <b>Up to<br/>June/2013</b> | <b>Up to<br/>June/2014</b> |
|-------------------------------------|----------------------------|--------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Debentures - FGTS (project finance) | (8.25% - 8.92%) + TR       | 1,208.9      | 8.9                        | -                          | 450.0                      | 650.0                      |
| Debentures - Working Capital        | CDI + (1.5% - 3.25%)       | 662.7        | 114.7                      | 423.0                      | 125.0                      | 0.0                        |
| Project financing (SFH)             | (8.30% - 12%) + TR         | 499.2        | 337.4                      | 143.9                      | 17.9                       | 0.0                        |
| Working capital                     | CDI + (0.66% - 4.2%)       | 678.4        | 487.9                      | 146.6                      | 37.9                       | 0.0                        |
| <b>Total consolidated debt</b>      | <b>10.6%</b>               | <b>3,049</b> | <b>949</b>                 | <b>713</b>                 | <b>631</b>                 | <b>650</b>                 |
| <b>% Total</b>                      |                            |              | <b>31%</b>                 | <b>23%</b>                 | <b>21%</b>                 | <b>25%</b>                 |

Page 83

## Outlook

Gafisa continues to expect launches in the range of R\$ 4 billion to R\$ 5 billion through 2010, with an expected full year 2010 EBITDA margin to reach between 18.5%- 20.5%.

Through the first half of 2010, Gafisa reached 38% of the mid range of the launches guidance, in line with historical seasonality. Regarding EBITDA Margin, Gafisa delivered 19.8% in the 2Q10 and 19.2% in the 1H10, well within the previously stated guidance range.

| <b>Launches<br/>(R\$ million)</b> |         | <b>Guidance<br/>2010</b> | <b>2Q10</b> | <b>%</b> | <b>1H10</b> | <b>%</b> |
|-----------------------------------|---------|--------------------------|-------------|----------|-------------|----------|
| Gafisa                            | Min.    | 4,000                    |             | 25%      |             | 43%      |
| (consolidated)                    | Average | 4,500                    | 1,009       | 22%      | 1,712       | 38%      |
|                                   | Max.    | 5,000                    |             | 20%      |             | 34%      |

| <b>EBITDA Margin (%)</b> |         | <b>Guidance<br/>2010</b> | <b>2Q10</b> | <b>%</b>   | <b>1H10</b> | <b>%</b>    |
|--------------------------|---------|--------------------------|-------------|------------|-------------|-------------|
| Gafisa                   | Min.    | 18.5%                    |             | 130<br>bps |             | 70<br>bps   |
| (consolidated)           | Average | 19.5%                    | 19.8%       | 30<br>bps  | 19.2%       | -30<br>bps  |
|                          | Max.    | 20.5%                    |             | -70<br>bps |             | -130<br>bps |

The second quarter financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil ( Brazilian GAAP required for the years ended December 31, 2009. Therefore, they do not consider the early adoption of the technical pronouncements issued by CPC in 2009, approved by the Federal Accounting Council ( CFC ), required beginning on January 1, 2010. On November 10, 2009 the CVM, issued the deliberation n° 603 changed by deliberation n° 626, which gives the option for the listed Companies presents your 2010 quarterly information based o accounting practices in force at December 31, 2009.

## Glossary

### **Affordable Entry Level**

Residential units targeted to the mid-low and low income segments with prices below R\$ 1,800 per square meter.

### **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  $\frac{\text{Backlog of Results}}{\text{Backlog of Revenues}}$  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.

### **LOT (Urbanized Lots)**

Land subdivisions, or lots, with prices ranging from R\$ 150 to R\$ 600 per square meter

### **PoC Method**

Under Brazilian GAAP, real estate development revenues, costs and related expenses are recognized using the 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.

**PSV**

Potential Sales Value.

**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.

Page 85

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## About Gafisa

Gafisa is a leading diversified national homebuilder serving all demographic segments of the Brazilian market. Established over 55 years ago, we have completed and sold more than 990 developments and built more than 11 million square meters of housing, more than any other residential development company in Brazil. Recognized as one of the foremost professionally managed homebuilders, "Gafisa" is also one of the most respected and best-known brands in the real estate market, recognized among potential homebuyers, brokers, lenders, landowners, competitors, and investors for its quality, consistency, and professionalism. Our pre-eminent brands include Tenda, serving the affordable/entry level housing segment, and Gafisa and Alphaville, which offer a variety of residential options to the mid to higher-income segments. Gafisa S.A. is traded on the Novo Mercado of the BM&FBOVESPA (BOVESPA:GFSA3) and on the New York Stock Exchange (NYSE:GFA).

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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.*

The following table sets projects launched during 1H10:

**Table 22 - Projects launched**

| <b>Company</b> | <b>Project</b>                       | <b>Launch Date</b> | <b>Local</b>                     | <b>% Gafisa</b> | <b>Units (%Gafisa)</b> | <b>PSV (%Gafisa)</b> | <b>% sales 30/Jun/10</b> |
|----------------|--------------------------------------|--------------------|----------------------------------|-----------------|------------------------|----------------------|--------------------------|
| Gafisa         | Reserva Ecoville                     | January            | Curitiba - PR                    | 50%             | 128                    | 76,516               | 62%                      |
| Gafisa         | Pq Barueri Cond<br>Clube F2A - Sabiá | February           | Barueri - SP                     | 100%            | 171                    | 47,399               | 29%                      |
| Gafisa         | Alegria - Fase2B                     | February           | Guarulhos -<br>SP                | 100%            | 139                    | 40,832               | 48%                      |
| Gafisa         | Pátio Condomínio<br>Clube - Harmony  | February           | São José dos<br>Campos - SP      | 100%            | 96                     | 32,332               | 63%                      |
| Gafisa         | Mansão Imperial -<br>Fase 2b         | February           | São Bernardo<br>do Campo -<br>SP | 100%            | 89                     | 62,655               | 39%                      |
| Gafisa         | Golden Residence                     | March              | Rio de<br>Janeiro - RJ           | 100%            | 78                     | 22,254               | 50%                      |
| Gafisa         | Riservato                            | March              | Rio de<br>Janeiro - RJ           | 100%            | 42                     | 27,310               | 75%                      |
| Gafisa         | Fradique Coutinho<br>- MOSAICO       | April              | São Paulo -<br>SP                | 100%            | 62                     | 42,947               | 90%                      |
| Gafisa         | Pateo Mondrian<br>(Mota Paes)        | April              | São Paulo -<br>SP                | 100%            | 115                    | 82,267               | 69%                      |
| Gafisa         | Jatiuca - Maceió -<br>AL - Fase 2    | April              | Maceió - AL                      | 50%             | 24                     | 7,103                | 7%                       |
| Gafisa         | Zenith - It Fase 3                   | April              | São Paulo -<br>SP                | 100%            | 24                     | 97,057               | 18%                      |
| Gafisa         | Grand Park<br>Varandas - FI          | April              | São Luis -<br>MA                 | 50%             | 94                     | 19,994               | 99%                      |
| Gafisa         | Canto dos<br>Pássaros_Parte 2        | May                | Porto Alegre -<br>RS             | 80%             | 90                     | 16,692               | 6%                       |
| Gafisa         | Grand Park<br>Varandas - FII         | May                | São Luis -<br>MA                 | 50%             | 75                     | 16,905               | 98%                      |
| Gafisa         | Grand Park<br>Varandas - FIII        | May                | São Luis -<br>MA                 | 50%             | 57                     | 12,475               | 51%                      |
| Gafisa         | JARDIM DAS<br>ORQUIDEAS              | June               | São Paulo -<br>SP                | 50%             | 102                    | 43,734               | 89%                      |
| Gafisa         | JARDIM DOS<br>GIRASSOIS              | June               | São Paulo -<br>SP                | 50%             | 150                    | 44,254               | 85%                      |
| Gafisa         | Pátio Condomínio<br>Clube - Kelvin   | June               | São José dos<br>Campos - SP      | 100%            | 96                     | 34,140               | 11%                      |
| Gafisa         |                                      | June               |                                  | 100%            | 152                    | 39,673               | 1%                       |

## Edgar Filing: Gafisa S.A. - Form 6-K

|                   |  |          |                          |      |              |                |            |
|-------------------|--|----------|--------------------------|------|--------------|----------------|------------|
|                   | Vila Nova São José QF                    |          | São José dos Campos - SP |      |              |                |            |
|                   | PARQUE ECOVILLE Fase1                    | June     | Curitiba - PR            | 50%  | 102          | 33,392         | 19%        |
| <b>Gafisa</b>     |  |          |                          |      | <b>1,886</b> | <b>799,932</b> | <b>50%</b> |
| Alphaville        | Alphaville Ribeirão Preto F1             | March    | Ribeirão Preto - SP      | 60%  | 352          | 97,269         | 91%        |
| Alphaville        | AlphaVille Mossoró F2                    | May      | Mossoró - RN             | 53%  | 93           | 10,731         | 46%        |
| Alphaville        | Alphaville Ribeirão Preto F2             | June     | Ribeirão Preto - SP      | 60%  | 182          | 54,381         | 15%        |
| Alphaville        | Alphaville Brasília                      | June     | Brasília-DF              | 34%  | 170          | 73,974         | 53%        |
| Alphaville        | Alphaville Jacuhy F3                     | June     | Vitória - ES             | 65%  | 168          | 56,336         | 7%         |
| Alphaville        | Brasília Terreneiro                      | June     | Brasília-DF              | 13%  | 65           | 28,175         | 53%        |
| Alphaville        | Living Solutions                         | June     | São Paulo - SP           | 100% | 4            | 3,884          | 100%       |
| <b>Alphaville</b> |  |          |                          |      | <b>1,033</b> | <b>324,752</b> | <b>50%</b> |
| Tenda             | Grand Ville das Artes - Monet Life IV    | January  | Lauro de Freitas - BA    | 100% | 56           | 5,118          | 77%        |
| Tenda             | Grand Ville das Artes - Matisse Life IV  | January  | Lauro de Freitas - BA    | 100% | 60           | 5,403          | 85%        |
| Tenda             | Fit Nova Vida - Taboãozinho              | February | São Paulo - SP           | 100% | 137          | 7,261          | 23%        |
| Tenda             | São Domingos (Fase Única)                | February | Contagem - MG            | 100% | 192          | 17,823         | 71%        |
| Tenda             | Espaço Engenho III (Fase Única)          | February | Rio de Janeiro - RJ      | 100% | 197          | 18,170         | 98%        |
| Tenda             | Portal do Sol Life IV                    | February | Belford Roxo - RJ        | 100% | 64           | 5,971          | 81%        |
| Tenda             | Grand Ville das Artes - Matisse Life V   | March    | Lauro de Freitas - BA    | 100% | 120          | 10,805         | 71%        |
| Tenda             | Grand Ville das Artes - Matisse Life VI  | March    | Lauro de Freitas - BA    | 100% | 120          | 10,073         | 79%        |
| Tenda             | Grand Ville das Artes - Matisse Life VII | March    | Lauro de Freitas - BA    | 100% | 100          | 8,957          | 71%        |
| Tenda             | Residencial Buenos Aires Tower           | March    | Belo Horizonte - MG      | 100% | 88           | 14,226         | 95%        |
| Tenda             | Tapanã - Fase I (Condomínio I)           | March    | Belém - PA               | 100% | 274          | 26,543         | 23%        |

## Edgar Filing: Gafisa S.A. - Form 6-K

|       |   |       |                                    |      |     |        |      |
|-------|---|-------|------------------------------------|------|-----|--------|------|
| Tenda | Tapanã - Fase I<br>(Condomínio III)                   | March | Belém - PA                         | 100% | 164 | 15,926 | 26%  |
| Tenda | Estação do Sol -<br>Jaboatão I                        | March | Jaboatão dos<br>Guararapes -<br>PE | 100% | 159 | 17,956 | 35%  |
| Tenda | Fit Marumbi Fase<br>II                                | March | Curitiba - PR                      | 100% | 335 | 62,567 | 66%  |
| Tenda | Carvalhaes - Portal<br>do Sol Life V                  | March | Belford Roxo<br>- RJ               | 100% | 96  | 9,431  | 57%  |
| Tenda | Florença Life I                                       | March | Campo<br>Grande - RJ               | 100% | 199 | 15,720 | 59%  |
| Tenda | Cotia - Etapa I<br>Fase V                             | March | Cotia - SP                         | 100% | 272 | 25,410 | 100% |
| Tenda | Fit Jardim Botânico<br>Paraiba - Stake<br>Acquisition | March | João Pessoa<br>- PB                | 100% | 155 | 19,284 | 49%  |
| Tenda | Coronel Vieira -<br>Estação Carioca                   | April | Rio de<br>Janeiro - RJ             | 100% | 158 | 16,647 | 89%  |
| Tenda | Portal das Rosas                                      | April | Osasco-SP                          | 100% | 132 | 12,957 | 85%  |
| Tenda | Igara III   | May   | Canoas - RS                        | 100% | 240 | 23,601 | 10%  |
| Tenda | Portal do Sol -<br>Fase 6                             | May   | Belford Roxo<br>- RJ               | 100% | 64  | 6,146  | 48%  |
| Tenda | Grand Ville das<br>Artes - Fase 9                     | May   | Lauro de<br>Freitas - BA           | 100% | 120 | 11,403 | 15%  |
| Tenda | Gran Ville das<br>Artes - Fase 8                      | May   | Lauro de<br>Freitas - BA           | 100% | 100 | 9,433  | 50%  |
| Tenda | Vale do Sol Life                                      | June  | Rio de<br>Janeiro - RJ             | 100% | 79  | 8,124  | 28%  |
| Tenda | Engenho Life IV                                       | June  | Rio de<br>Janeiro - RJ             | 100% | 197 | 19,968 | 49%  |
| Tenda | Residencial Club<br>Cheverny                          | June  | Goiânia - GO                       | 100% | 384 | 52,414 | 1%   |
| Tenda | Assunção Life   | June  | Belo<br>Horizonte -<br>MG          | 100% | 440 | 55,180 | 38%  |
| Tenda | Residencial Brisa<br>do Parque II                     | June  | São José dos<br>Campos - SP        | 100% | 105 | 12,786 | 19%  |
| Tenda | Portal do Sol Life<br>VII                             | June  | Belford Roxo<br>- RJ               | 100% | 64  | 6,188  | 15%  |
| Tenda | Vale Verde Cotia<br>F5B                               | June  | Cotia - SP                         | 100% | 116 | 11,984 | 37%  |
| Tenda | San Martin  | June  | Belo<br>Horizonte -<br>MG          | 100% | 132 | 21,331 | 53%  |
| Tenda | Brisas do<br>Guanabara                                | June  | Vitória da<br>Conquista -          | 80%  | 243 | 22,248 | 1%   |

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|              |              |                  |            |
|--------------|--------------|------------------|------------|
| <b>Tenda</b> | <b>5,362</b> | <b>587,054</b>   | <b>48%</b> |
| <b>Total</b> | <b>8,280</b> | <b>1,711,738</b> | <b>49%</b> |

The following table sets forth the financial completion of the construction in progress and the related revenue recognized (R\$000) during the second quarter ended on June 30, 2010.

| Company | Project                              | Construction status |      | %Sold |      | Revenues recognized (R\$ '000) |        |
|---------|--------------------------------------|---------------------|------|-------|------|--------------------------------|--------|
|         |                                      | 2Q10                | 1Q10 | 2Q10  | 1Q10 | 2Q10                           | 1Q10   |
| Gafisa  | Pateo Mondrian (Mota Paes)           | 36%                 | 0%   | 76%   | 0%   | 18,768                         | -      |
| Gafisa  | IT STYLE - FASE 1                    | 51%                 | 44%  | 82%   | 70%  | 17,953                         | 25,954 |
| Gafisa  | ENSEADA DAS ORQUÍDEAS                | 89%                 | 79%  | 96%   | 98%  | 17,006                         | 16,273 |
| Gafisa  | Fradique Coutinho - MOSAICO          | 44%                 | 0%   | 89%   | 0%   | 15,379                         | -      |
| Gafisa  | SUPREMO                              | 81%                 | 72%  | 98%   | 97%  | 15,255                         | 16,596 |
| Gafisa  | PQ BARUERI COND - FASE 1             | 73%                 | 63%  | 69%   | 67%  | 14,195                         | 14,962 |
| Gafisa  | NOVA PETROPOLIS                      |                     |      |       |      |                                |        |
| Gafisa  | SBC - 1ª FASE                        | 84%                 | 73%  | 62%   | 57%  | 13,321                         | 14,633 |
| Gafisa  | Vista Santana                        | 58%                 | 53%  | 92%   | 84%  | 11,982                         | 8,673  |
| Gafisa  | VISION - CAMPO BELO                  | 96%                 | 87%  | 98%   | 96%  | 11,843                         | 13,386 |
| Gafisa  | Mansão Imperial - Fase 2b            | 44%                 | 0%   | 41%   | 19%  | 11,302                         | -      |
| Gafisa  | VP HORTO - FASE 1 (OAS)              | 100%                | 92%  | 99%   | 98%  | 10,620                         | 12,032 |
| Gafisa  | RESERVA BOSQUE                       |                     |      |       |      |                                |        |
| Gafisa  | RESORT - F 1                         | 48%                 | 28%  | 98%   | 97%  | 10,507                         | 2,891  |
| Gafisa  | Chácara Santana                      | 69%                 | 56%  | 95%   | 94%  | 9,255                          | 5,304  |
| Gafisa  | OLIMPIC BOSQUE DA SAÚDE              | 97%                 | 86%  | 100%  | 96%  | 9,090                          | 9,865  |
| Gafisa  | ALEGRIA FASE 1                       | 45%                 | 29%  | 64%   | 63%  | 8,298                          | 2,829  |
| Gafisa  | Zenith - It Fase 3                   | 46%                 | 0%   | 18%   | 0%   | 7,788                          | -      |
| Gafisa  | Riservato                            | 40%                 | 0%   | 78%   | 35%  | 7,664                          | -      |
| Gafisa  | LONDON GREEN                         | 99%                 | 99%  | 93%   | 92%  | 7,524                          | 26,419 |
| Gafisa  | MONT BLANC                           | 63%                 | 55%  | 38%   | 36%  | 7,486                          | 4,769  |
| Gafisa  | BRINK                                | 72%                 | 56%  | 92%   | 90%  | 7,333                          | 4,913  |
| Gafisa  | Vila Nova São José F1 - Metropolitan | 51%                 | 6%   | 54%   | 48%  | 7,229                          | 164    |
| Gafisa  | MAGIC                                | 100%                | 99%  | 84%   | 80%  | 7,214                          | 12,975 |
| Gafisa  | LAGUNA DI MARE - FASE 2              | 47%                 | 34%  | 72%   | 69%  | 6,895                          | 7,716  |

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|            |   |      |      |      |      |                |                |
|------------|---|------|------|------|------|----------------|----------------|
| Gafisa     | Gafisa Corporate - Jardim Paulista              | 70%  | 69%  | 95%  | 83%  | 6,865          | 75,284         |
| Gafisa     | MISTRAL   | 49%  | 36%  | 87%  | 84%  | 6,561          | 2,568          |
| Gafisa     | TERRAÇAS ALTO DA LAPA                           | 100% | 94%  | 95%  | 94%  | 6,022          | 7,827          |
| Gafisa     | ECOLIVE   | 59%  | 47%  | 98%  | 94%  | 5,950          | 5,492          |
| Gafisa     | EVIDENCE  | 98%  | 85%  | 82%  | 77%  | 5,900          | 4,990          |
| Gafisa     | Reserva das Laranjeiras                         | 83%  | 75%  | 100% | 100% | 5,832          | 4,933          |
| Gafisa     | London Ville Avenida Copacabana - Barueri       | 21%  | 0%   | 42%  | 32%  | 5,793          | -              |
| Gafisa     | GRAND VALLEY NITERÓI - FASE 1                   | 61%  | 51%  | 91%  | 92%  | 5,749          | 5,943          |
| Gafisa     | SOLARES DA VILA MARIA                           | 92%  | 79%  | 100% | 99%  | 5,595          | 5,967          |
| Gafisa     | VISION BROOKLIN                                 | 41%  | 39%  | 97%  | 91%  | 5,590          | 9,760          |
| Gafisa     | Magnific  | 82%  | 73%  | 67%  | 56%  | 5,394          | 1,877          |
| Gafisa     | TERRAÇAS TATUAPE                                | 70%  | 59%  | 78%  | 76%  | 5,300          | 5,302          |
| Gafisa     | Alegria - Fase2A                                | 40%  | 21%  | 68%  | 60%  | 5,215          | 1,466          |
| Gafisa     | CELEBRARE RESIDENCIAL                           | 96%  | 87%  | 86%  | 85%  | 5,094          | 2,412          |
| Gafisa     | Brink F2 - Campo Limpo                          | 72%  | 56%  | 89%  | 77%  | 4,961          | 2,555          |
| Gafisa     | CARPE DIEM - BELEM                              | 56%  | 46%  | 70%  | 66%  | 4,937          | 2,932          |
| Gafisa     | PRIVILEGE RESIDENCIAL SPE                       | 98%  | 87%  | 88%  | 87%  | 4,825          | 4,343          |
| Gafisa     | Supremo Ipiranga                                | 38%  | 31%  | 80%  | 71%  | 4,747          | 3,445          |
| Gafisa     | Nouvelle  | 35%  | 28%  | 84%  | 45%  | 4,704          | 3,342          |
| Gafisa     | Alegria - Fase2B                                | 24%  | 0%   | 53%  | 34%  | 4,674          | -              |
| Gafisa     | Vila Nova São José - F1a                        | 64%  | 54%  | 72%  | 72%  | 4,626          | 11,211         |
| Gafisa     | Bella Vista - Fase 1                            | 74%  | 66%  | 50%  | 40%  | 4,508          | 2,742          |
|            | Other   |      |      |      |      | 153,842        | 193,654        |
|            | <b>Total Gafisa</b>                             |      |      |      |      | <b>526,591</b> | <b>558,398</b> |
| Alphaville | Vitória   | 98%  | 44%  | 96%  | 95%  | 16,899         | 14,794         |
| Alphaville | Rio das Ostras                                  | 98%  | 54%  | 100% | 100% | 10,200         | 15,020         |
| Alphaville | Ribeirão Preto                                  | 13%  | 0%   | 92%  | 0%   | 8,427          | 4,936          |
| Alphaville | Manaus  | 100% | 100% | 100% | 100% | 8,243          | 107            |
| Alphaville | Piracicaba                                      | 39%  | 0%   | 93%  | 0%   | 7,520          | 4,407          |
| Alphaville | Litoral Norte                                   | 100% | 100% | 99%  | 100% | 6,390          | 4,575          |
| Alphaville | Votorantim F1                                   | 46%  | 4%   | 82%  | 61%  | 6,258          | 2,500          |
| Alphaville | Mossoró   | 62%  | 4%   | 98%  | 40%  | 5,218          | 1,273          |
| Alphaville | Brasília - Incorporação Caruaru (Vargem Grande) | 14%  | 0%   | 55%  | 0%   | 4,635          | -              |
| Alphaville |   | 64%  | 3%   | 99%  | 98%  | 3,748          | 1,967          |

|            |                           |                |                |
|------------|---------------------------|----------------|----------------|
| Alphaville | Other                     | 23,342         | 19,409         |
|            | <b>Total AUSA</b>         | <b>100,879</b> | <b>68,987</b>  |
|            | <b>Total Tenda</b>        | <b>299,972</b> | <b>280,199</b> |
|            | <b>Consolidated Total</b> | <b>927,442</b> | <b>907,585</b> |

Page 88

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## Consolidated Income Statement

| <b>R\$ 000</b>  | <b>2Q10</b>      | <b>2Q09</b>      | <b>1Q10</b>      | <b>2Q10 x<br/>2Q09</b> | <b>2Q10 x<br/>1Q10</b> |
|---|------------------|------------------|------------------|------------------------|------------------------|
| <b>Gross Operating Revenue</b>                          | <b>1,003,861</b> | <b>733,197</b>   | <b>938,876</b>   | <b>36.9%</b>           | <b>6.9%</b>            |
| Real Estate Development and Sales                       | 990,269          | 723,409          | 930,999          | 36.9%                  | 6.4%                   |
| Construction and Services Rendered                      | 13,592           | 9,788            | 7,877            | 38.9%                  | 72.6%                  |
| Deductions  | (76,419)         | (27,379)         | (31,291)         | 179.1%                 | 144.2%                 |
| <b>Net Operating Revenue</b>                            | <b>927,442</b>   | <b>705,818</b>   | <b>907,585</b>   | <b>31.4%</b>           | <b>2.2%</b>            |
| <b>Operating Costs</b>                                  | <b>(647,950)</b> | <b>(514,465)</b> | <b>(654,929)</b> | <b>25.9%</b>           | <b>-1.1%</b>           |
| <b>Gross profit</b>                                     | <b>279,492</b>   | <b>191,353</b>   | <b>252,656</b>   | <b>46.1%</b>           | <b>10.6%</b>           |
| <b>Operating Expenses</b>                               |                  |                  |                  |                        |                        |
| Selling Expenses  | (61,140)         | (51,182)         | (51,294)         | 19.5%                  | 19.2%                  |
| General and Administrative Expenses                     | (55,125)         | (59,312)         | (57,418)         | -7.1%                  | -4.0%                  |
| Amortization of gain on partial sale of FIT Residential | -                | 52,600           | -                | -100.0%                | -                      |
| Other Operating Revenues / Expenses                     | (6,947)          | (16,341)         | (1,980)          | -57.5%                 | 250.9%                 |
| Depreciation and Amortization                           | (8,781)          | (6,400)          | (10,238)         | 37.2%                  | -14.2%                 |
| Non-recurring expenses                                  | (259)            | -                | -                | -                      | -                      |
| <b>Operating results</b>                                | <b>147,240</b>   | <b>110,718</b>   | <b>131,726</b>   | <b>33.0%</b>           | <b>11.8%</b>           |
| Financial Income  | 40,929           | 37,768           | 23,929           | 8.4%                   | 71.0%                  |
| Financial Expenses                                      | (54,840)         | (50,488)         | (57,197)         | 8.6%                   | -4.1%                  |
| <b>Income Before Taxes on Income</b>                    | <b>133,329</b>   | <b>97,998</b>    | <b>98,458</b>    | <b>36.1%</b>           | <b>35.4%</b>           |
| Deferred Taxes  | (12,083)         | (16,102)         | (14,743)         | -25.0%                 | -18.0%                 |
| Income Tax and Social Contribution                      |                  | (4,519)          | (7,746)          | 120.8%                 | 28.8%                  |

(9,977)

|                                     |                |                |                |              |              |
|-------------------------------------|----------------|----------------|----------------|--------------|--------------|
| <b>Income After Taxes on Income</b> | <b>111,269</b> | <b>77,377</b>  | <b>75,969</b>  | <b>43.8%</b> | <b>46.5%</b> |
| Minority Shareholders               | (14,000)       | (19,609)       | (11,150)       | -28.6%       | 25.6%        |
| <b>Net Income</b>                   | <b>97,269</b>  | <b>57,768</b>  | <b>64,819</b>  | <b>68.4%</b> | <b>50.1%</b> |
| <b>Net Income Per Share (R\$)</b>   | <b>0.22655</b> | <b>0.22161</b> | <b>0.15480</b> | <b>2.2%</b>  | <b>46.4%</b> |

## Consolidated Balance Sheet

|  | 2Q10             | 2Q09             | 1Q10             | 2Q10 x 2Q09  | 2Q10 |
|--|------------------|------------------|------------------|--------------|------|
| <b>ASSETS</b>  |                  |                  |                  |              |      |
| <b>Current Assets</b>                                      |                  |                  |                  |              |      |
| Cash and banks   | 306,330          | 129,543          | 338,672          | 136.5%       |      |
| Financial investments                                      | 1,500,054        | 926,769          | 1,786,941        | 61.9%        |      |
| Receivables from clients                                   | 2,470,944        | 989,326          | 2,193,650        | 149.8%       |      |
| Properties for sale  | 1,446,760        | 1,250,203        | 1,327,966        | 15.7%        |      |
| Other accounts receivable                                  | 141,740          | 78,141           | 95,436           | 81.4%        |      |
| Deferred selling expenses                                  | 20,592           | 2,879            | 18,802           | 615.2%       |      |
| Deferred taxes   | -                | 13,237           | -                | -            |      |
| Prepaid expenses   | 15,283           | 22,098           | 12,250           | -30.8%       |      |
|  | <b>5,901,703</b> | <b>3,412,196</b> | <b>5,773,717</b> | <b>73.0%</b> |      |
| <b>Long-term Assets</b>                                    |                  |                  |                  |              |      |
| Receivables from clients                                   | 2,075,161        | 1,924,000        | 1,922,482        | 7.9%         |      |
| Properties for sale  | 407,792          | 539,722          | 428,549          | -24.4%       |      |
| Deferred taxes   | 311,693          | 227,848          | 307,132          | 36.8%        |      |
| Other  | 131,035          | 79,253           | 53,083           | 65.3%        |      |
|  | <b>2,925,681</b> | <b>2,770,823</b> | <b>2,711,246</b> | <b>5.6%</b>  |      |
| Investments  | 194,871          | 195,088          | 195,534          | -0.1%        |      |
| Property, plant and equipment                              | 59,659           | 49,126           | 60,269           | 21.4%        |      |
| Intangible assets  | 16,280           | 8,305            | 12,047           | 96.0%        |      |
|  | <b>270,810</b>   | <b>252,519</b>   | <b>267,850</b>   | <b>7.2%</b>  |      |
| <b>Total Assets</b>  | <b>9,098,194</b> | <b>6,435,538</b> | <b>8,752,813</b> | <b>41.4%</b> |      |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                |                  |                  |                  |              |      |
| <b>Current Liabilities</b>                                 |                  |                  |                  |              |      |
| Loans and financing  | 825,382          | 388,671          | 735,741          | 112.4%       |      |
| Debentures   | 123,608          | 113,902          | 139,792          | 8.5%         |      |
| Obligations for purchase of land and advances from clients | 466,078          | 489,656          | 470,986          | -4.8%        |      |
| Materials and service suppliers                            | 244,545          | 155,701          | 234,648          | 57.1%        |      |
| Taxes and contributions                                    | 154,983          | 120,624          | 143,196          | 28.5%        |      |
| Taxes, payroll charges and profit sharing                  | 73,057           | 71,159           | 64,851           | 2.7%         |      |
| Provision for contingencies                                | 6,312            | 9,437            | 7,326            | -33.1%       |      |
| Dividends  | 52,287           | 26,106           | 54,468           | 100.3%       |      |
| Deferred taxes   | -                | 28,159           | -                | -            |      |
| Other  | 217,569          | 103,128          | 205,465          | 111.0%       |      |
|  | <b>2,163,821</b> | <b>1,506,543</b> | <b>2,056,473</b> | <b>43.6%</b> |      |
| <b>Long-term Liabilities</b>                               |                  |                  |                  |              |      |
| Loans and financings                                       | 352,181          | 746,180          | 410,067          | -52.8%       |      |
| Debentures   | 1,748,000        | 994,000          | 1,748,000        | 75.9%        |      |
| Obligations for purchase of land                           | 176,084          | 140,439          | 161,194          | 25.4%        |      |
| Deferred taxes   | 484,453          | 276,582          | 452,496          | 75.2%        |      |

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|   |                  |                  |                  |               |
|---|------------------|------------------|------------------|---------------|
| Provision for contingencies                     | 52,670           | 67,532           | 51,957           | -22.0%        |
| Other   | 521,211          | 360,120          | 371,534          | 44.7%         |
| Deferred income on acquisition                  | 8,045            | 15,608           | 8,203            | -48.5%        |
| Unearned income from partial sale of investment | 0                | 64,194           | 0                | -100.0%       |
|   | <b>3,342,644</b> | <b>2,664,655</b> | <b>3,203,451</b> | <b>25.4%</b>  |
| <b>Minority Shareholders</b>                    | 46,316           | 547,094          | 63,306           | -91.5%        |
| <b>Shareholders' Equity</b>                     |                  |                  |                  |               |
| Capital   | 2,712,899        | 1,232,579        | 2,691,218        | 120.1%        |
| Treasury shares                                 | (1,731)          | (18,050)         | (1,731)          | -90.4%        |
| Capital reserves                                | 290,507          | 189,389          | 293,626          | 53.4%         |
| Revenue reserves                                | 381,651          | 218,827          | 381,651          | 74.4%         |
| Retained earnings/accumulated losses            | 162,087          | 94,501           | 64,819           | 71.5%         |
|   | <b>3,545,413</b> | <b>1,717,246</b> | <b>3,429,583</b> | <b>106.5%</b> |
| <b>Liabilities and Shareholders' Equity</b>     | <b>9,098,194</b> | <b>6,435,538</b> | <b>8,752,813</b> | <b>41.4%</b>  |

## Consolidated Cash Flows

|   | 2Q10             | 2Q09             |
|---|------------------|------------------|
| <b>Net Income</b>   | <b>97,268</b>    | <b>57,768</b>    |
| Expenses (income) not affecting working capital                                 |                  |                  |
| Depreciation and amortization   | 8,939            | 8,041            |
| Goodwill / Negative goodwill amortization                                       | (158)            | (1,641)          |
| Expense on stock option plan  | 2,584            | 3,746            |
| Unearned income from partial sale of investment                                 | -                | (52,600)         |
| Unrealized interest and charges, net  | 27,529           | 45,752           |
| Deferred Taxes  | 23,541           | 16,102           |
| Disposal of fixed asset   | (331)            | 49               |
| Warranty provision  | 3,615            | 1,566            |
| Provision for contingencies   | 2,819            | 24,950           |
| Profit sharing provision  | 10,886           | 7,395            |
| Allowance (reversal) for doubtful debts   | -                | 813              |
| Minority interest   | (23,381)         | 13,571           |
| Decrease (increase) in assets   |                  |                  |
| Clients   | (429,973)        | (320,539)        |
| Properties for sale   | (98,037)         | 58,301           |
| Other receivables   | (143,442)        | 128,667          |
| Deferred selling expenses   | (1,790)          | (3,866)          |
| Prepaid expenses  | 117              | 519              |
| Decrease (increase) in liabilities  |                  |                  |
| Obligations on land purchases and advances from customers                       | 12,686           | (80,743)         |
| Taxes and contributions   | 7,265            | (14,059)         |
| Trade accounts payable  | 9,897            | 47,643           |
| Salaries, payroll charges   | (4,371)          | 3,538            |
| Other accounts payable  | 138,256          | (78,410)         |
| <b>Cash used in operating activities</b>  | <b>(356,081)</b> | <b>(133,437)</b> |
| <b>Investing activities</b>   |                  |                  |
| Purchase of property and equipment and deferred charges                         | (10,649)         | (13,089)         |
| Restricted cash for loan guarantees   | (98,998)         | (29,982)         |
| <b>Cash used in investing activities</b>  | <b>(109,647)</b> | <b>(43,071)</b>  |
| <b>Financing activities</b>   |                  |                  |
| Capital increase  | 21,681           | 3,062            |
| Follow on expenses  | (9,439)          | -                |
| Capital reserve increase  | 18,759           | -                |
| Increase in loans and financing   | 136,286          | 930,036          |
| Repayment of loans and financing  | (148,245)        | (292,999)        |
| Assignment of credit receivables, net   | 32,772           | 3,581            |
| Proceeds from subscription of redeemable equity interest in securitization fund | (4,314)          | (10,935)         |
| Cessão de Crédito Imobiliário - CCI   | -                | 69,315           |
| <b>Net cash provided by financing activities</b>                                | <b>47,500</b>    | <b>702,060</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>                     | <b>(418,228)</b> | <b>525,552</b>   |
| Cash and cash equivalents   |                  |                  |
| At the beginning of the period  | 1,554,993        | 389,647          |
| At the end of the period  | 1,136,765        | 915,199          |

|   |                  |                |
|---|------------------|----------------|
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>(418,228)</b> | <b>525,552</b> |
|---|------------------|----------------|

(A free translation of the original in Portuguese)

FEDERAL GOVERNMENT SERVICE

BRAZILIAN SECURITIES COMMISSION (CVM)

QUARTERLY INFORMATION - ITR

TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL AND OTHER

(Unaudited)

Corporate Legislation

BASE DATE - 06/30/2010

01610-1

GAFISA S/A

01.545.826/0001-07

**17.01 GUIDANCE****GUIDANCE**

| <b>Launches</b>          |         | <b>Guidance</b> | <b>2Q10</b> | <b>%</b> | <b>1H10</b> | <b>%</b> |
|--------------------------|---------|-----------------|-------------|----------|-------------|----------|
| <b>(R\$ million)</b>     |         | <b>2010</b>     |             |          |             |          |
| Gafisa<br>(consolidated) | Min.    | 4,000           |             | 25%      |             | 43%      |
|                          | Average | 4,500           | 1,009       | 22%      | 1,712       | 38%      |
|                          | Max.    | 5,000           |             | 20%      |             | 34%      |
| <b>EBITDA</b>            |         | <b>Guidance</b> | <b>2Q10</b> | <b>%</b> | <b>1H10</b> | <b>%</b> |
| <b>Margin (%)</b>        |         | <b>2010</b>     |             |          |             |          |
| Gafisa<br>(consolidated) | Min.    | 18.5%           |             | 130 bps  |             | 70 bps   |
|                          | Average | 19.5%           | 19.8%       | 30 bps   | 19.2%       | -30 bps  |
|                          | Max.    | 20.5%           |             | -70 bps  |             | -130 bps |

Gafisa continues to expect launches in the range of R\$ 4 billion to R\$ 5 billion through 2010, with an expected full year 2010 EBITDA margin to reach between 18.5%- 20.5%.

Through the first half of 2010, Gafisa reached 38% of the mid range of the launches guidance, in line with historical seasonality. Regarding EBITDA Margin, Gafisa delivered 19.8% in the 2Q10 and 19.2% in the 1H10, well within the previously stated guidance range.

**(A free translation of the original in Portuguese)****FEDERAL GOVERNMENT SERVICE****BRAZILIAN SECURITIES COMMISSION (CVM)****QUARTERLY INFORMATION - ITR****TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL AND OTHER****(Unaudited)****Corporate Legislation****BASE DATE - 06/30/2010**


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|                |                   |                           |
|----------------|-------------------|---------------------------|
| <b>01610-1</b> | <b>GAFISA S/A</b> | <b>01.545.826/0001-07</b> |
|----------------|-------------------|---------------------------|

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**20.01 OTHER RELEVANT INFORMATION****1. SHAREHOLDERS HOLDING MORE THAN 5% OF THE VOTING CAPITAL AND TOTAL NUMBER OF OUTSTANDING SHARES****6/30/2010****Common shares**

| <b>Shareholder</b>      | <b>Country</b> | <b>Shares</b>      | <b>%</b>       |
|-------------------------|----------------|--------------------|----------------|
| EIP BRAZIL HOLDINGS LLC | USA            | 30,092,224         | 7.01%          |
| Treasury shares         |                | 599,486            | 0.14%          |
| Other                   |                | 398,656,534        | 92.85%         |
| <b>Total shares</b>     |                | <b>429,348,244</b> | <b>100.00%</b> |

**6/30/2009****Common shares**

| <b>Shareholder</b>      | <b>Country</b> | <b>Shares</b> | <b>%</b> |
|-------------------------|----------------|---------------|----------|
| EIP BRAZIL HOLDINGS LLC | USA            | 24,829,605    | 18.60%   |
| MORGAN STANLEY & CO.    | USA            | 16,381,988    | 12.27%   |
| Marsico Capital         | USA            | 13,636,367    | 10.22%   |
| FMR LLC (FIDELITY)      | USA            | 9,243,190     | 6.93%    |

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|                     |     |                    |               |
|---------------------|-----|--------------------|---------------|
| Itaú                | BRL | 7,265,028          |               |
| Treasury shares     |     | 3,124,972          | 2.34%         |
| Other               |     | 58,981,668         | 44.19%        |
| <b>Total shares</b> |     | <b>133,462,818</b> | <b>94.56%</b> |

Page 93

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### **3 COMMITMENT CLAUSE**

The Company, its shareholders, directors and board members undertake to settle, through arbitration, any and all disputes or controversies that may arise between them, related to or originating from, particularly, the application, validity, effectiveness, interpretation, breach and the effects thereof, of the provisions of Law No. 6404/76, the Company's By-Laws, rules determined by the Brazilian Monetary Council (CMN), by the Central Bank of Brazil and by the Brazilian Securities Commission (CVM), as well as the other rules that apply to the operation of the capital market in general, in addition to those established in the New Market Listing Regulation, Participation in the New Market Contract and in the Arbitration Regulation of the Chamber of Market Arbitration.

Page 95

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(A free translation of the original in Portuguese)

FEDERAL GOVERNMENT SERVICE

BRAZILIAN SECURITIES COMMISSION (CVM)

(Unaudited)

QUARTERLY INFORMATION - ITR

Corporate Legislation

TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL AND OTHER

BASE DATE - 06/30/2010

01610-1

GAFISA S/A

01.545.826/0001-07

21.01 SPECIAL REVIEW REPORT WITHOUT EXCEPTIONS

### Special Review Report of Independent Certified Accountants

To the shareholders and management of Gafisa S.A:

1. We have made a special review of the quarterly information of Gafisa S.A. (parent company and consolidated) at June 30, 2010, which includes the balance sheet, the statements of income, the changes in shareholders' equity and the cash flows, and the accounting information included in the performance report for the quarter and six-month period then ended, all expressed in Brazilian reais. These interim financial statements are the responsibility of the Company's management.
2. Our review was conducted in accordance with specific standards established by Brazilian Institute of Independent Auditors, together with the Federal Accounting Council, and consisted principally of: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company and its subsidiaries as to the principal criteria adopted in the preparation of the quarterly information, and (b) review of the information and subsequent events that had or might have had significant effects on the financial position and operations of the Company and its subsidiaries.
3. Based on our special review, we are not aware of any significant change that should be made to the quarterly information referred to above for it to be in conformity with Brazilian accounting practices and with standards established by the Brazilian Securities Commission (CVM), specifically applicable to the preparation of such mandatory quarterly information.
4. As mentioned in Note 2 (a), in 2009 the Brazilian Securities Commission (CVM) approved several Pronouncements, Interpretation and Technical Guidance issued by the Accounting Pronouncements Committee (CPC), effective from 2010, which changes the accounting practices adopted in Brazil. As allowed by CVM Resolution No. 603/09, the quarterly information mentioned in paragraph 1 were prepared in accordance with the accounting practices adopted in Brazil in force at December 31, 2009, therefore, it does not consider such changes. In line with this resolution, it neither considers the changes in the

accounting information related to the balance sheet at March 31, 2010, nor in the statements of income, in the changes in shareholders' equity and in the cash flows for the quarter and six-month period ended June 30, 2009.

**5.** The balance sheet at March 31, 2010 was reviewed by us, as indicated in our special review report, without qualification, dated April 29, 2010. The statements of income, the changes in shareholders' equity and the cash flows for the quarter and six-month period ended June 30, 2009 were reviewed by other independent accountants, as indicated in their special review report, without qualification, dated July 31, 2009.

**6.** The accompanying financial statements referred to above are a translation and adaptation of those originally issued in the Portuguese language and in conformity with Brazilian accounting practices. Certain accounting practices applied by the Company and its subsidiaries that conform with those accounting practices in Brazil may not conform with generally accepted accounting principles in the countries where these financial statements may be used.

São Paulo, July 29, 2010.

**Auditores Independentes**  
**CRC 2 SP 018.196/O-8**

**Daniel Gomes Maranhão Júnior**  
**Accountant CRC 1SP-215.856/O-5**

(A free translation of the original in Portuguese)

FEDERAL GOVERNMENT SERVICE

Unaudited

BRAZILIAN SECURITIES COMMISSION (CVM)

QUARTERLY INFORMATION - ITR

Corporate Legislation

TYPE OF COMPANY: COMMERCIAL, INDUSTRIAL AND OTHER

June 30, 2010

## 01.01 - IDENTIFICATION

1 - CVM CODE

2 - COMPANY NAME

3 - CNPJ (Federal Tax ID)

**01610-1**

**GAFISA S/A**

**01.545.826/0001-07**

4 - NIRE (State Registration Number)

### INDEX

| GROUP | TABLE | DESCRIPTION   | PAGE |
|-------|-------|---|------|
| 01    | 01    | IDENTIFICATION  | 1    |
| 01    | 02    | HEAD OFFICE   | 1    |
| 01    | 03    | INVESTOR RELATIONS OFFICERS   | 1    |
| 01    | 04    | ITR REFERENCE   | 1    |
| 01    | 05    | CAPITAL STOCK   | 2    |
| 01    | 06    | COMPANY PROFILE   | 2    |
| 01    | 07    | COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS                   | 2    |
| 01    | 08    | CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER                  | 2    |
| 01    | 09    | SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR                                | 3    |
| 01    | 10    | INVESTOR RELATIONS OFFICER  | 3    |
| 02    | 01    | BALANCE SHEET ASSETS  | 4    |
| 02    | 02    | BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY                              | 5    |
| 03    | 01    | STATEMENT OF INCOME   | 7    |
| 04    | 01    | 04 - STATEMENT OF CASH FLOW   | 9    |
| 05    | 01    | 05 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 04/01/2010<br>TO 06/30/2010 | 11   |
| 05    | 02    | 05 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 01/01/2010<br>TO 06/30/2010 | 12   |
| 08    | 01    | CONSOLIDATED BALANCE SHEET ASSETS   | 13   |
| 08    | 02    | CONSOLIDATED BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY                 | 14   |
| 09    | 01    | CONSOLIDATED STATEMENT OF INCOME  | 16   |

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|    |    |  |    |
|----|----|--|----|
| 10 | 01 | 10.01 CONSOLIDATED STATEMENT OF CASH FLOW  | 18 |
| 11 | 01 | 11 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY<br>FROM 04/01/2010 TO 06/30/2010 | 20 |
| 11 | 02 | 11 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY<br>FROM 01/01/2010 TO 06/30/2010 | 21 |
| 06 | 01 | NOTES TO THE QUARTERLY INFORMATION   | 22 |
| 07 | 01 | COMMENT ON THE COMPANY PERFORMANCE IN THE QUARTER  | 68 |
| 12 | 01 | COMMENT ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER                                       | 69 |
| 17 | 01 | GUIDANCE   | 92 |
| 20 | 01 | OTHER RELEVANT INFORMATION   | 93 |
| 21 | 01 | SPECIAL REVIEW REPORT  | 98 |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 17, 2010

**Gafisa S.A.**

By:

/s/ Alceu Duílio Calciolari

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Name: Alceu Duílio Calciolari  
Title: Chief Financial Officer and Investor Relations  
Officer

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