

Gafisa S.A.
Form 6-K
May 23, 2014

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of May, 2014

(Commission File No. 001-33356),

Gafisa S.A.

(Translation of Registrant's name into English)

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

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

Form 20-F 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

Gafisa S.A.

Quarterly information

March 31, 2014

(A free translation of the original report in Portuguese as published in Brazil containing Quarterly Information (ITR) prepared in accordance with accounting practices adopted in Brazil)

KPDS 68179

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COMPANY DATA / CAPITAL COMPOSITION

| Number of Shares | CURRENT QUARTER |
|-------------------------|------------------------|
| (in thousands) | 3/31/2014 |
| Paid-in Capital | |
| Common | 435,559 |
| Preferred | 0 |
| Total | 435,559 |
| Treasury shares | |
| Common | 33,999 |
| Preferred | 0 |
| Total | 33,999 |

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

| CODE | DESCRIPTION | ACTUAL | PRIOR YEAR |
|---------------|--|-----------|------------|
| | | QUARTER | |
| | | 3/31/2014 | 12/31/2013 |
| 1 | Total Assets | 6,278,684 | 6,823,205 |
| 1.01 | Current Assets | 2,848,843 | 3,312,510 |
| 1.01.01 | Cash and cash equivalents | 58,699 | 39,032 |
| 1.01.01.01 | Cash and banks | 30,104 | 11,940 |
| 1.01.01.02 | Short-term investments | 28,595 | 27,092 |
| 1.01.02 | Short-term investments | 811,409 | 1,241,026 |
| 1.01.02.01 | Fair value of short-term investments | 811,409 | 1,241,026 |
| 1.01.03 | Accounts receivable | 926,377 | 1,034,833 |
| 1.01.03.01 | Trade accounts receivable | 926,377 | 1,034,833 |
| 1.01.03.01.01 | Receivables from clients of developments | 905,301 | 1,005,840 |
| 1.01.03.01.02 | Receivables from clients of construction and services rendered | 21,076 | 28,993 |
| 1.01.04 | Inventories | 842,380 | 780,867 |
| 1.01.04.01 | Properties for sale | 842,380 | 780,867 |
| 1.01.07 | Prepaid expenses | 18,162 | 21,440 |
| 1.01.07.01 | Prepaid expenses and others | 18,162 | 21,440 |
| 1.01.08 | Other current assets | 201,816 | 195,312 |
| 1.01.08.01 | Non current assets for sale | 7,311 | 7,064 |
| 1.01.08.03 | Others | 194,505 | 188,248 |
| 1.01.08.03.01 | Others accounts receivable and others | 6,268 | 15,749 |
| 1.01.08.03.02 | Derivative financial instruments | 0 | 183 |
| 1.01.08.03.03 | Receivables from related parties | 188,237 | 172,316 |
| 1.02 | Non current assets | 3,419,841 | 3,510,695 |
| 1.02.01 | Non current assets | 823,818 | 772,600 |
| 1.02.01.03 | Accounts receivable | 192,536 | 182,069 |
| 1.02.01.03.01 | Receivables from clients of developments | 192,536 | 182,069 |
| 1.02.01.04 | Inventories | 367,686 | 337,265 |
| 1.02.01.05 | Deferred taxes | 49,099 | 49,099 |
| 1.02.01.06.01 | Deferred income tax and social contribution | 49,099 | 49,099 |
| 1.02.01.09 | Others non current assets | 214,497 | 204,167 |
| 1.02.01.09.03 | Others accounts receivable and others | 108,491 | 105,895 |
| 1.02.01.09.04 | Receivables from related parties | 106,006 | 98,272 |
| 1.02.02 | Investments | 2,538,860 | 2,679,833 |
| 1.02.02.01 | Interest in associates and affiliates | 2,421,280 | 2,559,393 |
| 1.02.02.01.02 | Interest in subsidiaries | 2,421,280 | 2,468,337 |
| 1.02.02.01.04 | Other investments | 0 | 91,056 |
| 1.02.02.02 | Interest in subsidiaries | 117,580 | 120,440 |
| 1.02.02.02.01 | Interest in subsidiaries - goodwill | 117,580 | 120,440 |
| 1.02.03 | Property and equipment | 13,949 | 12,239 |

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| | | | |
|------------|----------------------------------|--------|--------|
| 1.02.03.01 | Operation property and equipment | 13,949 | 12,239 |
| 1.02.04 | Intangible assets | 43,214 | 46,023 |
| 1.02.04.01 | Intangible assets | 43,214 | 46.023 |

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

| CODE | DESCRIPTION | ACTUAL | |
|---------------|--|-----------|------------|
| | | QUARTER | PRIOR YEAR |
| | | 3/31/2014 | 12/31/2013 |
| 2 | Total Liabilities | 6,278,684 | 6,823,205 |
| 2.01 | Current liabilities | 1,556,741 | 1,925,787 |
| 2.01.01 | Social and labor obligations | 62,863 | 59,330 |
| 2.01.01.02 | Labor obligations | 62,863 | 59,330 |
| 2.01.01.02.01 | Salaries, payroll charges and profit sharing | 62,863 | 59,330 |
| 2.01.02 | Suppliers | 57,267 | 51,415 |
| 2.01.02.01 | Local suppliers | 57,267 | 51,415 |
| 2.01.03 | Tax obligations | 28,559 | 115,775 |
| 2.01.03.01 | Federal tax obligations | 28,559 | 115,775 |
| 2.01.04 | Loans and financing | 767,421 | 730,318 |
| 2.01.04.01 | Loans and financing | 385,187 | 376,047 |
| 2.01.04.02 | Debentures | 382,234 | 354,271 |
| 2.01.05 | Others obligations | 568,133 | 896,830 |
| 2.01.05.01 | Payables to related parties | 114,535 | 202,175 |
| 2.01.05.02 | Others | 453,598 | 694,655 |
| 2.01.05.02.01 | Declared dividends | 32,942 | 150,067 |
| | Obligations for purchase of real estate and advances | | |
| 2.01.05.02.04 | from customers | 268,801 | 284,366 |
| 2.01.05.02.05 | Other obligations | 106,351 | 101,296 |
| 2.01.05.02.06 | Payables to venture partners | 8,742 | 108,742 |
| | Obligations assumed on the assignment of | | |
| 2.01.05.02.07 | receivables | 36,762 | 50,184 |
| 2.01.06 | Provisions | 82,498 | 72,119 |
| 2.01.06.01 | Tax, labor and civil lawsuits | 82,498 | 72,119 |
| 2.01.06.01.01 | Tax lawsuits | 218 | 255 |
| 2.01.06.01.02 | Labor lawsuits | 35,128 | 23,876 |
| 2.01.06.01.04 | Civil lawsuits | 47,152 | 47,988 |
| 2.02 | Non current liabilities | 1,605,587 | 1,706,694 |
| 2.02.01 | Loans and financing | 1,432,470 | 1,530,523 |
| 2.02.01.01 | Loans and financing | 775,488 | 873,137 |
| 2.02.01.01.01 | Loans and financing in local currency | 775,488 | 873,137 |
| 2.02.01.02 | Debentures | 656,982 | 657,386 |
| 2.02.02 | Others obligations | 105,750 | 108,691 |
| 2.02.02.02 | Others | 105,750 | 108,691 |
| | Obligations for purchase of real estate and advances | | |
| 2.02.02.02.03 | from customers | 34,563 | 35,729 |
| 2.02.02.02.04 | Other liabilities | 37,912 | 38,151 |
| 2.02.02.02.05 | Payables to venture partners | 10,794 | 10,794 |
| | Obligations assumed on the assignment of | | |
| 2.02.02.02.06 | receivables | 22,481 | 24,017 |

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| | | | |
|---------------|---|-----------|-----------|
| 2.02.04 | Provisions | 67,367 | 67,480 |
| 2.02.04.01 | Tax, labor and civil lawsuits | 67,367 | 67,480 |
| 2.02.04.01.04 | Civil lawsuits | 67,367 | 67,480 |
| 2.03 | Equity | 3,106,356 | 3,190,724 |
| 2.03.01 | Capital | 2,740,662 | 2,740,662 |
| 2.03.02 | Capital Reserves | 57,972 | 54,383 |
| 2.03.02.04 | Granted options | 129,189 | 125,600 |
| 2.03.02.07 | Reserve for expenditures with public offering | -71,217 | -71,217 |
| 2.03.04 | Income Reserve | 347,511 | 395,679 |
| 2.03.04.01 | Legal Reserve | 31,593 | 31,593 |
| 2.03.04.02 | Statutory Reserve | 437,156 | 437,156 |
| 2.03.04.09 | Treasury shares | -121,238 | -73,070 |
| 2.03.05 | Accumulated losses/profit | -39,789 | 0 |

INDIVIDUAL STATEMENT OF INCOME (in thousands of Brazilian Reais)

| CODE | DESCRIPTION | YEAR TO | YEAR TO |
|------------|--|-------------|---------------|
| | | DATE | DATE FROM |
| | | 1/1/2014 to | PREVIOUS |
| | | 3/31/2014 | YEAR 1/1/2013 |
| | | | to 3/31/2013 |
| 3.01 | Gross Sales and/or Services | 236,110 | 302,267 |
| | Real estate development and sales and construction | | |
| 3.01.01 | services rendered | 259,656 | 329,552 |
| 3.01.03 | Taxes on sales and services | -23,546 | -27,285 |
| 3.02 | Cost of sales and/or services | -165,407 | -234,512 |
| 3.02.01 | Cost of real estate development | -165,407 | -234,512 |
| 3.03 | Gross profit | 70,703 | 67,755 |
| 3.04 | Operating expenses/income | -100,453 | -99,325 |
| 3.04.01 | Selling expenses | -15,956 | -28,549 |
| 3.04.02 | General and administrative expenses | -31,501 | -30,374 |
| 3.04.04 | Other operating revenues | 0 | 0 |
| 3.04.05 | Other operating expenses | -21,622 | -10,223 |
| 3.04.05.01 | Depreciation and amortization | -10,136 | -6,209 |
| 3.04.05.02 | Other operating expenses | -11,486 | -4,014 |
| 3.04.06 | Equity pick-up | -31,374 | -30,179 |
| | Income (loss) before financial results and income | | |
| 3.05 | taxes | -29,750 | -31,570 |
| 3.06 | Financial | -7,471 | -42,113 |
| 3.06.01 | Financial income | 29,635 | 7,206 |
| 3.06.02 | Financial expenses | -37,106 | -49,319 |
| 3.07 | Income before income taxes | -37,221 | -73,683 |
| 3.08 | Income and social contribution taxes | -2,568 | 0 |
| 3.08.01 | Current | -2,568 | 0 |
| 3.09 | Income (loss) from continuing operation | -39,789 | -73,683 |
| 3.10 | Income (loss) from discontinuing operation | 0 | 18,210 |
| 3.10.1 | Income (loss) from discontinuing operation | 0 | 18,210 |
| 3.11 | Income (loss) for the period | -39,789 | -55,473 |
| 3.99 | Income (loss) per share (Reais) | | |
| 3.99.01 | Basic earnings (loss) per share | | |
| 3.99.01.01 | ON | -0.09770 | -0.12840 |
| 3.99.02 | Diluted earnings (loss) per share | | |
| 3.99.02.01 | ON | -0.09770 | -0.12840 |

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

| CODE | DESCRIPTION | YEAR TO | YEAR TO |
|------|--|--------------------------|-------------------------------|
| | | DATE | DATE FROM PREVIOUS |
| | | 1/1/2014 to 3/31/2014 | YEAR 1/1/2013 to 3/31/2013 |
| 4.01 | Income (loss) for the period | -39,789 | -55,473 |
| 4.03 | Comprehensive income (loss) for the period | -39,789 | -55,473 |

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

| CODE | DESCRIPTION | YEAR TO | YEAR TO |
|------------|---|-----------------------|-------------------------|
| | | DATE | DATE FROM PREVIOUS YEAR |
| | | 1/1/2014 to 3/31/2014 | 1/1/2013 to 3/31/2013 |
| 6.01 | Net cash from operating activities | -61,172 | 15,848 |
| 6.01.01 | Cash generated in the operations | 54,813 | 1,472 |
| 6.01.01.01 | Loss before income and social contribution taxes | -37,221 | -55,473 |
| 6.01.01.02 | Equity pick-up | 31,374 | 11,969 |
| 6.01.01.03 | Stock options expenses | 3,570 | 4,629 |
| 6.01.01.04 | Unrealized interest and finance charges, net | 26,768 | 23,157 |
| 6.01.01.05 | Financial instruments | 186 | 2,350 |
| 6.01.01.06 | Depreciation and amortization | 10,136 | 6,209 |
| 6.01.01.07 | Provision for legal claims | 15,519 | 3,436 |
| 6.01.01.08 | Provision for profit sharing | 3,828 | 4,900 |
| 6.01.01.09 | Warranty provision | -849 | -227 |
| 6.01.01.10 | Write-off of property and equipment, net | 247 | 1,030 |
| 6.01.01.11 | Allowance for doubtful accounts | 263 | -3,965 |
| 6.01.01.12 | Provision for realization of non-financial assets – properties for sale | 0 | -561 |
| 6.01.01.13 | Provision for realization of non-financial assets – intangible | 0 | 490 |
| 6.01.01.14 | Provision for penalties due to delay in construction works | 992 | 3,528 |
| 6.01.02 | Variation in Assets and Liabilities | -115,985 | 14,373 |
| 6.01.02.01 | Trade accounts receivable | 82,769 | -40,922 |
| 6.01.02.02 | Properties for sale | -92,183 | 39,771 |
| 6.01.02.03 | Other accounts receivable | 7,112 | -5,820 |
| 6.01.02.04 | Prepaid expenses | 3,278 | 4,362 |
| 6.01.02.05 | Obligations for purchase of land and adv. from customers | -16,730 | -25,519 |
| 6.01.02.06 | Taxes and contributions | -11,104 | -529 |
| 6.01.02.07 | Suppliers | 5,852 | 14,314 |
| 6.01.02.08 | Salaries and payable charges | -294 | 1,772 |
| 6.01.02.09 | Transactions with related parties | -3,792 | 39,827 |
| 6.01.02.10 | Other obligations | -12,213 | -12,883 |
| 6.01.02.11 | Income tax and social contribution payable | 78,680 | 0 |
| 6.02 | Net cash from investing activities | 416,142 | 47,380 |
| 6.02.01 | Purchase of property and equipment and intangible assets | -9,282 | -10,752 |
| 6.02.02 | Increase in investments | -6,817 | -11,343 |
| 6.02.03 | Redemption of short-term investments | 903,779 | 277,709 |

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| | | | |
|---------|--|----------|----------|
| 6.02.04 | Purchase of short-term investments | -474,163 | -211,734 |
| 6.02.05 | Received dividends | 2,625 | 3,500 |
| 6.03 | Net cash from financing activities | -335,303 | -135,581 |
| 6.03.02 | Increase in loans, financing and debentures | 117,363 | 99,302 |
| 6.03.03 | Payment of loans, financing and debentures | -205,080 | -129,133 |
| 6.03.04 | Repurchase of treasury shares | -22,728 | 0 |
| 6.03.05 | Dividends paid | -117,125 | 0 |
| 6.03.06 | Loan transactions with related parties | -7,733 | -5,750 |
| 6.03.07 | Payables to venture partners | -100,000 | -100,000 |
| 6.05 | Net decrease of cash and cash equivalents | 19,667 | -72,356 |
| 6.05.01 | Cash and cash equivalents at the beginning of the period | 39,032 | 95,836 |
| 6.05.02 | Cash and cash equivalents at the end of the period | 58,699 | 23,480 |

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2014 TO 03/31/2014 (in thousands of Brazilian reais)

| CODE | DESCRIPTION | Capital | Capital reserves, stock options and treasury shares | Profit reserves | Retained earnings/ accumulated losses | comprehensive Others income | Total Equity |
|-------------|--|----------------|--|------------------------|--|------------------------------------|---------------------|
| 5.01 | Opening balance | 2,740,662 | -18,687 | 468,749 | 0 | 0 | 3,190,724 |
| 5.03 | Opening adjusted balance | 2,740,662 | -18,687 | 468,749 | 0 | 0 | 3,190,724 |
| 5.04 | Capital transactions with shareholders | 0 | -44,579 | 0 | 0 | 0 | -44,579 |
| 5.04.03 | Realization of granted options | 0 | 3,589 | 0 | 0 | 0 | 3,589 |
| 5.04.04 | Acquired treasury shares | 0 | -48,168 | 0 | 0 | 0 | -48,168 |
| 5.05 | Total of comprehensive loss | 0 | 0 | 0 | -39,789 | 0 | -39,789 |
| 5.05.01 | Loss for the period | 0 | 0 | 0 | -39,789 | 0 | -39,789 |
| 5.07 | Closing balance | 2,740,662 | -63,266 | 468,749 | -39,789 | 0 | 3,106,356 |

INDIVIDUAL STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 01/01/2013 TO 03/31/2013 (in thousands of Brazilian reais)

| CODE | DESCRIPTION | Capital | Capital reserves, stock options and treasury shares | Profit reserves | Retained earnings/ accumulated deficit | comprehensive income | Others income | Total equity |
|-------------|--|----------------|--|------------------------|---|-----------------------------|----------------------|---------------------|
| 5.01 | Opening balance | 2,735,794 | 35,233 | 0 | -235,582 | 0 | 0 | 2,535,445 |
| 5.03 | Opening Adjusted balance | 2,735,794 | 35,233 | 0 | -235,582 | 0 | 0 | 2,535,445 |
| 5.04 | Capital transactions with shareholders | 0 | 326 | 0 | 0 | 0 | 0 | 326 |
| 5.04.03 | Realization of granted options | 0 | 4,662 | 0 | 0 | 0 | 0 | 4,662 |
| 5.04.04 | Acquired treasury shares | 0 | -4,336 | 0 | 0 | 0 | 0 | -4,336 |
| 5.05 | Comprehensive Income | 0 | 0 | 0 | -55,473 | 0 | 0 | -55,473 |
| 5.05.01 | Loss for the period | 0 | 0 | 0 | -55,473 | 0 | 0 | -55,473 |
| 5.07 | Closing balance | 2,735,794 | 35,559 | 0 | -291,055 | 0 | 0 | 2,480,298 |

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

| CODE | DESCRIPTION | YEAR TO | YEAR TO |
|------------|---|-----------------------|-------------------------|
| | | DATE | DATE FROM PREVIOUS YEAR |
| | | 1/1/2014 to 3/31/2014 | 1/1/2013 to 3/31/2013 |
| 7.01 | Revenues | 259,656 | 329,552 |
| 7.01.01 | Real estate development, sale and services | 259,919 | 329,552 |
| 7.01.04 | Allowance for doubtful accounts | -263 | 0 |
| 7.02 | Inputs acquired from third parties | -158,022 | -239,021 |
| 7.02.01 | Cost of Sales and/or Services | -146,398 | -219,092 |
| 7.02.02 | Materials, energy, outsourced labor and other | -11,624 | -19,029 |
| 7.03 | Gross added value | 101,634 | 90,531 |
| 7.04 | Retentions | -10,136 | -6,209 |
| 7.04.01 | Depreciation, amortization and depletion | -10,136 | -6,209 |
| 7.05 | Net added value produced by the Company | 91,498 | 84,322 |
| 7.06 | Added value received on transfer | -1,739 | -4,763 |
| 7.06.01 | Equity pick-up | -31,374 | -11,969 |
| 7.06.02 | Financial income | 29,635 | 7,206 |
| 7.07 | Total added value to be distributed | 89,759 | 79,559 |
| 7.08 | Added value distribution | 89,759 | 79,559 |
| 7.08.01 | Personnel and payroll charges | 38,449 | 37,191 |
| 7.08.02 | Taxes and contributions | 32,532 | 33,102 |
| 7.08.03 | Compensation – Interest | 58,567 | 64,739 |
| 7.08.04 | Compensation – Company capital | -39,789 | -55,473 |
| 7.08.04.03 | Retained losses | -39,789 | -55,473 |

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

| CODE | DESCRIPTION | ACTUAL | PRIOR YEAR |
|---------------|--|-----------|------------|
| | | QUARTER | |
| | | 3/31/2014 | 12/31/2013 |
| 1 | Total Assets | 7,618,063 | 8,183,030 |
| 1.01 | Current Assets | 5,101,793 | 5,679,907 |
| 1.01.01 | Cash and cash equivalents | 189,502 | 215,194 |
| 1.01.01.01 | Cash and banks | 141,283 | 121,222 |
| 1.01.01.02 | Short-term investments | 48,219 | 93,972 |
| 1.01.02 | Short-term investments | 1,373,724 | 1,808,969 |
| 1.01.02.01 | Fair value of short-term investments | 1,373,724 | 1,808,969 |
| 1.01.03 | Accounts receivable | 1,721,676 | 1,909,877 |
| 1.01.03.01 | Trade accounts receivable | 1,721,676 | 1,909,877 |
| 1.01.03.01.01 | Receivables from clients of developments | 1,679,019 | 1,849,329 |
| 1.01.03.01.02 | Receivables from clients of construction and services rendered | 42,657 | 60,548 |
| 1.01.04 | Inventories | 1,498,099 | 1,442,019 |
| 1.01.07 | Prepaid expenses | 30,331 | 35,188 |
| 1.01.07.01 | Prepaid expenses and others | 30,331 | 35,188 |
| 1.01.08 | Other current assets | 287,561 | 268,660 |
| 1.01.08.01 | Non current assets for sale | 111,017 | 114,847 |
| 1.01.08.03 | Others | 176,544 | 153,813 |
| 1.01.08.03.01 | Others accounts receivable | 59,817 | 71,083 |
| 1.01.08.03.02 | Receivables from related parties | 116,727 | 82,547 |
| 1.01.08.03.03 | Derivative financial instruments | 0 | 183 |
| 1.02 | Non Current assets | 2,516,270 | 2,503,123 |
| 1.02.01 | Non current assets | 1,273,925 | 1,240,322 |
| 1.02.01.03 | Accounts receivable | 332,120 | 313,791 |
| 1.02.01.03.01 | Receivables from clients of developments | 332,120 | 313,791 |
| 1.02.01.04 | Inventories | 653,174 | 652,395 |
| 1.02.01.09 | Others non current assets | 288,631 | 274,136 |
| 1.02.01.09.03 | Others accounts receivable and others | 140,883 | 137,628 |
| 1.02.01.09.04 | Receivables from related parties | 147,748 | 136,508 |
| 1.02.02 | Investments | 1,102,619 | 1,120,076 |
| 1.02.02.01 | Interest in associates and affiliates | 1,102,619 | 1,120,076 |
| 1.02.03 | Property and equipment | 37,687 | 36,385 |
| 1.02.03.01 | Operation property and equipment | 37,687 | 36,385 |
| 1.02.04 | Intangible assets | 102,039 | 106,340 |
| 1.02.04.01 | Intangible assets | 58,959 | 63,260 |
| 1.02.04.02 | Goodwill | 43,080 | 43,080 |

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

| CODE | DESCRIPTION | ACTUAL | |
|---------------|--|-----------|------------|
| | | QUARTER | PRIOR YEAR |
| | | 3/31/2014 | 12/31/2013 |
| 2 | Total Liabilities | 7,618,063 | 8,183,030 |
| 2.01 | Current liabilities | 2,326,635 | 2,683,023 |
| 2.01.01 | Social and labor obligations | 100,111 | 96,187 |
| 2.01.01.02 | Labor obligations | 100,111 | 96,187 |
| 2.01.01.02.01 | Salaries, payroll charges and profit sharing | 100,111 | 96,187 |
| 2.01.02 | Suppliers | 138,536 | 79,342 |
| 2.01.02.01 | Local suppliers | 138,536 | 79,342 |
| 2.01.03 | Tax obligations | 112,735 | 216,625 |
| 2.01.03.01 | Federal tax obligations | 112,735 | 216,625 |
| 2.01.04 | Loans and financing | 1,161,893 | 1,154,218 |
| 2.01.04.01 | Loans and financing | 560,458 | 590,386 |
| 2.01.04.01.01 | In Local Currency | 560,458 | 590,386 |
| 2.01.04.02 | Debentures | 601,435 | 563,832 |
| 2.01.05 | Others obligations | 730,862 | 1,064,532 |
| 2.01.05.01 | Payables to related parties | 109,703 | 133,678 |
| 2.01.05.02 | Others | 621,159 | 930,854 |
| 2.01.05.02.01 | Minimum mandatory dividends | 32,942 | 150,067 |
| | Obligations for purchase of real estate and advances | | |
| 2.01.05.02.04 | from customers | 360,200 | 408,374 |
| 2.01.05.02.05 | Payables to venture partners | 12,421 | 112,886 |
| 2.01.05.02.06 | Other obligations | 155,315 | 176,740 |
| 2.01.05.02.07 | Obligations assumed on assignment of receivables | 60,281 | 82,787 |
| 2.01.06 | Provisions | 82,498 | 72,119 |
| 2.01.06.01 | Tax, labor and civil lawsuits | 82,498 | 72,119 |
| 2.01.06.01.01 | Tax lawsuits | 218 | 255 |
| 2.01.06.01.02 | Labor lawsuits | 35,128 | 23,876 |
| 2.01.06.01.04 | Civil lawsuits | 47,152 | 47,988 |
| 2.02 | Non current liabilities | 2,161,919 | 2,285,524 |
| 2.02.01 | Loans and financing | 1,781,942 | 1,905,310 |
| 2.02.01.01 | Loans and financing | 924,960 | 1,047,924 |
| 2.02.01.01.01 | Loans and financing in local currency | 924,960 | 1,047,924 |
| 2.02.01.02 | Debentures | 856,982 | 857,386 |
| 2.02.02 | Other obligations | 200,976 | 197,753 |
| 2.02.02.02 | Others | 200,976 | 197,753 |
| | Obligations for purchase of real estate and advances | | |
| 2.02.02.02.03 | from customers | 82,815 | 79,975 |
| 2.02.02.02.04 | Other obligations | 69,004 | 69,874 |
| 2.02.02.02.05 | Payables to venture partners | 10,794 | 10,794 |
| 2.02.02.02.06 | Obligations assumed on assignment of receivables | 38,363 | 37,110 |
| 2.02.03 | Deferred taxes | 54,004 | 56,652 |

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| | | | |
|---------------|---|-----------|-----------|
| 2.02.03.01 | Deferred income tax and social contribution | 54,004 | 56,652 |
| 2.02.04 | Provisions | 124,997 | 125,809 |
| 2.02.04.01 | Tax, labor and civel lawsuits | 124,997 | 125,809 |
| 2.02.04.01.01 | Tax lawsuits | 1,356 | 1,336 |
| 2.02.04.01.02 | Labor lawsuits | 25,958 | 31,748 |
| 2.02.04.01.04 | Civel lawsuits | 97,683 | 92,725 |
| 2.03 | Equity | 3,129,509 | 3,214,483 |

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

| CODE | DESCRIPTION | ACTUAL | PRIOR YEAR |
|------------|---|-----------|------------|
| | | QUARTER | |
| | | 3/31/2014 | 12/31/2013 |
| 2.03.01 | Capital | 2,740,662 | 2,740,662 |
| 2.03.01.01 | Capital | 2,740,662 | 2,740,662 |
| 2.03.02 | Capital Reserves | 57,972 | 54,383 |
| 2.03.02.04 | Granted options | 129,189 | 125,600 |
| 2.03.02.07 | Reserve for expenditures with public offering | -71,217 | -71,217 |
| 2.03.04 | Income Reserve | 347,511 | 395,679 |
| 2.03.04.01 | Legal Reserve | 31,593 | 31,593 |
| 2.03.04.02 | Statutory Reserve | 437,156 | 437,156 |
| 2.03.04.09 | Treasury shares | -121,238 | -73,070 |
| 2.03.05 | Retained earnings/accumulated losses | -39,789 | 0 |
| 2.03.09 | Non-controlling interest | 23,153 | 23,759 |

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CONSOLIDATED STATEMENT OF INCOME (in thousands of Brazilian Reais)

| CODE | DESCRIPTION | YEAR TO | YEAR TO |
|------------|--|-------------|---------------|
| | | DATE | DATE FROM |
| | | 1/1/2014 to | YEAR 1/1/2013 |
| | | 3/31/2014 | to 3/31/2013 |
| 3.01 | Gross Sales and/or Services | 432,701 | 507,550 |
| | Real estate development and sales and construction | | |
| 3.01.01 | services rendered | 468,642 | 548,284 |
| 3.01.03 | Taxes on sales and services | -35,941 | -40,734 |
| 3.02 | Cost of sales and/or services | -335,353 | -429,405 |
| 3.02.01 | Cost of real estate development | -335,353 | -429,405 |
| 3.03 | Gross profit | 97,348 | 78,145 |
| 3.04 | Operating expenses/income | -123,232 | -106,332 |
| 3.04.01 | Selling expenses | -30,782 | -55,220 |
| 3.04.02 | General and administrative expenses | -51,419 | -53,005 |
| 3.04.05 | Other operating expenses | -40,014 | -16,226 |
| 3.04.05.01 | Depreciation and amortization | -14,022 | -9,409 |
| 3.04.05.02 | Other operating expenses | -25,992 | -6,817 |
| 3.04.06 | Equity pick-up | -1,017 | 18,119 |
| | Income (loss) before financial results and income | | |
| 3.05 | taxes | -25,884 | -28,817 |
| 3.06 | Financial | -7,914 | -49,165 |
| 3.06.01 | Financial income | 44,196 | 18,931 |
| 3.06.02 | Financial expenses | -52,110 | -68,096 |
| 3.07 | Income before income taxes | -33,798 | -77,352 |
| 3.08 | Income and social contribution taxes | -6,597 | -6,437 |
| 3.08.01 | Current | -7,064 | -3,963 |
| 3.08.02 | Deferred | 467 | -2,474 |
| 3.09 | Income (loss) from continuing operation | -40,395 | -83,789 |
| 3.10 | Income (loss) from discontinuing operation | 0 | 38,292 |
| 3.10.01 | Income (loss) from discontinuing operation | 0 | 38,292 |
| 3.11 | Income (loss) for the period | -40,395 | -45,497 |
| 3.11.01 | Income (loss) attributable to the Company | -39,789 | -55,473 |
| 3.11.02 | Net income attributable to non-controlling interests | -606 | 9,976 |
| 3.99 | Income (loss) per share (Reais) | | |
| 3.99.01 | Basic earnings (loss) per share | | |
| 3.99.01.01 | ON | -0.09770 | -0.12840 |
| 3.99.02 | Diluted earnings (loss) per share | | |
| 3.99.02.01 | ON | -0.09770 | -0.12840 |

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

| CODE | DESCRIPTION | YEAR TO DATE 1/1/2014 to 3/31/2014 | YEAR TO DATE FROM PREVIOUS YEAR 1/1/2013 to 3/31/2013 |
|-------------|---|---|--|
| 4.01 | Income (loss) for the period | -40,395 | -45,497 |
| 4.03 | Consolidated comprehensive income (loss) for the period | -40,395 | -45,497 |
| 4.03.01 | Income (loss) attributable to Gafisa | -39,789 | -55,473 |
| 4.03.02 | Net income attributable to the noncontrolling interests | -606 | 9,976 |
| | | | 14 |

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

| CODE | DESCRIPTION | YEAR TO DATE | |
|------------|--|--------------------------|--------------------------|
| | | 1/1/2014 to 3/31/2014 | 1/1/2013 to 3/31/2013 |
| 6.01 | Net cash from operating activities | -54,109 | -26,382 |
| 6.01.01 | Cash generated in the operations | 30,655 | 7,730 |
| 6.01.01.01 | Loss before income and social contribution taxes | -33,798 | -37,856 |
| 6.01.01.02 | Stock options expenses | 3,589 | 4,914 |
| 6.01.01.03 | Unrealized interest and finance charges, net | 23,956 | 32,684 |
| 6.01.01.04 | Depreciation and amortization | 14,022 | 10,297 |
| 6.01.01.05 | Write-off of property and equipment, net | 1,715 | 1,570 |
| 6.01.01.06 | Provision for legal claims | 26,149 | 6,962 |
| 6.01.01.07 | Warranty provision | -3,478 | 2,870 |
| 6.01.01.08 | Provision for profit sharing | 4,789 | 12,547 |
| 6.01.01.09 | Allowance for doubtful accounts | -4,586 | -9,966 |
| 6.01.01.10 | Provision for realization of non-financial assets – properties for sale | -2,294 | 435 |
| 6.01.01.11 | Provision for penalties due to delay in construction works | -612 | -1,363 |
| 6.01.01.12 | Financial instruments | 186 | 5,959 |
| 6.01.01.13 | Equity pick-up | 1,017 | -21,813 |
| 6.01.01.14 | Provision for realization of non-financial assets – intangible | 0 | 490 |
| 6.01.02 | Variation in Assets and Liabilities | -84,764 | -34,112 |
| 6.01.02.01 | Trade accounts receivable | 178,657 | 92,732 |
| 6.01.02.02 | Properties for sale | -77,087 | -109,298 |
| 6.01.02.03 | Other accounts receivable | 8,236 | -8,743 |
| 6.01.02.04 | Transactions with related parties | -58,011 | -11,872 |
| 6.01.02.05 | Prepaid expenses | 4,857 | 6,114 |
| 6.01.02.06 | Suppliers | 59,194 | -41,118 |
| 6.01.02.07 | Obligations for purchase of land and adv. from customers | -45,335 | -4,721 |
| 6.01.02.08 | Taxes and contributions | -26,272 | -24,246 |
| 6.01.02.09 | Salaries and payable charges | -864 | 2,463 |
| 6.01.02.10 | Other obligations | -43,457 | 69,769 |
| 6.01.02.11 | Income tax and social contribution paid | -84,682 | -4,192 |

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| | | | |
|---------|---|-----------|----------|
| 6.02 | Net cash from investing activities | 419,622 | 191,582 |
| 6.02.01 | Purchase of property and equipment and intangible assets | -12,738 | -15,353 |
| 6.02.02 | Redemption of short-term investments | 1,115,783 | 606,645 |
| 6.02.03 | Short-term investments obtained | -680,534 | -394,332 |
| 6.02.04 | Investments increase | -5,514 | -7,378 |
| 6.02.05 | Received dividends | 2,625 | 2,000 |
| 6.03 | Net cash from financing activities | -391,205 | -76,998 |
| 6.03.02 | Loans and financing obtained | 175,391 | 304,899 |
| 6.03.03 | Payment of loans and financing | -315,039 | -260,029 |
| 6.03.04 | Dividends paid | -117,125 | 0 |
| 6.03.05 | Proceeds from subscription of redeemable equity interest in securitization fund | 0 | 1,482 |
| 6.03.06 | Payables to venture partners | -100,464 | -112,681 |
| 6.03.07 | Loans with related parties | -11,420 | -6,333 |
| 6.03.08 | Treasury shares | -22,728 | -4,336 |
| 6.05 | Net increase of cash and cash equivalents | -25,692 | 88,202 |
| 6.05.01 | Cash and cash equivalents at the beginning of the period | 215,194 | 587,956 |
| 6.05.02 | Cash and cash equivalents at the end of the period | 189,502 | 676,158 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2014 TO 03/31/2014 (in thousands of Brazilian reais)

| CODE | DESCRIPTION | Capital | Capital reserves, stock options and treasury shares | Profit reserves | Retained earnings/ accumulated losses | Others comprehensive income | Total shareholders' equity | Non controlling interest |
|---------|--|-----------|---|-----------------|---------------------------------------|-----------------------------|----------------------------|--------------------------|
| 5.01 | Opening balance | 2,740,662 | -18,687 | 468,749 | 0 | 0 | 3,190,724 | 23,759 |
| 5.03 | Opening adjusted balance | 2,740,662 | -18,687 | 468,749 | 0 | 0 | 3,190,724 | 23,759 |
| 5.04 | Capital transactions with shareholders | 0 | -44,579 | 0 | 0 | 0 | -44,579 | 0 |
| 5.04.03 | Realization of granted options | 0 | 3,589 | 0 | 0 | 0 | 3,589 | 0 |
| 5.04.04 | Acquired treasury shares | 0 | -48,168 | 0 | 0 | 0 | -48,168 | 0 |
| 5.05 | Total of comprehensive income (loss) | 0 | 0 | 0 | -39,789 | 0 | -39,789 | -606 |
| 5.05.01 | Income (loss) for the period | 0 | 0 | 0 | -39,789 | 0 | -39,789 | -606 |
| 5.07 | Closing balance | 2,740,662 | -63,266 | 468,749 | -39,789 | 0 | 3,106,356 | 23,153 |

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 01/01/2013 TO 03/31/2013 (in thousands of Brazilian reais)

| CODE | DESCRIPTION | Capital | Capital reserves, stock options and treasury shares | Profit reserves | Retained earnings/accumulated deficit | Others comprehensive income | Total shareholders' equity | Non controlling interest |
|---------|--|-----------|---|-----------------|---------------------------------------|-----------------------------|----------------------------|--------------------------|
| 5.01 | Opening balance | 2,735,794 | 35,233 | 0 | -235,582 | 0 | 2,535,445 | 150,384 |
| 5.03 | Opening Adjusted balance | 2,735,794 | 35,233 | 0 | -235,582 | 0 | 2,535,445 | 150,384 |
| 5.04 | Capital transactions with shareholders | 0 | 326 | 0 | 0 | 0 | 326 | -5,174 |
| 5.04.03 | Realization of granted options | 0 | 4,662 | 0 | 0 | 0 | 4,662 | 51 |
| 5.04.04 | Acquired treasury shares | 0 | -4,336 | 0 | 0 | 0 | -4,336 | 0 |
| 5.04.06 | Dividends | 0 | 0 | 0 | 0 | 0 | 0 | -5,225 |
| 5.05 | Comprehensive Income (loss) | 0 | 0 | 0 | -55,473 | 0 | -55,473 | 9,976 |
| 5.05.01 | Income (loss) for the period | 0 | 0 | 0 | -55,473 | 0 | -55,473 | 9,976 |
| 5.07 | Closing balance | 2,735,794 | 35,559 | 0 | -291,055 | 0 | 2,480,298 | 155,186 |

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

| CODE | DESCRIPTION | YEAR TO | YEAR TO |
|------------|---|--------------------------|--------------------------|
| | | DATE | DATE FROM PRIOR YEAR |
| | | 1/1/2014 to 3/31/2014 | 1/1/2013 to 3/31/2013 |
| 7.01 | Revenues | 468,642 | 717,803 |
| 7.01.01 | Real estate development, sale and services | 438,604 | 681,217 |
| 7.01.04 | Allowance for doubtful accounts | 30,308 | 36,586 |
| 7.02 | Inputs acquired from third parties | -329,298 | -511,731 |
| 7.02.01 | Cost of sales and/or services | -300,608 | -476,087 |
| 7.02.02 | Materials, energy, outsourced labor and other | -28,690 | -35,644 |
| 7.03 | Gross added value | 139,344 | 206,072 |
| 7.04 | Retentions | -14,022 | -10,297 |
| 7.04.01 | Depreciation, amortization and depletion | -14,022 | -10,297 |
| 7.05 | Net added value produced by the Company | 125,322 | 195,775 |
| 7.06 | Added value received on transfer | 43,179 | 45,344 |
| 7.06.01 | Equity pick-up | -1,017 | 21,813 |
| 7.06.02 | Financial income | 44,196 | 23,531 |
| 7.07 | Total added value to be distributed | 168,501 | 241,119 |
| 7.08 | Added value distribution | 168,501 | 241,119 |
| 7.08.01 | Personnel and payroll charges | 53,491 | 81,341 |
| 7.08.02 | Taxes and contributions | 63,750 | 81,341 |
| 7.08.03 | Compensation – Interest | 91,049 | 100,067 |
| 7.08.03.01 | Interest | 86,855 | 100,067 |
| 7.08.03.02 | Rentals | 4,194 | 0 |
| 7.08.04 | Compensation – Company capital | -39,789 | -55,473 |
| 7.08.04.03 | Retained losses | -39,789 | -55,473 |

GAFISA RELEASES 1Q14 RESULTS

FOR IMMEDIATE RELEASE

São Paulo, May 09, 2014

Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), one of the leading Brazilian homebuilder, today reported financial results for the quarter ended March 31, 2014.

MANAGEMENT COMMENTS AND HIGHLIGHTS

We started 2014 motivated by the results achieved in the prior year and confident in the goals and guidelines contained in our business plan for the upcoming year.

Traditionally, the first quarter is characterized by seasonally lower activity. In the Gafisa segment, although aware of the changes in the country's macroeconomic scenario, we are happy with the operational and financial results we achieved in the period. Launch volumes reached R\$353.9 million in 1Q14 and included 2 projects in São Paulo and 1 in Rio de Janeiro. Pre-sales reached R\$187.6 million in the quarter, with inventories representing 80% of the total, and launches the remaining 20%. It should also be noted that Gafisa segment dissolutions were down 58% y-o-y, despite the high volume of deliveries in recent quarters. This reduction of dissolutions in the Gafisa segment demonstrates the improved credit profile in our customer base.

As for the Tenda segment, the 1Q14 marks another step forward in the application of the new business model initiated in 2013. Given the strong performance of projects launched last year, first quarter launches totaled R\$181.4 million and were spread over 4 projects in São Paulo, Rio de Janeiro, Bahia and Pernambuco. Pre-sales reached R\$51.8 million and were impacted by a higher volume of dissolutions. This is the result of the delivery of almost 5 thousand units in the last 6 months.

Since late 2013, reduced operational complexity coupled with the narrowing of the Company's geographic footprint, led to higher profitability. The consolidated gross margin, before interest, increased to 30.5% in 1Q14, as compared to 22.0% in same quarter of last year.

Cash generation was a highlight in the quarter. The Company recorded cash generation of R\$107.3 million in 1Q14, reaching free cash flow of R\$20.5 million.

Reasserting our commitment to enhancing shareholder value, at the end of April the Company approved the payment of supplementary dividends totaling R\$32.9 million, which, when added to interest on own capital paid in February, represents a dividend yield of 11.0%, based on 2013.

We continue to implement our five-year business plan for the 2014 to 2018 period, in which guidelines for the development of our business for the coming years were established. The plan details the expected size of Gafisa and Tenda's operations, appropriate leverage, profitability guidelines, and importantly, our commitment to capital discipline and shareholder value generation, which are reflected in the guidance released to the market at the end of 2013.

On February 2014, we announced that the Board is studying the potential separation of the Gafisa and Tenda business units into two independent, public companies. We are analyzing possible impacts and scenarios for the proposed separation to identify what are the best ways for its implementation. In these first three months of the year, we have made progress in the administrative separation process of the Gafisa and Tenda business units, already dividing some areas between both companies, and we expect that most of this process to be completed by the end of the year, at which point the two companies will operate independently from an administrative point of view. As part of this process, Duilio Calciolari, after 14 years of meaningful dedication to Gafisa, announced in February the intention to leave his position, and after a transition period, Sandro Gamba was appointed CEO last Monday, and Rodrigo Osmo remains in charge of Tenda business. The Company will keep the market informed as new definitions may occur over the coming months.

Gafisa entered 2014 well positioned to benefit from all the initiatives implemented in the last two years. Reduced operational complexity, a more appropriate cost and expense structure, the new Tenda operating model and Gafisa's narrowed geographic footprint, coupled with financial flexibility achieved by the sale of a stake in Alphaville, were important steps in preparing the Company to face future challenges. These initiatives should also lead to improved results in 2014.

Sandro Gamba
Chief Executive Officer – Gafisa S.A.

Rodrigo Osmo
Chief Executive Officer - Tenda

FINANCIAL RESULTS

Net revenue recognized by the “PoC” method was R\$326.7 million in the Gafisa segment and R\$105.9 million in the Tenda segment. This resulted in consolidated revenue of R\$432.7 million in the first quarter, a reduction of 14.7% compared with the previous year.

Adjusted gross profit for 1Q14 was R\$132.1 million, up from R\$111.7 million in 1Q13. Adjusted gross margin rose to 30.5% versus 22.0% in the prior-year period. The Gafisa contributed with R\$116.5 million, and margin of 35.7%, while the Tenda segment’s adjusted gross profit was R\$15.6 million, with a margin of 14.7% in 1Q14.

Adjusted EBITDA was R\$26.5 million in the 1Q14. The Gafisa segment reported adjusted EBITDA of R\$54.8 million, while the Tenda segment’s adjusted EBITDA was negative at R\$24.9 million. Note that the consolidated adjusted EBITDA includes the effect of the AUSA equity, while Gafisa segment adjusted EBITDA is net of this effect.

The Company reported a net loss of R\$39.8 million in the first quarter.

Operating cash generation reached R\$107.3 million in the 1Q14, resulting in positive free cash flow of R\$20.5 million. The Gafisa segment recorded R\$99.1 million in operating cash generation, while the Tenda segment reached R\$8.2 million.

OPERATING RESULTS

Launches totaled R\$535.4 million in the 1Q14, compared to R\$196.7 million in the 1Q13. The Gafisa segment launched R\$353.9 million across 3 projects, while the Tenda segment launched 4 projects with a total PSV of R\$181.4 million.

Consolidated pre-sales totaled R\$239.3 million in the 1Q14, compared to R\$107.9 million in the 1Q13. In the 1Q14, sales reached R\$187.5 million in the Gafisa segment and R\$51.8 million in the Tenda segment. Consolidated sales from launches represented 24% of the total, while sales from inventory comprised the remaining 76%.

Consolidated sales over supply (SoS) reached 7.5% in the 1Q14 and 3.9% in the 1Q13. In the Gafisa segment, SoS was 7.9%, while in the Tenda segment it was 6.4%.

Consolidated inventory at market value increased R\$233.0 million on a sequential basis, reaching R\$2.9 billion. Gafisa's inventory reached R\$2.2 billion and Tenda's inventory totaled R\$752.3 million.

Throughout the 1Q14, the Company delivered 8 projects, totaling 1,796 units. The Gafisa segment delivered 524 units, while the Tenda segment delivered the remaining 1,272 units.

ANALYSIS OF RESULTS

Gafisa segment

Gross Margin Expansion and Reduction in Selling Expenses

During the past year, the Gafisa segment's margins improved due to the delivery of legacy projects and the narrowing of the brand's geographic footprint. Accordingly, the segment's profitability increased. Adjusted gross profit totaled R\$116.5 million in 1Q14, with margin of 35.7%, compared to 29.9% in 1Q13.

Results were also positively impacted by a 44.8% y-o-y reduction in the level of selling expenses, despite higher launch volumes.

Net Income

The first quarter net loss was R\$2.3 million, compared to a loss of R\$11.6 million in the year-ago period. Excluding the equity from Alphaville, negative at R\$3.4 million, Gafisa segment net income in the 1Q14 was positive at R\$1.1 million.

Below is a brief description of the main factors impacting results.

| | | |
|------------------------------|--------------|---------------|
| Adjusted Gross Profit | 116.5 | 109.8 |
| Adjusted Gross Margin | 35.7% | 29.9% |
| Net Profit Ex-AUSA | 1.1 | (49.9) |

Tenda segment

Gross Margin Expansion and Lower Expenses

The reduced contribution and complexity of Tenda legacy projects, coupled with the resumption of launches under a new business model, is resulting in a gradual improvement in the segment's margins. At the end of 1Q13, adjusted gross profit was at R\$1.9 million, while in the 1Q14, it reached R\$15.6 million, with adjusted gross margin reaching 14.7%, compared to a margin of 1.3% in the 1Q13.

A streamlined cost structure also contributed to the segment's first quarter results. Selling, general and administrative expenses decreased from a year earlier to R\$12.7 million, with a sharp 43.3% reduction in selling expenses. This was mainly driven by the in-store sale process, which is one of the pillars of the new Tenda business model.

Net Income

The first quarter net loss was R\$37.5 million, compared to a net loss of R\$43.9 million in the 1Q13.

| | | |
|------------------------------|---------------|---------------|
| Adjusted Gross Profit | 15.6 | 1.9 |
| <i>Adjusted Gross Margin</i> | <i>14.7%</i> | <i>1.3%</i> |
| Net Profit | (37.5) | (43.9) |

RECENT EVENTS

Extraordinary Dividends and Share Buyback Program

Following the completion of the sale of the Alphaville stake and the inflow of the transaction proceeds, in a meeting held on December 20, 2013, the Company's Board of Directors approved the payment of interest on equity to shareholders in the amount of R\$130,192,095.57, representing R\$0.31112217224 per share. The payment was effective February 12, 2014.

Additionally, on April 25, 2014, at the Annual General Meeting, the payment of R\$32,919,915.46 in supplementary dividends to the Company's shareholders was approved, representing R\$0.082486835998 per share, excluding treasury shares. The effective date for payment is still being evaluated by the Company and will be announced to the market as soon as defined.

For fiscal year 2013, the Company approved the payment of dividends totaling R\$163,111,939.28 (gross amount), or approximately R\$0.37 per share, representing a dividend yield of 11.0% for the year.

Regarding the share buyback program in place, on April 30, 2014, the company had already acquired 23 million shares, around 71% of the total amount permitted, considering the maximum amount of 32,938,554 shares.

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

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

Annual General Meeting

On April 25, 2014, the Company's Annual General Meeting was held, and we highlight the following resolutions:

- i) Reduction of the Board of Directors from 9 to 7 members, with the election of the following members for a term of 02 years: Odair Garcia Senra, Cláudio José de Carvalho Andrade, Guilherme Affonso Ferreira, José Écio Pereira da Costa Júnior, Maurício Marcellini Pereira, Rodolpho Amboss and Francisco

Vidal Luna;

ii) Approval of the allocation of net income for the fiscal year 2013, and subsequent payment of approximately R\$32.9 million as supplementary dividends, as mentioned above;

iii) Establishment of up to R\$13.4 million in total compensation to be paid to the Company's management for the fiscal year 2014, approximately 19% less than the amount paid in 2013;

Key Numbers for the Gafisa Group

Table 1 – Operating and Financial Highlights – (R\$000, and % Gafisa, unless otherwise specified)

| | | | | | |
|-------------------------------------|-----------|-----------|----------|-----------|---------|
| Launches | 353,934 | 679,154 | -47.9% | 83,029 | 326.3% |
| Net pre-sales | 187,555 | 454,457 | -58.7% | 101,116 | 85.5% |
| Pre-sales of Launches | 37,915 | 264,049 | -85.6% | 11,696 | 224.2% |
| Sales over Supply (SoS) | 7.9% | 17.8% | -55.6% | 5.0% | 58.0% |
| Delivered projects, units | 524 | 1,249 | -58.0% | 86 | 509.3% |
| Net Revenue | 326,750 | 489,853 | -33.3% | 367,285 | -11.0% |
| Gross Profit | 88,890 | 174,429 | -49.0% | 87,768 | 1.3% |
| Gross Margin ¹ | 27.2% | 35.6% | -840 bps | 23.9% | 330 bps |
| Adjusted Gross Margin ¹ | 35.7% | 42.0% | -630 bps | 29.9% | 580 bps |
| Adjusted EBITDA ² | 54,810 | 125,177 | -56.2% | 44,970 | 21.9% |
| Adjusted EBITDA Margin ² | 16.8% | 25.6% | -880 bps | 12.2% | 460 bps |
| Net Income (Loss) | -2,331 | 908,827 | -100.3% | -11,621 | -79.9% |
| Backlog revenues | 1,429,230 | 1,550,618 | -7.8% | 1,951,419 | -26.8% |
| Backlog results ³ | 526,273 | 547,346 | -3.9% | 677,546 | -22.3% |
| Backlog margin ³ | 36.8% | 35.3% | 150 bps | 34.7% | 210 bps |

Note: Financial operational unaudited information

1) Adjusted by capitalized interests

2) Adjusted by expenses with stock option plans (non-cash), minority. Ebitda from Gafisa segment does not consider the equity of AUSA, for all quarters, and does not include AUSA stake sale operation results in 4Q13.

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

Key Numbers for Tenda

Table 2 - Operating and Financial Highlights – (R\$000, and % Gafisa, unless otherwise specified)

| | | | | | |
|-------------------------------------|----------|---------|-----------|----------|----------|
| Launches | 181,445 | 88,379 | 105.3% | 113,696 | 59.6% |
| Net pre-sales | 51,767 | 163,626 | -68.4% | 6,785 | 663.0% |
| Pre-sales of Launches | 20,256 | 74,587 | -72.8% | 13,656 | 48.3% |
| Sales over Supply (SoS) | 6.4% | 20.9% | -69.4% | 0.9% | 611.1% |
| Delivered projects, units | 1,272 | 2,719 | -53.2% | 795 | 60.0% |
| Net Revenue | 105,951 | 214,897 | -50.7% | 140,265 | -24.5% |
| Gross Profit | 8,458 | 47,570 | -82.2% | -9,623 | -187.9% |
| Gross Margin ¹ | 7.9% | 22.1% | -1420 bps | -6.9% | 1480 bps |
| Adjusted Gross Margin ¹ | 14.7% | 28.5% | -1380 bps | 1.4% | 1330 bps |
| Adjusted EBITDA ² | (24,913) | 13,761 | -281.0% | (25,493) | -2.3% |
| Adjusted EBITDA Margin ² | -23.5% | 6.4% | -2990 bps | -18.2% | -530 bps |
| Net Income (Loss) | -37,460 | 12,457 | -400.7% | -43,852 | -14.6% |
| Backlog revenues | 212,031 | 244,789 | -13.4% | 361,914 | -41.4% |
| Backlog results ³ | 67,482 | 66,789 | -1.0% | 86,148 | -21.7% |
| Backlog margin ³ | 31.8% | 27.3% | 450 bps | 23.8% | 800 bps |

Key Consolidated Numbers

Table 3 - Operating and Financial Highlights – (R\$000, and % Gafisa, unless otherwise specified)

| | | | | | |
|--|-----------|-----------|------------|-----------|-----------|
| Launches | 535,379 | 767,534 | -30.2% | 196,725 | 172.1% |
| Launches, units | 1,866 | 2,020 | -7.6% | 1,185 | 57.5% |
| Pre-sales | 239,323 | 618,083 | -61.3% | 107,901 | 121.8% |
| Pre-sales, units | 767 | 2,280 | -66.4% | 361 | 112.5% |
| Pre-sales of Launches | 58,171 | 338,636 | -82.8% | 25,352 | 129.5% |
| Sales over Supply (SoS) | 7.5% | 18.5% | -59.5% | 3.9% | 92.3% |
| Delivered projects | 557,508 | 973,963 | -42.8% | 123,386 | 351.8% |
| Delivered projects, units | 1,796 | 4,597 | -60.9% | 881 | 103.9% |
| Net Revenue | 432,701 | 704,750 | -38.6% | 507,550 | -14.7% |
| Gross Profit | 97,348 | 221,999 | -56.1% | 78,145 | 24.6% |
| Gross Margin | 22.5% | 31.5% | -900 bps | 15.4% | 710 bps |
| Adjusted Gross Margin ¹ | 30.5% | 37.9% | -740 bps | 22.0% | 850 bps |
| Adjusted EBITDA ² | 26,470 | 138,939 | -80.9% | 57,769 | -54.2% |
| Adjusted EBITDA Margin ² | 6.1% | 19.7% | -1360 bps | 11.4% | -830 bps |
| Adjusted Net Income (Loss) ² | (36,808) | 896,078 | -104.1% | (2,543) | 1347.4% |
| Adjusted Net Margin ² | -8.5% | 127.1% | -13560 bps | -0.5% | -800 bps |
| Net Income (Loss) | (39,789) | 921,284 | -104.3% | (55,473) | -28.3% |
| Backlog revenues | 1,641,262 | 1,795,408 | -8.6% | 2,313,333 | -29.1% |
| Backlog results ³ | 593,755 | 614,135 | -3.3% | 763,694 | -22.3% |
| Backlog margin ³ | 36.2% | 34.2% | 200 bps | 33.0% | 320 bps |
| Net Debt + Investor Obligations | 1,403,824 | 1,159,044 | 21.1% | 2,485,372 | -43.5% |
| Cash and cash equivalents | 1,563,226 | 2,024,163 | -22.8% | 1,443,644 | 8.3% |
| Shareholder's Equity | 3,106,356 | 3,190,724 | -2.6% | 2,489,357 | 24.8% |
| Shareholder's Equity + Minority shareholders | 3,129,511 | 3,214,483 | -2.6% | 2,644,543 | 18.3% |
| Total Assets | 7,618,063 | 8,183,030 | -6.9% | 8,530,374 | -10.7% |
| (Net Debt + Obligations) / (Equity + Minority) | 44.9% | 36.1% | 880 bps | 94% | -4910 bps |

Note: Financial operational unaudited information

1) Adjusted by capitalized interests

2) Adjusted by expenses with stock option plans (non-cash), minority. Consolidated Ebitda includes the AUSA equity effect, for all quarters, but does not consider the AUSA stake sale operation results in 4Q13.

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

Updated Status of the Separation Process

Initial Studies and First Steps

In early 2014, Gafisa's management initiated studies to analyze the possible separation of the Gafisa and Tenda business units.

The separation would be the next step in a comprehensive plan initiated by management to enhance value creation for the Company and its shareholders.

During 1Q14, the Company made initial progress in separating some of Gafisa and Tenda's administrative functions, initiating the corporate areas effective division process. By the end of the year, most of Gafisa and Tenda administrative structures will be segregated, operating independently.

At this moment, we highlight the following points:

- (1) Definition of segregated corporate structures for Gafisa and Tenda;
- (2) Assessment, understanding, sizing and necessary adjustments in processes and systems for separation of areas;
- (3) Definition of the separation strategy, workforce, separation schedule for different areas, and major milestones on the process.

In parallel, the Company continues the studies related to separation alternatives of the two companies, assessing issues relating to capital structure, liquidity, and fiscal, tax, legal, corporate aspects, among others.

As previously announced to the market, with the completion of the turnaround process and in line with the intention of separating Gafisa and Tenda business units, Duilio Calciolari announced to leave the company, after 14 years of dedication to Gafisa. Therefore, on May 05, Sandro Gamba was named the new CEO of the Company. Until then, Sandro Gamba, was the CEO of Gafisa business unit, having held a number of leadership positions, in several areas of Gafisa business cycle, for more than 15 years dedicated to the Company.

Andre Bergstein remains as Chief Financial Officer and Rodrigo Osmo as CEO for Tenda.

The Company will keep its shareholders and the market informed about the process and any developments pertaining to the potential separation.

GAFISA SEGMENT



Operating Results

Gafisa Segment Launches and Pre-Sales

First quarter launches totaled R\$353.9 million, represented by 3 projects/phases located in the cities of São Paulo and Rio de Janeiro. In the 1Q13, the segment registered R\$83 million in launches.

The Gafisa segment's 1Q14 gross pre-sales totaled R\$267.9 million. Taking into account a 58% y-o-y decline in the volume of dissolutions, 1Q14 net pre-sales increased 85% y-o-y to R\$187.5 million. Inventory accounted for 80% of sales, while the sale of units launched during the quarter represented the remaining 20%. The segment accounted for 66% of consolidated launches.

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

| | | | | | |
|-----------|---------|---------|--------|---------|--------|
| Launches | 353,934 | 679,154 | -47.9% | 83,029 | 326.3% |
| Pre-sales | 187,555 | 454,457 | -58.7% | 101,116 | 85.5% |

Sales over Supply (SoS)

1Q14 sales velocity increased to 7.9% from 5.0% in 1Q13. Considering the last 12 months, Gafisa's SoS ended the 1Q14 at 32.3%. SoS of launches reflects a lower conversion rate (visits x sales) in the quarter due to a longer time limit on the buyer's decision making process, associated with a concentration of launches in late March. The sales performance of these launches will be continued throughout 2Q13.

Dissolutions

The Company has shown a consistent reduction in their level of dissolutions. Gafisa segment dissolutions declined 58.1% y-o-y, in keeping with a decline in the level of dissolutions to a more stable level.

Of the 148 Gafisa segment units cancelled and returned to inventory, 39% were resold in the period.

Inventory

In 1Q14, Gafisa maintained its focus on inventory reduction initiatives. Accordingly, inventory represented 80% of total sales in the first quarter. The market value of Gafisa segment inventory reached R\$2.2 billion in the 1Q14, as compared to R\$2.1 billion in the previous quarter. Finished units outside of core markets accounted for R\$256.9 million, or 12% of total inventory.

Table 6. Gafisa – Inventory at Market Value (R\$000)

| | | | | | | | |
|----------------|------------------|----------------|---------------|-----------------|----------------|------------------|-------------|
| São Paulo | 1, 435,653 | 164,333 | -71,079 | 205,166 | -84,765 | 1,381,135 | -3.8% |
| Rio de Janeiro | 392,141 | 189,601 | -1,454 | 29,982 | 8,081 | 561,294 | 43.1% |
| Other Markets | 272,416 | - | -7,892 | 32,832 | 9,391 | 256,867 | -5.7% |
| Total | 2,100,210 | 353,934 | 80,424 | -267,980 | -67,293 | 2,199,296 | 4.7% |

During the same period, finished units comprised R\$309.8 million, or 14% of total inventory. Of this amount, inventory from projects launched outside core markets totaled R\$196.7 million. We emphasize that the Company has seen evolution in the sales velocity in these markets over the past few quarters, and we believe that by the end of 2015 we should be able to monetize such inventory in the so called non-core markets.

Table 7. Gafisa Segment – Inventory at Market Value - Construction Status (R\$000)

| | | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| São Paulo | 411,703 | 170,173 | 582,996 | 123,701 | 92,562 | 1,381,135 |
| Rio de Janeiro | 174,892 | 95,806 | 218,128 | 51,941 | 20,528 | 561,294 |
| Other Markets | - | - | - | 60,186 | 196,681 | 256,867 |
| Total | 586,595 | 265,979 | 801,124 | 235,829 | 309,770 | 2,199,296 |

Landbank

Gafisa segment landbank, with a PSV of approximately R\$6.4 billion, is comprised of 34 different projects/phases located exclusively in core markets. Amounting to nearly 11.4 thousand units, 78% are located in São Paulo and 22% in Rio de Janeiro. The largest portion of swapped land in Rio de Janeiro, ends up impacting the total land acquired through swaps, which now reaches 59.7%.

Table 8. Gafisa - Landbank 1Q14

| | | | | | | |
|----------------|------------------|--------------|--------------|-------------|---------------|---------------|
| São Paulo | 4,944,213 | 44.8% | 44.0% | 0.8% | 9,664 | 10,994 |
| Rio de Janeiro | 1,414,269 | 90.0% | 90.0% | 0.0% | 1,725 | 1,728 |
| Total | 6,358,482 | 59.7% | 59.1% | 0.6% | 11,388 | 12,722 |

Table 9. Gafisa - Changes in the Landbank 1Q14

| | | | | | |
|----------------|------------------|----------------|----------------|--------------|------------------|
| São Paulo | 4,867,242 | 231,234 | 164,333 | 10,071 | 4,944,213 |
| Rio de Janeiro | 1,610,940 | - | 189,601 | -7,070 | 1,414,269 |
| Total | 6,478,182 | 231,234 | 353,934 | 3,001 | 6,358,482 |

In the 1Q14, the Company expanded its landbank by an additional PSV of R\$231.2 million, representing an acquisition cost of R\$49.9 million. Of this total, 87.3% was acquired with cash, and 12.7% through swap agreements. In reference to the land acquired in the quarter, about R\$ 8.8 million has already been paid in 1Q14, and approximately another R\$34.4 million are to be disbursed by the end of the year.

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

Gafisa Vendas

During the 1Q14, Gafisa Vendas – an independent sales unit of the Company, with operations in Sao Paulo and Rio de Janeiro, - accounted for 52.8% of gross sales. Gafisa Vendas currently has a team of 485 highly trained, dedicated consultants, combined with an online sales force.

Gafisa Segment Delivered Projects

During 1Q14, Gafisa delivered 4 projects/phases and 524 units.

Table 10. Gafisa Segment - Delivered Projects

| | | | | | |
|------------------------------|---------|---------|--------|---------|---------|
| PSV Transferred ¹ | 230,900 | 295,487 | -21.9% | 225,729 | 2.3% |
| Delivered Projects | 4 | 6 | -33.3% | 1 | 300.0% |
| Delivered Units | 524 | 1,110 | -52.8% | 86 | 509.3% |
| Delivered PSV ² | 458,420 | 480,460 | -4.6% | 38,995 | 1075.6% |

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

Financial Results

Income

Net income for the Gafisa segment in 1Q14 totaled R\$326.7 million, down 11% versus the prior year period. The result was impacted by revenues pegged to developments with a less real estate appropriation, in comparison with the previous year.

In the 1Q14, approximately 94.7% of Gafisa Segment revenues were derived from projects in Rio de Janeiro/ São Paulo, while only 5.3% were derived from projects in non-core markets. The table below provides additional details.

Table 11. Gafisa - Pre-Sales and Recognized Revenues, by Launch Year (R\$000)

| | | | | | | | | |
|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| 2014 | 37,915 | 20.2% | - | - | - | - | - | - |
| 2013 | 51,495 | 27.5% | 25,220 | 7.7% | 11,696 | 11.6% | - | - |
| 2012 | 28,773 | 15.3% | 85,423 | 26.1% | 131,985 | 130.5% | 142,409 | 38.8% |
| ≤ 2011 | 69,373 | 37.0% | 216,106 | 66.1% | - 42,565 | -42.1% | 224,876 | 61.2% |
| Total | 187,555 | 100.0% | 326,750 | 100.0% | 101,116 | 100.0% | 367,285 | 100.0% |
| SP + RJ | 162,615 | 86.7% | 309,448 | 94.7% | 117,618 | 116.3% | 365,285 | 99.,5% |
| Other Markets | 24,940 | 13.3% | 17,302 | 5.3% | -16,501 | -16.3% | 2,000 | 0.5% |

Gross Profit & Margin

Gross profit for the Gafisa segment in 1Q14 was R\$88.9 million, compared to R\$87.8 million in 1Q13. Gross margin for the quarter was 27.2%, up 3.3 percentage points over the previous year. Gafisa's margins have improved, in keeping with the delivery of legacy projects and the narrowing of the segment's geographic footprint. Excluding financial impacts, the adjusted gross margin reached 35.7%.

It is noteworthy that in the last two quarters of 2013, gross margin was positively impacted due to the reversal of provisions in some Gafisa developments, and also due to positive INCC variation.

Find below more details about the composition of Gafisa's gross margin in 1Q14.

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

| | | | | | |
|------------------------------|----------------|----------------|-----------------|----------------|----------------|
| Net Revenue | 326,750 | 489,853 | -33.3% | 367,285 | -11.0% |
| Gross Profit | 88,890 | 174,429 | -49.0% | 87,768 | 1.3% |
| <i>Gross Margin</i> | <i>27.2%</i> | <i>35.6%</i> | <i>-840 bps</i> | <i>23.9%</i> | <i>330 bps</i> |
| (-) Financial costs | (27,640) | (31,231) | - | (22,075) | - |
| Adjusted Gross Profit | 116,530 | 205,660 | -43.4% | 109,843 | 6.1% |
| <i>Ajusted Gross Margin</i> | <i>35.7%</i> | <i>42.0%</i> | <i>-630 bps</i> | <i>29.9%</i> | <i>580 bps</i> |

Table 13. Gafisa – Gross Margin Compositior(R\$000)

| | | | |
|------------------------------|--------------|--------------|--------------|
| Net Revenue | 309.4 | 17.3 | 326.7 |
| Adjusted Gross Profit | 116.2 | 292.3 | 116.5 |
| <i>Ajusted Gross Margin</i> | <i>37.6%</i> | <i>1.7%</i> | <i>35.7%</i> |

Selling, General and Administrative Expenses (SG&A)

SG&A expenses totaled R\$51.4 million in the 1Q14, a 21% decrease when compared with the R\$64.8 million reported in 1Q13. This decrease primarily reflects a lower volume of selling expenses that despite a higher volume of launches, has presented a reduction of R\$15.4 million, 44.8% lower than the previous year, result of better balance in marketing expenses and sales commission.

The segment's general and administrative expenses grew by 6.8% compared to 1Q13, reaching R\$32.4 million in 1Q14 due to the non-recurring effect of the payment of R\$2.2 million for advisory services due to Alphaville operation. Excluding this effect, the Company's general and administrative expenses would have reached R\$30.2 million, in line with the previous year.

Table 14. Gafisa – SG&A Expenses (R\$000)

| | | | | | |
|--------------------------------|----------------|----------------|---------------|----------------|---------------|
| Selling Expenses | 18,995 | 36,927 | -48.6% | 34,441 | -44.8% |
| General & Administ. Expenses | 32,449 | 46,134 | -29.7% | 30,373 | 6.8% |
| Total SG&A Expenses | 51,444 | 83,061 | -38.1% | 64,814 | -20.6% |
| Launches | 353,934 | 679,154 | -47.9% | 83,029 | 326.3% |
| Net Pre-Sales | 187,555 | 454,457 | -58.7% | 101,116 | 85.5% |
| Net Revenue | 326,750 | 489,853 | -33.3% | 367,285 | -11.0% |

Adjusted EBITDA

Adjusted EBITDA for the Gafisa segment totaled R\$54.8 million in the 1Q14, up 14.3%, as compared to R\$45.0 million in the previous year. Note that adjusted EBITDA does not consider the impact of Alphaville equity. The adjusted EBITDA margin, using the same criteria, was 16.8%, compared with a margin of 12.2% in the year-ago period.

In the 1Q14, despite a modest decrease in net revenues, the Company's operating performance benefited from the following factors: (i) a 5.8 percentage point expansion in adjusted gross margin compared to the 1Q13; and (ii) a R\$13.4 million, or 20.6%, y-o-y reduction in SG&A.

Table 15. Gafisa - Adjusted EBITDA (R\$000)

| | | | | | |
|---------------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| Net (Loss) Profit | (2,331) | 908,827 | -100.3% | (11,621) | -79.9% |
| (+) Financial results | 7,824 | 28,916 | -72.9% | 52,096 | -85.0% |
| (+) Income taxes | 4,022 | (14,612) | -127.5% | 2,916 | 37.9% |
| (+) Depreciation & Amortization | 11,206 | 21,160 | -47.0% | 6,486 | 72.8% |
| (+) Capitalized interests | 27,640 | 31,231 | -11.5% | 22,075 | 25.2% |
| (+) Expenses w/ stock options | 3,570 | 3,652 | -2.2% | 4,628 | -22.9% |
| (+) Minority shareholders | (548) | (29,100) | -98.1% | 6,682 | -108.2% |
| (-) AUSA Effect Result | (3,427) | (824,897) | -56.2% | 38,292 | -108.9% |
| Adjusted EBITDA | 54,810 | 125,177 | - | 44,970 | 21.9% |
| Net revenue | 326,750 | 489,853 | -33.3% | 367,285 | -11.0% |
| Adjusted EBITDA Margin | 16.8% | 25.6% | -880 bps | 12.2% | +460 bps |

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

*In 4Q13, besides the effect of the AUSA equity, the operation result was discounted, EBITDA reflects equity interests in each period: 30% in 1Q14; 100% in 4Q13 and 80% in the 1Q13.

Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method was R\$526.3 million in the 1Q14. The consolidated margin for the quarter was 36.8%, an increase of 150 bps compared to the result posted in 4Q13 and 210 bps over 1Q13. The table below shows the backlog margin:

Table 16. Gafisa - Results to be recognized (REF) by company (R\$000)

| | | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenues to be recognized | 1,429,230 | 1,550,618 | -7.8% | 1,951,419 | -26.8% |
| Costs to be recognized (units sold) | -902,957 | -1,003,272 | -10.0% | -1,273,873 | -29.1% |
| Results to be Recognized | 526,273 | 547,346 | -3.8% | 677,546 | -22.3% |
| Backlog Margin | 36.8% | 35.3% | 150 bps | 34.7% | 210 bps |

TENDA SEGMENT

Operating Results

Tenda Segment Launches

First-quarter launches totaled R\$181.4 million and included 4 projects/phases in 4 states. The brand accounted for 34% of 1Q14 consolidated launches.

During 1Q14, gross sales reached R\$244.9 million, while net pre-sales totaled R\$51.8 million. Sales from inventory accounted for 61% of the total, while sales from units launched during 1Q14 accounted for the remaining 39%.

All new projects under the Tenda brand are being developed in phases, in which all pre-sales are contingent on the ability to pass mortgages onto financial institutions. During 1Q14, 1,278 units, representing R\$147.6 million in net pre-sales, were transferred to financial institutions.

Table 17. Tenda – Launches and Pre-sales (R\$000)

| | | | | | |
|-----------|---------|---------|------|---------|------|
| Launches | 181,445 | 88,379 | 105% | 113,696 | 60% |
| Pre-sales | 51,767 | 163,626 | -68% | 6,785 | 663% |

Sales over Supply (SoS)

In 1Q14, sales velocity (sales over supply) rose to 6.4%, compared to 0.9% in 1Q13. Considering the last 12 months, Tenda SoS ended the 1Q14 at 41.6%.

Dissolutions

The volume of 1Q14 dissolutions was down 58.6%, R\$467.0 million in 4Q11 to R\$193.2 million in 1T14, and a reduction of 16.9% compared to 1Q13.

As expected, due to the high volume of deliveries in recent quarters, the level of cancellations in the Tenda segment increased compared to the 4Q13, particularly among older programs and those in the Minha Casa, Minha Vida program. Changes to bank credit criteria over the second half of 2013, which impacted the ability of some customers to secure financing, also impacted the level of cancellations for that period. Approximately 80% of 1Q14 dissolutions in the Tenda segment were related to old projects.

Table 18. Tenda – Net Pre-sales by Market (R\$000)

| | | | | | | | | | |
|------------------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|---------------|
| New Model | | | | | | | | | |
| Gross Sales | - | - | - | - | 13,656 | 57,011 | 59,713 | 84,491 | 92,057 |
| Dissolutions | - | - | - | - | - | -2,126 | -7,433 | -6,293 | -31,546 |
| Net Sales | - | - | - | - | 13,656 | 54,885 | 52,279 | 78,197 | 60,511 |
| Legacy Projects | | | | | | | | | |
| Gross Sales | 249,142 | 344,855 | 293,801 | 287,935 | 225,646 | 270,677 | 223,909 | 154,197 | 152,875 |
| Dissolutions | -339,585 | -329,127 | -263,751 | -317,589 | -232,517 | -155,722 | -126,038 | -68,769 | 161,619 |
| Net Sales | -90,443 | 15,728 | 30,050 | -29,653 | -6,871 | 114,956 | 97,872 | 85,429 | -8,744 |
| Total | | | | | | | | | |
| Dissolutions | 3,157 | 2,984 | 2,202 | 2,509 | 1,700 | 1,172 | 924 | 491 | 1,259 |
| Gross Sales | 249,142 | 344,855 | 293,801 | 287,935 | 239,302 | 327,689 | 283,622 | 238,688 | 244,931 |
| Dissolutions | -339,585 | -329,127 | -263,751 | -317,589 | -232,517 | -157,848 | -133,471 | -75,062 | -193,164 |
| Net Sales | -90,443 | 15,728 | 30,050 | -29,653 | 6,785 | 169,841 | 150,151 | 163,626 | 51,767 |
| Total (R\$) | -90,443 | 15,728 | 30,050 | -29,653 | 6,785 | 169,841 | 150,151 | 163,626 | 51,767 |
| MCMV | -95,759 | 21,461 | 7,977 | -3,630 | 36,191 | 142,602 | 119,215 | 122,428 | 57,157 |
| Out of MCMV | 6,316 | -5,733 | 22,074 | -26,023 | -29,406 | 29,239 | 30,936 | 41,198 | -5,390 |

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

Of the 1,223 Tenda units cancelled and returned to inventory, 47% were resold to qualified customers during the same period. In 1Q14, 55% of dissolutions related to the new Tenda model were resold in the same period. It is important to note the importance of the sale and transfer process contained in the New Tenda Business Model, in which within 90 days the customer will either sign the financing agreement with the financial institution, or will have his/her contract cancelled.

Tenda Segment Transfers

In the 1Q14, Tenda transferred 1,278 units to financial institutions, representing R\$147.6 million.

Table 19. Tenda - PSV Transferred - Tenda (R\$000)

| | | | | | |
|------------------------------|---------|---------|--------|---------|--------|
| New Projects | 53,992 | 42,921 | 25,8% | - | - |
| Legacy Projects | 93,604 | 145,038 | -35,5% | 274,538 | -65.9% |
| PSV Transferred ¹ | 147,596 | 187,959 | -21,5% | 274,538 | -46.2% |

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

Tenda Segment Delivered Projects

During 1Q14, Tenda delivered 4 projects/phases and 1,272 units.

Inventory

Tenda has achieved satisfactory results in its inventory reduction initiatives, with inventory representing 61% of total sales. The market value for Tenda inventory was R\$752.3 million at the end of the first quarter, compared to R\$618.4 million at the end of 2013. The inventory related to the remaining units for the Tenda segment totaled R\$495.0 million or 65.8% of the total. During the period, inventory comprising units within the Minha Casa, Minha Vida program totaled R\$491.9 million, or 65.4% of total inventory, while units outside the program totaled R\$260.3 million in the 1Q14.

Table 20. Tenda - Inventory at Market Value 1Q14 x 4Q13 (R\$000) – Tenda Segment by Region

Inventories IP1¹ 3Q13 Launches Dissolutions Pre-Sales Price Adjustments + Other 5 Inventories FP2 4Q13

| | | | | | | |
|----------|---------|--------|---------|--------|---------|---------|
| Sa Paulo | 173,138 | 16,400 | -41,210 | 50,791 | -10,068 | 189,051 |
| Janeiro | 97,116 | 63,814 | -21,128 | 34,963 | -29,645 | 145,119 |

| | | | | | | | |
|--------------|----------------|----------------|----------------|-----------------|--|--------------|----------------|
| Gerais | 52,896 | - | -40,397 | 26,871 | | 12,699 | 52,069 |
| ste | 56,199 | 101,231 | -20,821 | 48,348 | | -55,941 | 129,016 |
| | 239,082 | - | -69,608 | 83,959 | | -16,386 | 237,047 |
| Tenda | 618,431 | 181,445 | 193,164 | -244,931 | | 4,193 | 752,302 |
| | 376,525 | 181,445 | -109,040 | 166,197 | | -123,134 | 491,992 |
| MCMV | 241,906 | - | -84,124 | 78,734 | | 23,793 | 260,309 |

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

Table 21. Tenda - Inventory at Market Value – Construction Status (R\$000)

| | | | | | | |
|----------------------|----------------|---------------|----------------|---------------|----------------|----------------|
| New Model - MCMV | 195,852 | 36,972 | 24,388 | - | 48 | 257,260 |
| Legacy - MCMV | - | - | 76,522 | 28,322 | 129,888 | 234,732 |
| Legacy – Out of MCMV | - | - | 5,546 | 38,076 | 216,687 | 260,309 |
| Total Tenda | 195,852 | 36,972 | 106,457 | 66,398 | 346,624 | 752,302 |

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

Tenda Segment Landbank

Tenda segment landbank, with a PSV of approximately R\$3.0 billion, is comprised of 24 different projects/phases located exclusively in core markets. 28.1% are located in São Paulo, 15.9% in Rio de Janeiro, 13.3% in Minas Gerais and 42.7% in the Northeast region, specifically in the states of Bahia and Pernambuco. Altogether these amount to more than 17.7 thousand units.

Table 22. Landbank - Tenda Segment

| | | | | | | |
|----------------|------------------|--------------|--------------|-------------|---------------|---------------|
| São Paulo | 832,139 | 9.2% | 9.2% | - | 6,610 | 6,656 |
| Rio de Janeiro | 471,885 | 20.4% | 20.4% | - | 3,670 | 3,723 |
| Northeast | 1,263,732 | 13.7% | 13.7% | - | 10,462 | 10,540 |
| Minas Gerais | 392,871 | 66.3% | 43.2% | 23.1% | 3,167 | 3,280 |
| Total | 2,960,627 | 22.5% | 18.4% | 4.0% | 23,909 | 24,199 |

Table 23. Tenda – Changes in the Landbank

| | | | | | |
|----------------|------------------|----------------|----------------|----------------|------------------|
| São Paulo/Sul | 706,344 | 28,264 | 16,400 | 113,931 | 832,139 |
| Rio de Janeiro | 524,684 | - | 63,814 | 11,014 | 471,885 |
| Nordeste | 803,293 | 457,614 | 101,231 | 104,056 | 1,263,732 |
| Minas Gerais | 393,283 | - | - | - 411 | 392,871 |
| Total | 2,427,604 | 485,878 | 181,445 | 228,590 | 2,960,627 |

In the 1Q14, the Company expanded its landbank with an additional potential PSV of R\$485.9 million, representing an acquisition cost of R\$32.5 million. Out of this total, 91.9% was acquired for cash, and 8.1% by swap. In reference to the land acquired in the quarter, about R\$3.5 million has already been paid in 1Q14, and approximately R\$13.4 million are to be disbursed by the end of 2014.

New Model Update and Turnaround

Tenda began 2014 continuing the resumption of its launches within the New Business Model, based on three basic pillars: operational efficiency, risk management and capital discipline. Currently, the Company

continues to operate in 4 macro regions: São Paulo, Rio de Janeiro, Minas Gerais and Nordeste (Bahia and Pernambuco), with a PSV of R\$427.6 million to date. Below is a brief description of the performance of these projects:

Table 24. Tenda – New Model: Launched Projects

| | Novo Horizonte | Vila Cantuária | Itaim Paulista | Verde Vida F1 | Jaraguá | Viva Mais | Ch. Campo Limpo | Verde Vida F2 | Parque Rio Maravilha | Renascença Candeias |
|----------------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------|------------------|------------------------|----------------------|-----------------------------|----------------------------|
| Launch | Mar/13 | Mar/13 | May/13 | Jul/13 | Aug/13 | Nov/13 | Dec/13 | Jan/14 | Mar/13 | Mar/13 |
| Local | SP | BA | SP | BA | SP | RJ | SP | BA | RJ | PE |
| Units | 580 | 440 | 240 | 340 | 260 | 300 | 300 | 340 | 440 | 432 |
| Total PSV (R\$000) | 65,145 | 45,903 | 31,220 | 38,563 | 40,842 | 39,713 | 48,000 | 42,405 | 63,814 | 57,024 |
| Sales | 577 | 341 | 195 | 261 | 232 | 96 | 127 | 43 | 55 | 52 |
| % Sales | 99% | 78% | 82% | 77% | 89% | 32% | 42% | 13% | 13% | 12% |
| LOS average (month) | 8% | 6% | 7% | 9% | 11% | 6% | 10% | 4% | 12% | 12% |
| Transferred | 565 | 178 | 162 | 218 | 215 | 55 | 100 | 3 | - | - |
| % Transferred | 98% | 52% | 83% | 84% | 93% | 57% | 79% | 7% | - | - |
| Work progress | 89% | 86% | 72% | 17% | 2% | 12% | - | - | - | - |

Tenda remains focused on the completion and delivery of its remaining projects, and is also dissolving contracts with non-eligible clients, so as to sell the units to qualified customers.

The run-off of legacy projects is on schedule and shall be mostly concluded in 2014, with approximately 95% of the remaining units being delivered by the end of the year

Financial Result

Revenues

Tenda's net revenue in 1Q14 totaled R\$105.9 million, a reduction of 24% compared with the previous year. The decline reflects the resumption of Tenda launches in the 1Q13 following a period during which launch activity was halted while a new business model was developed. As shown in the table below, revenues from new projects accounted for 55.0% of Tenda's revenues in 1Q14, while revenues from older projects accounted for the remaining 45.0%.

Table 25. Tenda - Pre-Sales and Recognized Revenues (R\$000)

| | | | | | | | | |
|---------------|---------------|---------------|----------------|---------------|--------------|---------------|----------------|---------------|
| 2014 | 20,256 | 39.1% | - | - | - | - | - | - |
| 2013 | 40,255 | 77.8% | 58,245 | 55.0% | 13,656 | 201.3% | - | - |
| 2012 | - | - | - | - | - | - | - | - |
| ≤ 2011 | -8,744 | -16.9% | 44,215 | 41.7% | -6,871 | -101.3% | 140,265 | 100.0% |
| Landbank Sale | - | - | 3,491 | 3.3% | - | - | - | - |
| Total | 51,767 | 100.0% | 105,951 | 100.0% | 6,785 | 100.0% | 140,265 | 100.0% |
| Legacy | -8,744 | -16.9% | 47,706 | 45.0% | -6,871 | -101.3% | 140,265 | 100.0% |
| New Model | 60,511 | 116.9% | 58,245 | 55.0% | 13,656 | 201.3% | - | - |

Gross Profit & Margin

Gross profit in 1Q14 was R\$8.5 million, an increase of 188% compared to a loss of R\$9.6 million in 1Q13.

Gross margin for the quarter reached 8.0%, an increase of 14.8 percentage points from the prior-year period. The improvement in gross margin reflects the delivery of Tenda legacy projects. At the same time, the contribution of projects developed under Tenda's new business model, which contain higher margins, is increasing, as observed in recent quarters.

It is noteworthy that in the last quarters of 2013, Tenda's gross margin was positively impacted due to the reversal of provisions in some of its developments, and also due to positive INCC variation.

Below is the Tenda's gross margin breakdown for 1Q14. Note that the gross margin of the first projects under Tenda's new business model benefits from the use of landbank acquired in the past, allowing greater profitability.

Table 26. Tenda – Gross Margin (R\$000)

| | | | | | |
|------------------------------|----------------|----------------|-----------------|----------------|----------------|
| Net Revenue | 105,951 | 214,897 | -50.7% | 140,265 | -24.5% |
| Gross Profit | 8,458 | 45,570 | -81.4% | (9,623) | -187.9% |
| Gross Margin | 8.0% | 22.1% | -1410bps | -6.9% | 1490bps |
| (-) Financial costs | (7,105) | (13,644) | -47.9% | (11,519) | -38.3% |
| Adjusted Gross Profit | 15,563 | 61,214 | -74.6% | 1,896 | 720.8% |
| <i>Adjusted Gross Margin</i> | <i>14.7%</i> | <i>28.5%</i> | <i>-1380bps</i> | <i>1.3%</i> | <i>1340bps</i> |

Selling, General, and Administrative Expenses (SG&A)

During 1Q14, selling, general and administrative expenses totaled R\$30.8 million, a decrease of 29.1% compared to R\$43.4 million in 1Q13. The decline reflects the Company's efforts to adapt its cost and expense structure to the size of its operations.

Selling expenses totaled R\$11.8 million in the 1Q14, a decrease of 43.3% compared to 1Q13, due to the following: (i) consolidation over time of the sales transaction through the store, started with the New Model in early 2013; (ii) adjustments to the Tenda's sales team compensation and commissioning policy, reflecting the new business model; (iii) smaller representation of the legacy projects impacting Tenda's cost structure.

Table 27. Tenda – SG&A Expenses (R\$000)

| | | | | | |
|--------------------------------|----------------|----------------|---------------|----------------|---------------|
| Selling Expenses | 11,787 | 16,930 | -30.4% | 20,779 | -43.3% |
| General & Administ. Expenses | 18,970 | 30,130 | -37.0% | 22,632 | -16.2% |
| Total SG&A Expenses | 30,757 | 47,060 | -34.6% | 43,411 | -29.1% |
| Launches | 181,445 | 88,379 | 105.3% | 113,696 | 59.6% |
| Net Pre-Sales | 51,767 | 163,626 | -68.4% | 6,785 | 663.0% |
| Net Revenue | 105,951 | 214,897 | -50.7% | 140,265 | -24.5% |

Adjusted EBITDA

Adjusted EBITDA was negative R\$24.9 million in 1Q14, compared to negative adjusted EBITDA of R\$25.5 million in 1Q13.

Despite the lower level of revenue, the Company was able to improve its operating performance due to the expansion of its gross margin and efforts to streamline its cost and expense structure.

Table 28. Tenda - Consolidated Adjusted EBITDA (R\$000)

| | | | | | |
|---------------------------------|-----------------|----------------|-----------------|-----------------|----------------|
| Net (Loss) Profit | (37,460) | 12,457 | -400.7% | (43,852) | -14.6% |
| (+) Financial results | 90 | 2,274 | -96.0% | (2,931) | -103.1% |
| (+) Income taxes | 2,575 | (3,024) | -185.2% | 3,521 | -26.9% |
| (+) Depreciation & Amortization | 2,816 | 3,281 | -14.2% | 2,923 | -3.7% |
| (+) Capitalized interests | 7,105 | 13,644 | -47.9% | 11,519 | -38.3% |
| (+) Expenses w/ stock options | 19 | 52 | -63.5% | 33 | -42.4% |
| (+) Minority shareholders | (58) | 190 | -130.5% | 3,294 | -101.8% |
| (-) AUSA Effect Result | - | (15,113) | - | - | - |
| Adjusted EBITDA | (24,913) | 13,761 | -281.0% | (25,493) | -2.3% |
| Net revenue | 105,951 | 214,897 | -50.7% | 140,265 | -24.5% |
| Adjusted EBITDA Margin | -23.5% | 6.4% | -2990bps | -18.2% | -530bps |

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

Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method was R\$67.5 million in 1Q14. The consolidated margin for the quarter was 31.8%, an increase of 800 basis points compared to the 1Q13.

Table 29. Results to be recognized (REF) (R\$000)

| | | | | | |
|-------------------------------------|-----------|-----------|---------|-----------|---------|
| Revenues to be recognized | 212,031 | 244,789 | -13.4% | 361,914 | -4.1% |
| Costs to be recognized (units sold) | (144,550) | (178,001) | -18.8% | (275,766) | -47.6% |
| Results to be Recognized | 67,482 | 66,789 | -1.0% | 86,148 | -21.7% |
| Backlog Margin | 31.8% | 27.3% | 450 bps | 23.8% | 800 bps |

Note: Revenues to be recognized are net of PIS/Cofins (3.65%); excludes the PVA (Present Value Adjustment) method introduced by Law n^o 11,638

The amounts include projects still under suspension clause.

Balance Sheet and Consolidated Financial Results

Cash and Cash Equivalents

On March 31, 2014, cash and cash equivalents, and securities, totaled R\$1.6 billion.

Accounts Receivable

At the end of the 1Q14, total consolidated accounts receivable decreased 23.7% y-o-y to R\$3.8 billion, and was 8.1% below the R\$4.1 billion recorded in the 4Q13.

Currently, the Gafisa and Tenda segments have approximately R\$620.1 million in accounts receivable from finished units.

Table 30. Total receivables (R\$000)

| | | | | | |
|---|------------------|------------------|--------------|------------------|---------------|
| Receivables from developments (off balance sheet) | 1,703,437 | 1,863.422 | -8.6% | 2,400,969 | -29.1% |
| Receivables from PoC – ST (on balance sheet) | 1,721,676 | 1,909.877 | -9.9% | 2,174,750 | -20.8% |
| Receivables from PoC – LT (on balance sheet) | 332,120 | 313,791 | 5.8% | 345,566 | -3.9% |
| Total | 3,757,233 | 4,087,090 | -8.1% | 4,921,285 | -23.7% |

Notes: ST – Short term | LT- Long term | PoC – Percentage of Completion Method

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

Receivables from PoC: accounts receivable already recognized according to PoC and BRGAAP

Cash Generation

Operational cash generation performed well in the first quarter. The Company ended 1Q14 with operating cash flow of R\$107.3 million, reflecting: (i) the transfer/receiving process for units sold with financing agents (R\$418.6 million was transferred during the period), and; (ii) greater control over the Company's business cycle. Gafisa had operational cash generation of R\$99,1 million, while Tenda reached R\$8.2 million.

Free cash generation for the period was positive, ending the 1Q14 with R\$20.5 million, excluding the following effects: (i) R\$55.2 million disbursed in the share buyback program for the period; (ii) R\$63.6 million for tax payment from AUSA sale operation, considering any tax credits and; (iii) payment of interest on own capital in the amount of R\$130.2 million.

Table 32. Cash Generation

| | | | | | |
|---|-----------------|------------------|-----------------|----------------|---------------|
| Availabilities | 1,146,176 | 1,101,160 | 781,606 | 2,024,163 | 1,563,226 |
| <i>Change in Availabilities⁽¹⁾</i> | (102,055) | (45,016) | (319,555) | 1,242,557 | (460,940) |
| Total Debt + Investor Obligations | 3,602,105 | 3,620,378 | 3,639,707 | 3,183,208 | 2,967,050 |
| <i>Change in Total Debt + Investor Obligations⁽²⁾</i> | (16,740) | 18,273 | 19,329 | (456,499) | (216,158) |
| <i>Other changes (share buyback + AUSA transaction + IOC)⁽³⁾</i> | - | 35,634 | 370,998 | (1,520,913) | 265,284 |
| Cash Generation in the period (1) + (2) + (3) | (85,315) | (27,655) | 32,114 | 178,143 | 20,502 |
| Cash Generation Final | (85,315) | (112,970) | (80,856) | 97,289 | 20,502 |

Liquidity

At the end of March, 2014, the Company's Net Debt/Equity ratio reached 44.9%, compared to leverage of 36.1% in the previous quarter and 94.0% in the 1Q13.

Excluding project finance, the Net Debt/Equity ratio showed a negative ratio of 18.9%.

The Company's consolidated gross debt reached R\$2.9 billion at the end of 1Q14, compared to R\$3.2 billion at the end of 2013. As previously announced, the Company intends to use part the proceeds of the Alphaville transaction to reduce its gross debt. In the 1Q14, the Company amortized R\$435.5 million in debt, of which R\$217.4 million in project debt and the remaining R\$218.2 million in corporate debt, which equates to around 29% of total maturities by the end of 2014.

Table 33. Debt and Investor Obligations

| | | | | | |
|--|------------------|------------------|---------------|------------------|-----------------|
| Debentures - FGTS (A) | 985,084 | 961,416 | 2.5% | 1,189,918 | -17.2% |
| Debentures - Working Capital (B) | 473,333 | 459,802 | 2.9% | 584,890 | -19.1% |
| Project Financing SFH – (C) | 1,011,377 | 1,088,258 | -7.1% | 790,881 | 27.9% |
| Working Capital (D) | 474,041 | 550,052 | -13.8% | 1,146,952 | -58.7% |
| Total (A)+(B)+(C)+(D) = (E) | 2,943,835 | 3,059,528 | -3.8% | 3,712,641 | -20.7% |
| Investor Obligations (F) | 23,215 | 123,860 | -81.2% | 216,375 | -89.3% |
| Total debt (E) + (F) = (G) | 2,967,050 | 3,183,207 | -6.8% | 3,929,016 | -24.5% |
| Cash and availabilities (H) | 1,563,226 | 2,024,163 | -22.8% | 1,443,644 | 8.3% |
| Net debt (G)-(H) = (I) | 1,403,824 | 1,159,044 | 21.1% | 2,485,372 | -43.5% |
| Equity + Minority Shareholders (J) | 3,129,509 | 3,214,483 | -2.6% | 2,644,543 | 18.3% |
| ND/Equity (I)/(J) = (K) | 44.9% | 36.1% | 880bps | 94.0% | -4910bps |
| ND Exc. Proj Fin / Equity (I)-((A)+(C))/(J) = (L) | -18.9% | -28% | 910bps | 19% | -3790bps |

The Company ended the first quarter of 2014 with R\$1.2 billion of total debt due in the short term. It should be noted, however, that 56% of this volume relates to debt linked to the Company's projects.

Table 34 - Debt Maturity

| | | | | | | |
|---|-------------------------------------|------------------|------------------|------------------|----------------|----------------|
| Debentures - FGTS (A) | TR + (9,54% - 10,09%) | 985,084 | 286,306 | 348,778 | 150,000 | 200,000 |
| Debentures - Working Capital (B) | CDI + (1,50% - 1,95%) | 473,333 | 315,129 | 149,615 | 8,589 | - |
| Project Financing SFH – (C) | TR + (8,30% - 11,50%) | 1,011,377 | 367,436 | 412,023 | 178,092 | 53,826 |
| Working Capital (D) | CDI + (1,30% - 3,04%) | 474,041 | 193,022 | 163,955 | 98,277 | 18,787 |
| Total (A)+(B)+(C)+(D) = (E) | | 2,943,835 | 1,161,893 | 1,074,371 | 143,958 | 272,613 |
| Investor Obligations (F) | CDI + (0,235% - 0,82%) / IGPM+7,25% | 23,215 | 12,421 | 6,081 | 3,573 | 1,140 |
| Total debt (E) + (F) = (G) | | 2,967,050 | 1,174,314 | 1,080,452 | 147,531 | 273,753 |
| Total maturity per period | | | 40% | 36% | 15% | 9% |
| Time of maturity of Project finance as % of total debt ((A)+(C))/(G) | | | 55.7% | 70.4% | 74.8% | 92.7% |
| Time of maturity of Corporate debt as % of total debt ((B)+(D)+(F))/(G) | | | 44.3% | 29.6% | 25.2% | 7.3% |
| Pro Corporate Debt / Mortgages | | | 66%/34% | | | |

Additional information on the Company's consolidated indebtedness can be found in the appendix to this earnings release.

Financial Results

Revenue

On a consolidated basis, net revenue in the 1Q14 totaled R\$432.7 million, down 15% over the previous year.

In the 1Q14, the Gafisa segment represented 69.5% of revenues and Tenda accounted for the remaining 30.5%.

Gross Profit & Margin

Gross profit in 1Q14 was R\$97.3 million, an increase of 25% compared to the R\$78.1 million reported in 1Q13. Gross margin for the quarter was 27.2%, up 3.3 percentage points over the previous year. The gross margin is improving as Gafisa and Tenda segment legacy projects are replaced by projects launched in core markets and under the new Tenda business model, which contain higher margins. The increased contribution of more profitable projects to consolidated results can be observed throughout 2013 and the first quarter of 2014.

Table 35. Gafisa Group – Gross Margin(R\$000)

| | | | | | |
|------------------------------|----------------|----------------|---------------|----------------|---------------|
| Net Revenue | 432,701 | 704,750 | 38.6% | 507,550 | -14.7% |
| Gross Profit | 97,348 | 221,999 | -56.1% | 78,145 | 24.6% |
| <i>Gross Margin</i> | 22.5% | 31.5% | -28.6% | 15.4% | 46.1% |
| (-) Financial costs | (34,745) | (44,875) | -22.7% | (33,594) | 3.3% |
| Adjusted Gross Profit | 132,093 | 266,874 | -50.5% | 111,739 | 18.2% |
| <i>Ajusted Gross Margin</i> | 30.5% | 37.9% | -740bps | 22.0% | 850bps |

Selling, General, And Administrative Expenses (SG&A)

SG&A expenses totaled R\$82.2 million in the 1Q14, a 24% decrease when compared with the R\$108.2 million reported in 1Q13. This decrease primarily reflects a decline in selling expenses in Gafisa and Tenda segments, which reached R\$30.8 million in 1Q14, a decrease of 44% compared to 1Q13.

Table 36. Gafisa Group – SG&A Expenses(R\$000)

| | | | | | |
|--------------------------------|----------------|----------------|---------------|----------------|---------------|
| Selling Expenses | 30,782 | 53,857 | -42.8% | 55,220 | -44.3% |
| General & Administ. Expenses | 51,419 | 76,264 | -32.6% | 53,005 | -3.0% |
| Total SG&A Expenses | 82,201 | 130,121 | -36.8% | 108,225 | -24.0% |
| Launches | 535,379 | 767,534 | -30.2% | 196,725 | 172.1% |
| Net Pre-Sales | 239,323 | 618,083 | -61.3% | 107,901 | 121.8% |
| Net Revenue | 432,701 | 704,750 | -38.6% | 507,550 | -14.7% |

With the turnaround process virtually complete, the Company is seeking greater stabilization in its cost and expense structure and SG&A. In 2014, the Company is looking to improve productivity and increase the efficiency of its operations.

Adjusted EBITDA

Adjusted EBITDA totaled R\$26.5 million in the 1Q14, considering the Alphaville equity impact. The adjusted EBITDA margin, using the same criteria, was 6.1%, compared with an 11.4% margin reported in the previous year.

Table 37. Gafisa Group - Consolidated Adjusted EBITDA (R\$000)

| | | | | | |
|------------------------------------|-----------------|----------------|----------|-----------------|---------|
| Net (Loss) Profit | (39,791) | 921,284 | -104.3% | (55,473) | -28.3% |
| (+) Financial results | 7,914 | 31,190 | -74.6% | 49,165 | -83.9% |
| (+) Income taxes | 6,597 | (17,636) | -137.4% | 6,437 | 2.5% |
| (+) Depreciation & Amortization | 14,022 | 24,441 | -42.6% | 9,409 | 49.0% |
| (+) Capitalized interests | 34,745 | 44,875 | -22.6% | 33,594 | 3.4% |
| (+) Expenses w/ stock options | 3,589 | 3,704 | -3.1% | 4,661 | -23.0% |
| (+) Minority shareholders | (606) | (28,909) | -97.9% | 19,396 | -103.1% |
| (-) AUSA Sale Result | - | (840,010) | - | - | - |
| Adjusted EBITDA¹ | 26,470 | 138,939 | -80.9% | 57,769 | -54.2% |
| Net Revenues | 432,701 | 704,750 | -38.6% | 507,550 | -14.7% |
| Margem EBITDA Ajustada | 6.1% | 19.7% | -1360bps | 11.4% | -530bps |

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

*In 4Q13, besides the effect of the AUSA equity, the operation result was discounted, EBITDA reflects equity interests in each period: 30% in 1Q14; 100% in 4Q13 and 80% in the 1Q13.

Depreciation and Amortization

Depreciation and amortization in the 1Q14 reached R\$14.0 million, an increase over the R\$9.4 million recorded in the 1Q13, due to higher amortization related to the Company's sales booths.

Financial Results

The net financial result was negative R\$7.9 million in the 1Q14, an improvement compared to the net financial result of negative R\$49.2 million in 1Q13. Financial revenues totaled R\$44.2 million, a 133% y-o-y increase due to higher cash balances and higher interest rates in the period. Financial expenses reached R\$52.1 million, compared to R\$68.1 million in 1Q13, impacted by lower debt volume and also by higher interest rates in the period.

Taxes

Income taxes, social contribution and deferred taxes for 1Q14 amounted to R\$6.5 million.

Net Income

Gafisa Group ended the 1Q14 with a net loss of R\$39.8 million. Excluding the equity of Alphaville, the Company's net loss was R\$36.4 million in the quarter, compared to a net loss of R\$93.8 million recorded in 1Q13.

| | | |
|------------------------------|---------------|---------------|
| Gross Profit | 97.3 | 78.1 |
| <i>Gross Margin</i> | <i>22.5%</i> | <i>15.4%</i> |
| Adjusted Gross Profit | 132.1 | 111.7 |
| <i>Adjusted Gross Margin</i> | <i>30.5%</i> | <i>22.0%</i> |
| Adjusted EBITDA | 26.5 | 57.8 |
| Net Profit | (39.8) | (55.5) |
| <i>(-) AUSA Equity</i> | <i>(3.4)</i> | <i>38.3</i> |
| Net Profit Ex-AUSA | (36.4) | (93.8) |

Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method reached R\$593.7 million in the 1Q14. The consolidated margin for the quarter was 36.2%, an increase of 197 bps compared to the result posted in 4Q13. The table below shows the backlog margin by segment:

Table 38. Gafisa Group - Results to be recognized (REF) (R\$000)

| | | | | | |
|-------------------------------------|------------------|------------------|---------------|-------------------|---------------|
| Revenues to be recognized | 1,641,262 | 1,795,408 | -8.6% | 2,313,333 | -29.1% |
| Costs to be recognized (units sold) | -1,047,507 | -1,181,273 | -11.3% | -1,549,639 | -32.4% |
| Results to be Recognized | 593,755 | 614,135 | -3.3% | 763,694 | -22.3% |
| Backlog Margin | 36,2% | 34,2% | 200bps | 33,0% | 320bps |



A Alphaville sells R\$ 120 million in the 1st Quarter 2014

São Paulo, May 9th, 2014 – Alphaville Urbanismo SA releases its results for the 1st quarter 2014 (1Q14), which are subjected to review by auditors.

Launches

The company ended the 1st quarter 2014 with R\$ 103 million of launches, 10% below the volume of launches of the same period of last year.

Sales

In this quarter, the sales volume was R\$ 120 million, 9% above the sales volume of the same period of 1Q13.

Financial Results

During this quarter, net revenues came at R\$ 151 million, 7,2% below the net revenues of 1Q13. The main reason was the non-cash impact of the SELIC change on the NPV of receivables.

Lower revenues and the non-recurring expenses associated to the spin off the back office from Gafisa result in a lower net profit.

For further information, please contact our Investor Relations team at ri@alphaville.com.br or +55 11 3030-6314.

OUTLOOK

First quarter launches totaled R\$535.4 million, a 172% increase compared to 1Q13. The result represented 23% of the mid-point of the 2014 guidance range. Gafisa segment accounted for 66% of launches and Tenda represented the remaining 34%.

Table 39. Guidance - Launches (2014E)

| | | | |
|---------------------------|--------------------|---------------|-----|
| Consolidated Launches | R\$2.1 – R\$2.5 bi | 535.4 million | 23% |
| Breakdown by Brand | | | |
| Gafisa Launches | R\$1.5 – R\$1.7 bi | 353.9 million | 22% |
| Tenda Launches | R\$600 – R\$800 mn | 181.4 million | 26% |

With the completion of the sale of the Alphaville stake in 2013, the Company entered 2014 with a solid liquidity position. As reported in this release, the Company's Net Debt/Equity ratio reached 44.9% at the end of 1Q14. Given this result, and considering the Company's business plan for 2014, the Company expects leverage to remain between 55% - 65%, as measured by the Net Debt/Equity ratio.

Table 40. Guidance - Leverage (2014E)

| | | | |
|-------------------|--------------------------------|-------|---|
| Consolidated Data | 55% - 65% Net Debt / Equity | 44.9% | - |
|-------------------|--------------------------------|-------|---|

The Company is also providing guidance on its administrative structure. Administrative expenses as a percentage of launch volumes for the Gafisa segment is expected to reach 7.5% in 2014. Tenda has no guidance for this indicator for 2014, although for 2015 the Company expects the ratio to reach 7.0%.

Table 41. Guidance - Administrative Expenses / Launches Volume (2014E)

| | | |
|--------|----------------|------|
| Gafisa | 7.5% | 9.2% |
| Tenda | Not Applicable | - |

Table 42. Guidance Administrative Expenses / Launches Volume (2015E)

| | |
|--------|------|
| Gafisa | 7.5% |
| Tenda | 7.0% |

Finally, the Company defined as a benchmark for profitability the Return on Capital Employed (ROCE), and we expect that in the next three year period, this ratio shall be between 14% - 16% for both the Tenda and Gafisa segments.

Table 43. Guidance – Return on Capital Employed (3 years)

| | |
|--------|-----------|
| Gafisa | 14% - 16% |
| Tenda | 14% - 16% |

FINANCIAL STATEMENTS GAFISA SEGMENT

| | | | | | |
|---|----------------|----------------|----------------|-----------------|----------------|
| Net Operating Revenue | 326,750 | 489,853 | -33.3% | 367,285 | -11.0% |
| Operating Costs | (237,860) | (315,424) | -24.6% | (279,517) | -14.9% |
| Gross profit | 88,890 | 174,429 | -49.0% | 87,768 | 1.3% |
| Operating Expenses | | | | | |
| Selling Expenses | (18,995) | (36,927) | -48.6% | (34,441) | -44.8% |
| General and Administrative Expenses | (32,449) | (46,134) | -29.7% | (30,373) | 6.8% |
| Other Operating Revenues / Expenses | (15,991) | (33,065) | -51.6% | (3,697) | 332.5% |
| Depreciation and Amortization | (11,206) | (21,160) | -47.0% | (6,486) | 72.8% |
| Equity pickup | (1,282) | (7,216) | -82.2% | (990) | 29.5% |
| Result of investment revaluated by fair value | - | 375,853 | -100.0% | - | - |
| Operational Result | 8,967 | 405,780 | -97.8% | 11,781 | -23.9% |
| Financial Income | 31,160 | 16,488 | 89.0% | 8,229 | 278.7% |
| Financial Expenses | (38,984) | (45,404) | -14.1% | (60,325) | -35.4% |
| Net Income Before Taxes on Income | 1,143 | 376,864 | -99.7% | (40,315) | -102.8% |
| Deferred Taxes | (292) | 22,331 | -101.3% | (15) | 1846.7% |
| Income Tax and Social Contribution | (3,730) | (7,719) | -51.7% | (2,901) | 28.6% |
| Net Income After Taxes on Income | (2,879) | 391,476 | -100.7% | (43,231) | -93.3% |
| Profit from Operations Available for Sale | - | 488,251 | -100.0% | 38,292 | -100.0% |
| Minority Shareholders | (548) | (29,100) | -98.1% | 6,682 | -108.2% |
| (+) Interest on own capital | | - | | | |
| Net Result | (2,331) | 908,827 | -100.3% | (11,621) | -79.9% |

FINANCIAL STATEMENTS TENDA SEGMENT

| | | | | | | |
|---|-----------------|-----------------|----------------|-----------------|-----------------|--------------|
| Net Operating Revenue | 105,951 | 214,897 | -50.7% | 140,265 | -24.5% | |
| Operating Costs | (97,493) | (167,327) | -41.7% | (149,888) | -35.0% | |
| Gross profit | 8,458 | 47,570 | -82.2% | (9,623) | -187.9% | |
| Operating Expenses | | | | | | |
| Selling Expenses | (11,787) | (16,930) | -30.4% | (20,779) | -43.3% | |
| General and Administrative Expenses | (18,970) | (30,130) | -37.0% | (22,632) | -16.2% | |
| Other Operating Revenues / Expenses | (10,003) | (9,197) | 8.8% | (3,121) | 220.6% | |
| Depreciation and Amortization | (2,816) | (3,281) | -14.2% | (2,923) | -3.7% | |
| Equity pickup | 265 | 8,752 | -97.0% | 19,109 | -98.6% | |
| Operational Result | (34,853) | (3,216) | 983.7% | (39,969) | -12.8% | |
| Financial Income | 13,036 | 11,909 | 9.5% | 10,702 | 21.8% | |
| Financial Expenses | (13,126) | (14,183) | -7.5% | (7,771) | 68.9% | |
| Net Income Before Taxes on Income | (34,943) | (34,943) | (5,490) | 536.5% | (37,038) | -5.7% |
| Deferred Taxes | 759 | 5,338 | -85.8% | (2,459) | -130.9% | |
| Income Tax and Social Contribution | (3,334) | (2,314) | 44.1% | (1,062) | 213.9% | |
| Net Income After Taxes on Income | (37,518) | (2,466) | 1421.4% | (40,559) | -7.5% | |
| Profit from Operations Available for Sale | - | 15,113 | -100.0% | - | - | |
| Minority Shareholders | (58) | 190 | -130.5% | 3,293 | -101.8% | |
| Net Result | (37,460) | 12,457 | -400.7% | (43,852) | -14.6% | |

CONSOLIDATED FINANCIAL STATEMENTS

| | | | | | |
|---|-----------------|----------------|----------------|-----------------|---------------|
| Net Operating Revenue | 432,701 | 704,750 | -38.6% | 507,550 | -14.7% |
| Operating Costs | -335,353 | -482,751 | -30.5% | -429,405 | -21.9% |
| Gross profit | 97,348 | 221,999 | -56.1% | 78,145 | 24.6% |
| Operating Expenses | | | | | |
| Selling Expenses | (30,782) | (53,857) | -42.8% | -55,220 | -44.3% |
| General and Administrative Expenses | (51,419) | (76,264) | -32.6% | -53,005 | -3.0% |
| Other Operating Revenues / Expenses | (25,994) | (42,262) | -38.5% | -6,817 | 281.3% |
| Depreciation and Amortization | (14,022) | (24,441) | -42.6% | -9,409 | 49.0% |
| Equity pickup | (1,017) | 1,536 | -166.2% | 18,119 | -105.6% |
| Result of investment revaluated by fair value | - | 375,853 | -100.0% | - | - |
| Operational Result | (25,886) | 402,564 | -106.4% | (28,187) | -8.2% |
| Financial Income | 44,196 | 28,397 | 55.6% | 18,931 | 133.5% |
| Financial Expenses | (52,110) | (59,587) | -12.5% | -68,096 | -23.5% |
| Net Income Before Taxes on Income | (33,800) | 371,374 | -109.1% | (77,352) | -56.3% |
| Deferred Taxes | 467 | 27,669 | -98.3% | -2,474 | -118.9% |
| Income Tax and Social Contribution | (7,064) | (10,033) | -29.6% | -3,963 | 78.2% |
| Net Income After Taxes on Income | (40,397) | 389,010 | -110.4% | (83,789) | -51.8% |
| Profit from Operations Available for Sale | - | 503,364 | -100.0% | 38,292 | -100.0% |
| Minority Shareholders | (606) | (28,910) | -97.9% | 9,976 | -106.1% |
| (+) Interest on own capital | | | | | |
| Net Result | (39,791) | 921,284 | -104.3% | (55,473) | -28.3% |

BALANCE SHEET GAFISA SEGMENT**Current Assets**

| | | | | | |
|---------------------------|-----------|-----------|---------|-----------|---------|
| Cash and cash equivalents | 968,514 | 1,381,509 | -29.9% | 375,900 | 157.7% |
| Receivables from clients | 1,259,692 | 1,375,087 | -8.4% | 1,334,583 | -5.6% |
| Properties for sale | 972,509 | 959,199 | 1.4% | 852,829 | 14.0% |
| Other accounts receivable | 215,806 | 207,423 | -76.1% | 207,058 | -76.0% |
| Deferred selling expenses | - | - | 0.0% | - | 0.0% |
| Prepaid expenses | 23,206 | 27,123 | -14.4% | 44,623 | -48.0% |
| Properties for sale | 7,342 | 7,065 | 3.9% | 15,900 | -53.8% |
| Financial Instruments | - | 1,106 | -100.0% | 4,747 | -100.0% |

Long-term Assets

| | | | | | |
|---------------------------------------|-----------|----------------|---------------|-----------|---------------|
| Receivables from clients | 309,318 | 287,484 | 7.6% | 318,170 | -2.8% |
| Properties for sale | 515,780 | 461,160 | 11.8% | 278,756 | 85.0% |
| Other | 220,577 | 209,325 | -1.8% | 210,368 | -2.3% |
| | 1,045,675 | 957,969 | 7.6% | 807,294 | 27.7% |
| Intangible and Property and Equipment | 61,332 | 61,966 | 68.5% | 64,877 | 60.9% |
| Investments | 2,061,910 | 2,121,564 | -57.8% | 2,860,106 | -68.7% |

Total Assets

| | | | | | |
|--|------------------|------------------|---------------|------------------|---------------|
| | 6,615,987 | 7,100,011 | -25.2% | 6,567,917 | -19.1% |
|--|------------------|------------------|---------------|------------------|---------------|

Current Liabilities

| | | | | | |
|--|-----------|------------------|---------------|-----------|---------------|
| Loans and financing | 479,409 | 470,453 | 1.9% | 386,506 | 24.0% |
| Debentures | 382,234 | 354,271 | 7.9% | 208,164 | 83.6% |
| Obligations for purchase of land and clients | 315,003 | 338,044 | -6.8% | 293,004 | 7.5% |
| Materials and service suppliers | 80,811 | 62,972 | 28.3% | 75,507 | 7.0% |
| Taxes and contributions | 52,841 | 146,962 | -64.0% | 68,071 | -22.4% |
| Obligation for investors | 12,421 | 112,886 | -89.0% | 114,814 | -89.2% |
| Other | 222,378 | 520,209 | -57.3% | 628,990 | -64.6% |
| | 1,545,097 | 2,005,797 | -23.0% | 1,775,056 | -13.0% |

Long-term Liabilities

| | | | | | |
|----------------------------------|-----------|------------------|--------------|-----------|---------------|
| Loans and financings | 838,017 | 938,697 | -10.7% | 956,957 | -12.4% |
| Debentures | 656,982 | 657,386 | -0.1% | 992,262 | -33.8% |
| Obligations for purchase of land | 69,222 | 71,584 | -3.3% | 64,058 | 8.1% |
| Deferred taxes | 45,132 | 47,022 | -4.0% | 63,954 | -29.4% |
| Provision for contingencies | 67,367 | 67,480 | -0.2% | 68,675 | -1.9% |
| Obligation for investors | 10,794 | 10,793 | 0.0% | 19,535 | -44.7% |
| Other | 388,434 | 87,658 | -53.5% | 102,835 | -60.3% |
| | 1,776,261 | 1,880,620 | -8.1% | 2,268,276 | -23.8% |

Shareholders' Equity

| | | | | | |
|-----------------------------|------------------|------------------|---------------|------------------|---------------|
| Shareholders' Equity | 3,106,356 | 3,190,723 | -36.1% | 2,489,356 | -18.1% |
|-----------------------------|------------------|------------------|---------------|------------------|---------------|

Non controlling interests

| | | | | | | |
|--|--------|-------|--------|---------|--------|---------|
| | 22,216 | 1,401 | 22,871 | -106.1% | 35,229 | -104.0% |
|--|--------|-------|--------|---------|--------|---------|

| | | | | | |
|---|------------------|------------------|---------------|------------------|---------------|
| Liabilities and Shareholders' Equity | 3,128,572 | 3,213,594 | -36.6% | 2,524,585 | -19.3% |
| | 6,615,987 | 7,100,011 | -25.2% | 6,567,917 | -19.1% |

BALANCE SHEET TENDA SEGMENT**Current Assets**

| | | | | | |
|---------------------------|------------------|------------------|--------------|------------------|---------------|
| Cash and cash equivalents | 594,712 | 642,654 | -7.5% | 770,129 | -22.8% |
| Receivables from clients | 461,984 | 534,789 | -13.6% | 840,168 | -45.0% |
| Properties for sale | 526,490 | 482,820 | 9.0% | 723,533 | -27.2% |
| Other accounts receivable | 126,842 | 105,053 | 20.7% | 307,613 | -58.8% |
| Prepaid expenses | 7,125 | 8,064 | -11.6% | 10,785 | -33.9% |
| Properties for sale | 103,675 | 107,782 | -3.8% | 125,743 | -17.6% |
| | 1,820,828 | 1,881,163 | -3.2% | 2,777,971 | -34.5% |

Long-term Assets

| | | | | | |
|---------------------------------------|----------------|----------------|---------------|----------------|-------------|
| Receivables from clients | 22,802 | 26,307 | -13.3% | 27,396 | -16.8% |
| Properties for sale | 137,394 | 191,235 | -28.2% | 116,613 | 17.8% |
| Other | 83,012 | 79,751 | 4.1% | 77,417 | 7.2% |
| | 243,208 | 297,293 | -18.2% | 221,426 | 9.8% |
| Intangible and Property and Equipment | 35,314 | 37,679 | -6.3% | 31,865 | 10.8% |
| Investments | 208,193 | 225,702 | -7.8% | 210,600 | -1.1% |

Total Assets

| | | | | | |
|--|------------------|------------------|--------------|------------------|---------------|
| | 2,307,543 | 2,441,836 | -5.5% | 3,241,862 | -28.8% |
|--|------------------|------------------|--------------|------------------|---------------|

Current Liabilities

| | | | | | |
|--|----------------|----------------|--------------|----------------|--------------|
| Loans and financing | 81,049 | 119,934 | -32.4% | 133,068 | -39.1% |
| Debentures | 219,201 | 209,561 | 4.6% | 174,459 | 25.6% |
| Obligations for purchase of land and clients | 45,197 | 70,330 | -35.7% | 108,675 | -58.4% |
| Materials and service suppliers | 35,591 | 16,370 | 57.0% | 30,849 | -16.7% |
| Taxes and contributions | 59,894 | 69,662 | -14.0% | 82,916 | -27.8% |
| Other | 340,851 | 351,135 | -0.2% | 136,528 | 156.8% |
| | 781,583 | 836,992 | -6.6% | 666,495 | 17.3% |

Long-term Liabilities

| | | | | | |
|----------------------------------|----------------|----------------|--------------|----------------|---------------|
| Loans and financings | 86,943 | 109,227 | -20.4% | 216,418 | -59.8% |
| Debentures | 200,000 | 200,000 | 0.0% | 399,923 | -50.0% |
| Obligations for purchase of land | 13,593 | 8,391 | 62.0% | 3,386 | 301.4% |
| Deferred taxes | 8,872 | 9,631 | -7.9% | 10,956 | -19.0% |
| Provision for contingencies | 57,630 | 58,328 | -1.2% | 63,951 | -9.9% |
| Other | 66,587 | 66,686 | -0.2% | 45,009 | 47.9% |
| | 433,625 | 452,263 | -4.1% | 739,643 | -41.4% |

Shareholders' Equity

| | | | | | |
|-----------------------------|------------------|------------------|--------------|------------------|---------------|
| Shareholders' Equity | 1,067,782 | 1,127,970 | -5.3% | 1,797,550 | -40.6% |
| Non controlling interests | 24,553 | 24,611 | -0.2% | 38,174 | -35.7% |

| | | | | | |
|---|------------------|------------------|--------------|------------------|---------------|
| | 1,092,330 | 1,152,581 | -5.5% | 3,241,862 | -28.8% |
| Liabilities and Shareholders' Equity | 2,307,543 | 2,441,836 | -5.3% | 1,797,550 | -40.6% |

CONSOLIDATED BALANCE SHEETS**Current Assets**

| | | | | | |
|---------------------------|------------------|------------------|---------------|------------------|---------------|
| Cash and cash equivalents | 1,563,226 | 2,024,163 | -22.8% | 1,443,644 | 8.3% |
| Receivables from clients | 1,721,676 | 1,909,877 | -9.9% | 2,492,119 | -30.9% |
| Properties for sale | 1,498,999 | 1,442,019 | 4.0% | 1,824,553 | -17.8% |
| Other accounts receivable | 176,544 | 153,630 | 14.9% | 205,450 | -14.1% |
| Prepaid expenses | 30,331 | 35,188 | -13.8% | 55,571 | -45.4% |
| Properties for sale | 111,017 | 114,847 | -3.3% | 141,644 | -21.6% |
| Financial Instruments | - | 183 | -100.0% | 7,800 | -100.0% |
| | 5,101,743 | 5,679,907 | -10.2% | 6,170,781 | -17.3% |

Long-term Assets

| | | | | | |
|---|------------------|------------------|-------------|------------------|---------------|
| Receivables from clients | 332,120 | 313,791 | 5.8% | 740,058 | -55.1% |
| Properties for sale | 653,174 | 652,395 | 0.1% | 435,086 | 50.1% |
| Other | 288,631 | 274,136 | 5.3% | 294,610 | -2.0% |
| | 1,273,925 | 1,240,322 | 2.7% | 1,469,754 | -13.3% |
| Intangible and Property and Equipment Investments | 139,726 | 142,725 | -2.1% | 279,078 | -49.9% |
| | 1,102,719 | 1,120,076 | -1.5% | 610,761 | 80.5% |

Total Assets

| | | | | | |
|--|------------------|------------------|--------------|------------------|---------------|
| | 7,618,063 | 8,183,030 | -6.9% | 8,530,374 | -10.7% |
|--|------------------|------------------|--------------|------------------|---------------|

Current Liabilities

| | | | | | |
|--|------------------|------------------|---------------|------------------|---------------|
| Loans and financing | 560,458 | 590,386 | -5.1% | 611,333 | -8.3% |
| Debentures | 601,435 | 563,832 | 6.7% | 382,623 | 57.2% |
| Obligations for purchase of land and clients | 360,200 | 408,374 | -11.8% | 501,918 | -28.2% |
| Materials and service suppliers | 138,536 | 79,342 | 34.2% | 153,896 | -30.8% |
| Taxes and contributions | 112,735 | 216,625 | -48.0% | 197,124 | -42.8% |
| Obligation for investors | 12,421 | 112,886 | -89.0% | 184,819 | -93.3% |
| Other | 540,850 | 711,578 | -19.5% | 567,116 | 1.0% |
| | 2,326,635 | 2,683,023 | -13.3% | 2,598,829 | -10.5% |

Long-term Liabilities

| | | | | | |
|----------------------------------|------------------|------------------|--------------|------------------|---------------|
| Loans and financings | 924,960 | 1,047,924 | -11.7% | 1,326,500 | -30.3% |
| Debentures | 856,982 | 857,386 | 0.0% | 1,392,185 | -38.4% |
| Obligations for purchase of land | 82,815 | 79,975 | 3.6% | 67,444 | 22.8% |
| Deferred taxes | 54,004 | 56,652 | -4.7% | 79,405 | -32.0% |
| Provision for contingencies | 124,997 | 125,809 | -0.6% | 148,371 | -15.8% |
| Obligation for investors | 10,794 | 10,794 | 0.0% | 31,556 | -65.8% |
| Other | 107,367 | 106,984 | 0.4% | 241,541 | -55.5% |
| | 2,161,919 | 2,285,524 | -5.4% | 3,287,002 | -34.2% |

Shareholders' Equity

| | | | | | |
|----------------------|------------------|------------------|--------------|------------------|--------------|
| Shareholders' Equity | 3,106,356 | 3,190,724 | -2.6% | 2,489,357 | 24.8% |
|----------------------|------------------|------------------|--------------|------------------|--------------|

Non controlling interests

23,153 23,759 -2.6% 155,186 -85.1%

Liabilities and Shareholders' Equity **3,129,509 3,214,483 -2.6% 2,644,543 18.3%**
7,618,063 8,183,030 -6.9% 8,530,374 -10.7%

CASH FLOW

| | | |
|---|-----------------|-----------------|
| Income Before Taxes on Income | (33,798) | (37,856) |
| Expenses (income) not affecting working capital | 64,453 | 39,627 |
| Depreciation and amortization | 14,022 | 10,297 |
| Impairment allowance | (2,294) | 435 |
| Write-off goodwill Cipesa | - | 490 |
| Expense on stock option plan | 3,589 | 4,914 |
| Penalty fee over delayed projects | (612) | (1,363) |
| Unrealized interest and charges, net | 23,956 | 32,684 |
| | | (21,813) |
| Equity pickup | 1,017 | |
| Disposal of fixed asset | 1,715 | 1,570 |
| Warranty provision | (3,478) | 2,870 |
| Provision for contingencies | 26,149 | 6,962 |
| Profit sharing provision | 4,789 | 12,547 |
| Allowance (reversal) for doubtful debts | (4,586) | (9,966) |
| Profit / Loss from financial instruments | 186 | 5,959 |
| Clients | 178,657 | 91,732 |
| Properties for sale | (77,087) | (109,298) |
| Other receivables | 8,236 | (8,743) |
| Deferred selling expenses | 4,857 | 6,114 |
| Obligations on land purchases | (45,335) | (4,721) |
| Taxes and contributions | (26,272) | (24,246) |
| Accounts payable | 59,194 | (41,118) |
| Salaries, payroll charges and bonus provision | (864) | 2,463 |
| Other accounts payable | (43,457) | 69,769 |
| Current account operations | (58,011) | (11,872) |
| Paid taxes | (84,682) | (4,192) |
| Cash used in operating activities | (54,109) | (26,382) |
| Purchase of property and equipment | (12,738) | (15,353) |
| Redemption of securities, restricted securities and loans | 1,115,783 | 606,645 |
| Investments in marketable securities, restricted securities | (680,534) | (394,332) |
| Investments increase | (5,514) | (7,378) |
| Dividends receivables | 2,625 | 2,000 |
| | | 191,582 |
| Cash used in investing activities | 419,622 | |
| Contributions from venture partners | (100,464) | (112,681) |
| | 175,391 | |
| Increase in loans and financing | | 304,899 |
| | | 91 |
| Repayment of loans and financing | (315,039) | (260,029) |
| Purchase of treasury shares | (22,728) | (4,336) |

| | | |
|---|------------------|-----------------|
| Interest on equity paid | (117,125) | - |
| Proceeds from subscription of redeemable equity interest | - | 1,482 |
| Operations of mutual | (11,240) | (6,333) |
| Net cash provided by financing activities | (391,205) | (76,998) |
| Net increase (decrease) in cash and cash equivalents | (25,692) | 88,202 |
| Cash and cash equivalents | - | - |
| At the beginning of the period | 215,194 | 587,956 |
| At the end of the period | 189,502 | 676,158 |
| Net increase (decrease) in cash and cash equivalents | (25,692) | 88,202 |

GLOSSARY

Affordable Entry Level

Residential units targeted to the mid-low and low income segments with prices below R\$200 thousand per unit.

Backlog of Revenues

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 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 represents revenues that will be incurred in future periods from past sales.

Backlog Margin

Equals to “Backlog of Results” divided “Backlog of Revenues” to be recognized in future periods.

LandBank

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.

Operating Cash Flow

Operating cash flow (non-accounting)

ABOUT GAFISA

Gafisa is a leading diversified national homebuilder serving all demographic segments of the Brazilian market. Established almost 60 years ago, we have completed and sold more than 1,100 developments and built more than 12 million square meters of housing under the Gafisa brand - 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 for its quality and consistency among potential homebuyers, brokers, lenders, landowners, competitors and investors. Our pre-eminent brands include Tenda, serving the affordable/entry-level housing segment, and we hold a 30% stake in Alphaville, one of the most important companies in the residential lots segment in Brazil. Gafisa S.A. is traded on the Novo Mercado of the BM&FBOVESPA (BOVESPA:GFSA3) and on the New York Stock Exchange (NYSE:GFA).

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

1. Operations

Gafisa S.A. ("Gafisa" or "Company") is a publicly traded company with headquarters at Avenida das Nações Unidas, 8.501, 19^o andar, in the City of São Paulo, State of São Paulo, Brazil, and started its operations in 1997 with the objectives of: (i) promoting and managing all forms of real estate ventures on its own behalf or for third parties, taking into consideration that in the case of the latter, as construction company and proxy; (ii) selling and purchasing real estate properties in general; (iii) carrying out civil construction and civil engineering services; (iv) developing and implementing marketing strategies related to its own or third party real estate ventures; and (v) investing in other companies which have similar objectives as the Company's.

The real estate development projects entered into by the Company with third parties are structured through specific purpose partnerships ("Sociedades de Propósito Específico" or "SPEs") or the formation of consortia and condominiums. Controlled entities substantially share the managerial and operating structures and the corporate, managerial and operating costs with the Company. SPEs, condominiums and consortia operate solely in the real estate industry and are linked to specific ventures.

On February 7, 2014, the Company disclosed a material fact informing to its shareholders and the market in general that its Board of Directors authorized the Company's management to begin studies aimed at a potential separation of the Gafisa and Tenda business units into two publicly-held and independent companies in order to reinforce the creation of value to the Company and its shareholders. In case the plan is approved by the Board of Directors and shareholders, this transaction could be completed throughout 2015, with request to the Brazilian Securities Commission (CVM) for conversion of the registry of Tenda into A category, as publicly-held company authorized to trade its share in stock exchange, and its listing in the Novo Mercado of BM&FBOVESPA.

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

2. Presentation of quarterly information and summary of significant accounting practices

2.1. Basis of presentation and preparation of individual and consolidated quarterly information

On May 9, 2014, the Company's Board of Directors approved these individual and consolidated quarterly information of the Company and has authorized their disclosure.

The individual quarterly information (Company) and consolidated quarterly information were prepared and are being presented based on the technical pronouncement CPC 21(R1) – Interim Financial Reporting, using the same accounting practices, judgments, estimates and assumptions adopted in the presentation and preparation of the financial statements for the year ended December 31, 2013. Therefore, the corresponding quarterly information shall be read together with the financial statements as of December 31, 2013.

The individual quarterly information, identified as "Company", were prepared according to the accounting practices adopted in Brazil issued by the Brazilian FASB (CPCs) and are disclosed together with the consolidated quarterly information.

The consolidated quarterly information are specifically in compliance with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, including the Guideline OCPC 04 - Application of the Technical Interpretation ICPC 02 to the Brazilian Real Estate Development

Entities, in relation to the treatment of the recognition of revenue from this sector and involves certain matters related to the meaning and application of the continuous transfer of the risks, benefits and control over the real estate unit sales.

Certain matters related to the meaning and application of the concept of continuous transfer of the risks, benefits and control over the real estate unit sales have been analyzed by the International Financial Reporting Interpretation Committee (IFRIC), at the request of some countries, including Brazil. However, in view of the project for issuing a revised standard relating to revenue recognition, IFRIC has been discussing this topic in its agenda, understanding that the concept for recognizing revenue is included in the standard that is currently under discussion. Accordingly, this issue is expected to be resolved only after the revised standard relating to revenue recognition is issued.

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

2. Presentation of quarterly information and summary of significant accounting practices--Continued

2.1. Basis of presentation and preparation of individual and consolidated quarterly information--Continued

The individual and consolidated quarterly information were prepared based on historical cost basis, except if otherwise stated in the summary of significant accounting practices. The historical cost is usually based on the considerations paid in exchange for assets.

The quarterly information has been prepared over the normal course of business. Management makes an assessment of the Company's ability to continue as going concern when preparing the financial statements. The Company is in compliance with all its debt covenants at the date of issue of this quarterly information.

All amounts reported in the accompanying quarterly information are in thousands of Reais, except as otherwise stated.

The non-accounting and/or non-financial information included in the accompanying quarterly information, such as sales volume, contractual data, revenue and costs not recognized in units sold, economic projections, insurance and environment, were not reviewed by the independent auditors.

Except for the profit (loss) for the period, the Company does not have other comprehensive income (loss).

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 2 to the individual and consolidated financial statements as of December 31, 2013.

2.1.1. Quarterly consolidated information

The quarterly consolidated information as of March 31, 2014 and 2013, and the consolidated financial statements as of December 31, 2013 include the full consolidation of the following subsidiaries:

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

2. Presentation of quarterly information and summary of significant accounting practices--Continued

2.1. Basis of presentation and preparation of individual and consolidated quarterly information--Continued

2.1.1. Consolidated quarterly information--Continued

| | Interest % | |
|--|-------------------|-------------------|
| | 03/31/2014 | 03/31/2013 |
| Gafisa subsidiaries (*) | 100 | 100 |
| Construtora Tenda and subsidiaries (Tenda) (*) | 100 | 100 |

(*) It does not include jointly-controlled investees, which are accounted for under the equity method, according to the CPCs 18(R2) and 19(R2).

The accounting practices were uniformly adopted in all subsidiaries included in the consolidated quarterly information and the fiscal year of these companies is the same of the Company. See further details on these subsidiaries and jointly-controlled investees in Note 9.

2.1.2. Restatement of quarterly information

For purposes of comparability, the corresponding balances of the statement of profit or loss for the period ended March 31, 2013 were adjusted taking into account the sale of 70% interest in Alphaville Urbanismo S.A., as required by the CPC 31 – Non-current Asset Held for Sale and Discontinued Operations (Nota 8.2).

| | Balances originally reported as of 03/31/2013 | Consolidated Impact of the adoption of CPC 31 | Balances, after the adoption of CPC 31 |
|--|--|--|---|
| Net operating revenue | 668,591 | (161,041) | 507,550 |
| Operating costs | (510,315) | 80,910 | (429,405) |
| Operating (expenses) income | (161,643) | 37,192 | (124,451) |
| Equity pick-up | 21,813 | (3,694) | 18,119 |
| Financial income | (56,302) | 7,137 | (49,165) |
| Income and social contribution taxes | (7,641) | 1,204 | (6,437) |
| Non-controlling interests | (9,976) | - | (9,976) |
| Income from discontinued operations | - | 38,292 | 38,292 |
| Loss for the year | (55,473) | - | (55,473) |
| <u>Cash flows</u> | | | |
| Operating activities | (26,382) | - | (26,382) |
| Investing activities | 191,582 | - | 191,582 |
| Financing activities | (76,998) | - | (76,998) |
| <u>Statement of value added</u> | | | |
| Net value added produced by the entity | 195,775 | - | 195,775 |
| Value added received on transfer | 45,344 | - | 45,344 |
| Value added to be distributed | 241,119 | - | 241,119 |

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

2. Presentation of quarterly information and summary of significant accounting practices--Continued

2.1. Basis of presentation and preparation of individual and consolidated quarterly information--Continued

2.1.2. Restatement of quarterly information --Continued

In the individual statements of profit or loss for the period ended March 31, 2013, the amount of R\$18,210 was reclassified from the heading "Equity Pick-up" into "Net income from discontinued operations", as required by CPC 31 – Non-current Asset Held for Sale and Discontinued Operations, for comparability purposes.

There was no impact on the statements of comprehensive income, cash flows, changes in equity or added value for the period ended March 31, 2013 in the individual and consolidated quarterly information.

The notes related to the corresponding amounts that are being restated are identified as "restated".

3. Pronouncements (new or revised) and interpretation adopted from 2013 or applicable as of January 1, 2014 and 2015

There are no other standards and interpretations issued and not yet adopted that could, in the opinion of Management, produce significant impact on profit or loss for the period or equity reported by the Company.

The explanations regarding the pronouncement and interpretation revisions and issues did not have significant changes in relation to those reported in Note 3 to the financial statements as of December 31, 2013.

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

4. Cash and cash equivalents e short-term investments

4.1. Cash and cash equivalents

| | Company | | Consolidated | |
|---|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Cash and banks | 30,104 | 11,940 | 111,929 | 121,222 |
| Securities purchased under agreement to resell | 28,595 | 27,092 | 48,219 | 93,972 |
| Funds held in trust by third parties (a) | - | - | 29,354 | - |
| Total cash and cash equivalents (Note 21.i.d e 21.ii.a) | 58,699 | 39,032 | 189,502 | 215,194 |

(a) Amount held in trust by Itaú Corretora de Valores S.A., for settlement, on April 1, 2014, of the tenth installment of interests and the fourth installment of amortization related to the first placement of debentures of the subsidiary Tenda (Note 33 (ii)).

The explanation related to this note was not subject to significant changes in relation to those reported in Note 4.1 to the financial statements as of December 31, 2013.

4.2. Short-term investments

| | Company | | Consolidated | |
|--|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Fixed-income Investment funds | 259,971 | 587,878 | 427,373 | 706,481 |
| Government bonds (LFT) | 68,063 | 116,888 | 111,890 | 140,210 |
| Securities purchased under agreement to resell | 201,732 | 328,169 | 331,722 | 393,648 |
| Bank deposit certificates | 120,642 | 113,611 | 249,523 | 291,871 |
| Restricted cash in guarantee to loans | 140,451 | 74,305 | 156,160 | 105,380 |
| Restricted credits | 20,550 | 20,175 | 97,056 | 171,367 |
| Other | - | - | - | 12 |
| Total short-term investments (Note 21.i.d and 21.ii.a) | 811,409 | 1,241,026 | 1,373,724 | 1,808,969 |

The explanation related to this note was not subject to significant changes in relation to those reported in Note 4.2 to the financial statements as of December 31, 2013.

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

5. Trade accounts receivable of development and services

| | Company | | Consolidated | |
|---|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Real estate development and sales | 1,114,045 | 1,205,137 | 2,173,830 | 2,356,976 |
| (-) Allowance for doubtful accounts and cancelled contracts | (7,303) | (7,040) | (149,334) | (179,372) |
| (-) Adjustments to present value | (8,905) | (10,188) | (13,357) | (14,484) |
| Services and construction and other receivables | 21,076 | 28,993 | 42,657 | 60,548 |
| | 1,118,913 | 1,216,902 | 2,053,796 | 2,223,668 |
| Current | 926,377 | 1,034,833 | 1,721,676 | 1,909,877 |
| Non-current | 192,536 | 182,069 | 332,120 | 313,791 |

The current and non-current portions fall due as follows:

| Maturity | Company | | Consolidated | |
|-----------------------------------|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| 2014 | 523,159 | 1,052,062 | 1,884,367 | 2,103,733 |
| 2015 | 314,059 | 95,610 | 174,834 | 183,140 |
| 2016 | 163,623 | 43,011 | 70,827 | 61,963 |
| 2017 | 37,121 | 12,011 | 39,872 | 31,677 |
| 2018 onwards | 97,159 | 31,436 | 46,587 | 37,011 |
| | 1,135,121 | 1,234,130 | 2,216,487 | 2,417,524 |
| (-) Adjustment to present value | (8,905) | (10,188) | (13,357) | (14,484) |

| | | | | |
|--|------------------|-----------|------------------|-----------|
| (-) Allowance for doubtful account and cancelled contracts | (7,303) | (7,040) | (149,334) | (179,372) |
| | 1,118,913 | 1,216,902 | 2,053,796 | 2,223,668 |

During the period ended March 31, 2014, the changes in the allowance for doubtful accounts and cancelled contracts are summarized as follows:

| | Company 3/31/2014 | | |
|------------------------------|------------------------------|---|-----------------|
| Balance at December 31, 2013 | | | (7,040) |
| Additions (Note 23) | | | (263) |
| Balance at March 31, 2014 | | | (7,303) |
| | | Consolidated Properties for sale | |
| | Receivables (Note 6) | | Net |
| Balance at December 31. 2013 | (179,372) | 107,172 | (72,200) |
| Additions | (263) | - | (263) |
| Write-offs | 30,301 | (25,452) | 4,849 |
| Balance at March 31, 2014 | (149,334) | 81,720 | (67,614) |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 5 to the financial statements as of December 31, 2013.

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

6. Properties for sale

| | Company | Con |
|---|-------------------|-------------------|
| | 3/31/2014 | 12/31/2013 |
| | 12/31/2013 | 3/31/2014 |
| Land | 795,550 | 720,448 |
| (-) Adjustment to present value | (3,898) | (1,268) |
| Property under construction | 341,507 | 327,343 |
| Real estate cost in the recognition of the provision for cancelled contracts - Note 5 | - | - |
| Completed units | 80,205 | 74,907 |
| (-) Provision for realization of properties for sale | (3,298) | (3,298) |
| | 1,210,066 | 1,118,132 |
| | 1,176,000 | 1,152,111 |
| Current portion | 842,380 | 780,867 |
| Non-current portion | 367,686 | 337,265 |

There was no change in the provision for realization of properties for sale in the period ended March 31, 2014.

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 6 to the financial statements as of December 31, 2013.

7. Other accounts receivable

| | Company | | Consolidated | |
|--|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Advances to suppliers | 2,442 | 2,544 | 3,792 | 5,266 |
| Recoverable taxes (IRRF, PIS, COFINS, among other) | 13,840 | 23,679 | 58,064 | 70,054 |
| Judicial deposit (Note 17) | 98,402 | 95,343 | 132,939 | 127,405 |
| Other | 75 | 78 | 5,905 | 5,986 |
| | 114,759 | 121,644 | 200,700 | 208,711 |
| Current portion | 6,268 | 15,749 | 59,817 | 71,083 |
| Non-current portion | 108,491 | 105,895 | 140,883 | 137,628 |

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

8. Non-current assets held for sale

8.1 Land available for sale

The changes in land available for sale are summarized as follows:

| | Cost | Consolidated Provision for impairment | Net balance |
|------------------------------|----------------|--|--------------------|
| Balance at December 31, 2013 | 172,110 | (57,263) | 114,847 |
| Reversal/Write-offs | (6,126) | 2,296 | (3,830) |
| Balance at March 31, 2014 | 165,984 | (54,967) | 111,017 |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 8.1 to the financial statements as of December 31, 2013.

8.2 Non-current assets held for sale and income from discontinued operations

In order to meet the provisions of 38 of CPC 31 – Non-current Asset Held for Sale and Discontinued Operations, the Company shows below the main lines of the statement of profit or loss and cash flows of AUSA:

| <u>Statement of profit or loss</u> | 3/31/2013 |
|---|------------------|
| Net operating revenue | 161.041 |
| Operating costs | (80.910) |
| Operating expenses, net | (36.051) |
| Depreciation and amortization | (1.141) |
| Equity pick-up | 3.694 |
| Financial expenses | (7.137) |
| Income and social contribution tax | (1.204) |
| | 38.292 |
| Noncontrolling interests | (2.202) |
| Profit for the period | 36.090 |
| <u>Cash flows</u> | 3/31/2013 |
| Operating activities | 76.445 |
| Investing activities | 31.825 |
| Financing activities | (89.787) |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 8.2 to the financial statements as of December 31, 2013.

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

9. Investments in ownership interests(i) Ownership interest(a) *Information on subsidiaries and jointly-controlled investees*

| Direct investees | Ownership interest | | Total assets | Total liabilities | Equity and advance for future capital increase | | Income (loss) for the period | | Company | |
|---|--------------------|------------|--------------|-------------------|--|------------|------------------------------|-----------|-----------|------------|
| | - % | | | | | | | | | |
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 3/31/2014 | 3/31/2014 | 12/31/2013 | 3/31/2014 | 3/31/2013 | 3/31/2014 | 12/31/2013 |
| Construtora Tenda S.A. Alphaville Urbanismo S/A | 100% | 100% | 2,307,543 | 1,239,763 | 1,067,780 | 1,127,969 | (37,460) | (43,853) | 1,067,780 | 1,127,969 |
| Shertis | 100% | 100% | 356,109 | 90,979 | 265,130 | 267,415 | (2,285) | 7,284 | 265,055 | 267,415 |
| Gafisa Spe 89 Ltda. | 100% | 100% | 77,367 | 3,039 | 74,328 | 77,656 | (3,328) | 3,539 | 74,328 | 77,656 |
| Gafisa Spe 51 Ltda. | 100% | 100% | 64,785 | 7,031 | 57,754 | 57,377 | (131) | (969) | 57,754 | 57,377 |
| Parque Ecoville Spe | 100% | 100% | 110,460 | 71,975 | 38,485 | 40,008 | (1,523) | 806 | 38,485 | 40,008 |

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| | | | | | | | | | | |
|--|-------------|------|----------------|--------|---------------|--------|----------------|---------|---------------|----|
| 29 | | | | | | | | | | |
| Gafisa Spe 48 Ltda. (a) | 80% | 80% | 72,636 | 5,068 | 67,567 | 68,652 | (172) | (526) | 54,054 | 54 |
| Gafisa Spe 72 Ltda. | 100% | 100% | 51,019 | 8,765 | 42,254 | 41,596 | 658 | (2,885) | 42,254 | 41 |
| Gafisa Spe-116 Empr Imob (a) | 50% | 50% | 83,892 | 2,204 | 81,688 | 82,075 | (2,312) | 1 | 40,844 | 41 |
| Edsp 88 - Cipesa Holding | 100% | 100% | 39,423 | 12 | 39,411 | 39,883 | (472) | (619) | 39,411 | 39 |
| Sitio Jatiuca (a) | 50% | 50% | 68,844 | 4,166 | 64,678 | 64,035 | 642 | 602 | 32,339 | 32 |
| Citta Ville | 50% | 50% | 62,812 | 5,863 | 56,949 | 55,886 | (173) | 753 | 28,475 | 27 |
| Gafisa Spe 41 Ltda. | 100% | 100% | 29,499 | 3,009 | 26,490 | 26,357 | 134 | (201) | 26,490 | 26 |
| Gafisa Spe 50 Ltda. | 100% | 100% | 51,521 | 25,689 | 25,832 | 25,837 | (5) | (122) | 25,832 | 25 |
| Gafisa Spe-110 Empr Imob | 100% | 100% | 62,450 | 33,293 | 29,157 | 25,745 | 3,412 | 1,938 | 29,157 | 25 |
| Gafisa Spe 31 Ltda. | 100% | 100% | 26,058 | 336 | 25,722 | 25,494 | 228 | (805) | 25,722 | 25 |
| Gafisa Spe 47 Ltda. (a) | 80% | 80% | 31,323 | 17 | 31,305 | 31,275 | (1) | (1) | 25,044 | 25 |
| Parque Arvores (a) | 50% | 50% | 45,189 | 6,560 | 38,630 | 37,990 | 640 | 65 | 24,870 | 24 |
| Manhattan Comercial 01 (a) | 50% | 50% | 66,143 | 64,739 | 1,405 | 41,630 | (415) | (2,115) | 3,823 | 20 |
| Gafisa Spe 32 Ltda. | 100% | 100% | 19,095 | 1,042 | 18,053 | 18,070 | (16) | 365 | 18,053 | 18 |
| Gafisa Spe 30 Ltda. | 100% | 100% | 62,828 | 46,770 | 16,058 | 16,033 | 26 | 453 | 16,058 | 16 |
| Gafisa Spe 71 Ltda. (a) | 80% | 80% | 23,803 | 1,172 | 22,631 | 19,617 | 478 | (788) | 20,640 | 15 |
| Varandas (a) | 50% | 50% | 121,071 | 89,586 | 31,485 | 25,982 | 5,159 | 4,702 | 17,940 | 12 |
| Apoena Dubai | 100% | 100% | 14,227 | 1,084 | 13,143 | 12,941 | 202 | 779 | 13,143 | 12 |
| Residencial (a) | 50% | 50% | 22,080 | 1,658 | 20,422 | 19,400 | 755 | 3,573 | 13,272 | 12 |
| Fit 13 Spe Empr Imobiliários Ltda. (a) | 50% | 50% | 51,012 | 19,612 | 31,401 | 31,207 | 194 | 7,915 | 15,700 | 12 |
| Parque Aguas (a) | 50% | 50% | 22,466 | 3,447 | 19,019 | 17,188 | 1,830 | 2,277 | 12,554 | 11 |
| Alta Vistta (a) | 50% | 50% | 24,422 | 1,071 | 23,351 | 22,943 | 408 | 365 | 11,676 | 11 |

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| | | | | | | | | | | |
|--|-------------|------|---------------|--------|---------------|--------|----------------|---------|---------------|----|
| Gafisa Spe 65 Ltda. (a) | 80% | 80% | 17,830 | 888 | 16,942 | 13,831 | 585 | (434) | 15,125 | 11 |
| Gafisa Spe 73 Ltda. (a). | 80% | 80% | 13,805 | 154 | 13,652 | 13,389 | (2) | (5) | 10,921 | 10 |
| Gafisa Spe-111 Empr Imob | 100% | 100% | 47,930 | 32,122 | 15,807 | 10,561 | 5,246 | (6) | 15,807 | 10 |
| Gafisa Spe-123 Empr Imob | 100% | 100% | 67,578 | 54,451 | 13,127 | 10,462 | 2,665 | 1,013 | 13,127 | 10 |
| Costa Maggiore (a) | 50% | 50% | 17,714 | 1,761 | 15,952 | 15,463 | 340 | 1,666 | 7,975 | 10 |
| Gafisa Spe-119 Empr Imob | 100% | 100% | 39,389 | 27,667 | 11,722 | 10,163 | 1,559 | (173) | 11,722 | 10 |
| Gafisa Spe 46 Ltda. (a) | 60% | 60% | 18,448 | 1,850 | 16,597 | 16,391 | 206 | 94 | 9,958 | 9 |
| Gafisa Spe-113 Empr Imob (a) | 60% | 60% | 54,268 | 38,169 | 16,099 | 15,648 | 451 | 258 | 9,660 | 9 |
| Gafisa Spe 38 Ltda. | 100% | 100% | 8,561 | 663 | 7,898 | 7,890 | 8 | 132 | 7,898 | 7 |
| Gafisa Spe 36 Ltda. | 100% | 100% | 24,649 | 16,914 | 7,735 | 7,691 | 43 | 219 | 7,735 | 7 |
| Gafisa Spe 37 Ltda. | 100% | 100% | 7,793 | 944 | 6,849 | 6,811 | 38 | 155 | 6,849 | 6 |
| Aram Gafisa Spe 27 Ltda. | 100% | 100% | 12,524 | 5,372 | 7,152 | 5,981 | 1,600 | 73 | 7,590 | 6 |
| Gafisa Spe 27 Ltda. | 100% | 100% | 20,665 | 15,233 | 5,432 | 5,973 | (541) | 318 | 5,432 | 5 |
| Gafisa Spe 42 Ltda. | 100% | 100% | 6,933 | 2,366 | 4,567 | 5,794 | (1,227) | (44) | 4,567 | 5 |
| Gafisa Spe-85 Empr Imob L (a) | 80% | 80% | 72,384 | 65,053 | 7,332 | 7,064 | 408 | (3,570) | 5,865 | 5 |
| O Bosque Empr. Imob. Ltda. (a) | 60% | 60% | 8,984 | 64 | 8,920 | 9,123 | (459) | (38) | 5,184 | 5 |

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Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

9. Investments in subsidiaries-- Continued

(i) Ownership interest --Continued

(a) *Information on subsidiaries and jointly-controlled investees* --Continued

| Direct investees | Ownership interest | | Total assets | Total liabilities | Equity and advance for future capital increase | | Income (loss) for the period | | Compan | | |
|--|--------------------|------------|-----------------|----------------------|--|-----------|---------------------------------|------------|--------|-----------|-----------|
| | - % | | | | 3/31/2014 | 3/31/2014 | 3/31/2014 | 12/31/2013 | | 3/31/2014 | 3/31/2013 |
| | 3/31/2014 | 12/31/2013 | | | | | | | | | |
| Gafisa Spe 22 Ltda. | 100% | 100% | 5,865 | 610 | 5,254 | 5,255 | - | 43 | 5,254 | | |
| Gafisa Spe 53 Ltda. | 100% | 100% | 18,583 | 14,507 | 4,076 | 4,082 | (6) | (245) | 4,076 | | |
| Gafisa Spe-118 Empr Imob Manhattan Residencial 02 | 100% | 100% | 6,986 | 3,500 | 3,486 | 3,491 | (5) | (3) | 3,486 | | |
| Gafisa Spe 35 Ltda. | 100% | 100% | 19,655 | 16,567 | 3,088 | 2,829 | - | (11) | 3,439 | | |
| OCPC01 Adjustment – | 100% | 100% | 7,449 | 5,428 | 2,020 | 2,853 | (833) | 42 | 2,020 | | |
| | | | - | - | - | - | - | - | 23,680 | | |

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| | | | | | | | | | |
|---------------------------------|------------|------------|------------------|------------------|------------------|-----------|-----------------|-----------------------|---------------|
| Capitalized Interests (b) Other | | | 788,040 | 252,696 | 535,256 | 122,148 | (36) | 11,238 | 40,593 |
| Gafisa Spe 55 Ltda. | 80% | 80% | 56,196 | 6,118 | 50,078 | 47,591 | 2,486 | (464) | - |
| Saí Amarela S/A | 50% | 50% | 2,381 | 35 | 2,346 | 1,935 | (26) | (45) | - |
| Sunshine SPE S/A | 60% | 60% | 5,282 | 808 | 4,475 | 360 | 63 | (62) | - |
| Other | | | 17,092 | 30 | 17,060 | 17,806 | 11 | 1,645 | - |
| Indirect subsidiaries of Gafisa | | | 80,951 | 6,991 | 73,959 | 67,692 | 2,534 | 1,074 | - |
| Consolidado FIT 13 | 50% | 50% | 41,424 | 10,023 | 31,401 | 31,207 | 194 | 7,915 | - |
| Fit Jardim Botanico Spe | 55% | 55% | 39,541 | 323 | 39,217 | 39,404 | (162) | 511 | - |
| Fit 34 Spe | | | | | | | | | |
| Emp. Imob. | 70% | 70% | 31,555 | 1,166 | 30,389 | 29,964 | 444 | 1,363 | - |
| Fit Spe 11 | | | | | | | | | |
| Emp. Imob. | 70% | 70% | 59,000 | 31,946 | 27,054 | 27,452 | (768) | 759 | - |
| Ac | | | | | | | | | |
| Participações FIT 31 SPE | 80% | 80% | 37,417 | 14,695 | 22,722 | 23,755 | (510) | (111) | - |
| Emp. Mob. | 70% | 70% | 33,107 | 19,651 | 13,457 | 15,155 | (336) | 217 | - |
| Maria Ines Spe Emp. | | | | | | | | | |
| Imob. | 60% | 60% | 21,325 | 451 | 20,874 | 20,836 | 38 | 72 | - |
| Fit Planeta Zoo/Ipitanga | 50% | 50% | 16,878 | 1,095 | 15,783 | 16,957 | (54) | (308) | - |
| Fit Spe 03 | | | | | | | | | |
| Emp. Imob | 80% | 80% | 11,341 | 787 | 10,554 | 10,044 | 510 | (303) | - |
| Cittá Itapoan | 50% | 50% | 14,979 | 1,546 | 13,433 | 15,354 | (27) | (336) | - |
| FIT SPE 02 | | | | | | | | | |
| Emp. Mob. | 60% | 60% | 11,812 | 12 | 11,800 | 11,758 | 42 | 27 | - |
| Fit Cittá Imbuí | 50% | 50% | 9,509 | 581 | 8,928 | 8,899 | 42 | (51) | - |
| Parque Dos Pássaros | 50% | 50% | 47,672 | 11,621 | 36,051 | 35,230 | 804 | 1,984 | - |
| Fit Campolim Spe | 55% | 55% | 6,545 | (78) | 6,623 | 6,623 | - | - | - |
| Klabin Segall | | | | | | | | | |
| Fit 1 Spe Ltda | 50% | 50% | 7,243 | 14 | 7,230 | 7,130 | 1 | - | - |
| Other | | | 89,225 | 18,710 | 70,514 | 69,928 | 421 | 1,885 | - |
| Indirect subsidiaries of Tenda | | | 478,573 | 112,543 | 366,030 | 369,696 | 639 | 13,624 | - |
| Subtotal | | | 7,650,402 | 3,803,291 | 3,847,111 | 3,546,489 | (29,727) | 36,825,312,980 | 2,3 |

| | | | |
|--|--|------------------|------------|
| Other investments (c) | | - | |
| Goodwill on acquisition of subsidiaries (d) | | 43,080 | |
| Goodwill based on inventory surplus | | 74,500 | |
| Addition to remeasurement of investment in associate (e) | | | |
| Gafisa | | 108,300 | 1 |
| Shertis | | - | |
| Total investments | | 2,538,860 | 2,6 |

(*)Includes companies with investment balances below R\$3,000.

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

9. Investments in subsidiaries -- Continued

(i) Ownership interests--Continued

(a) *Information on subsidiaries and jointly-controlled investees*—Continued

| Direct investees | Ownership interest - % | Total assets | Total liabilities | Equity and advance for future capital increase | | Income (loss) for the period | | Provision | Compa |
|--|------------------------|--------------|-------------------|--|------------|------------------------------|------------|-----------|-------|
| | | | | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 | | |
| Provision for capital deficiency (f): Manhattan Square Emp. Imob. Res.1SPELtda Gafisa SPE 117 Emp .Im .Ltda. | 50% | 128,488 | 178,514 | (50,026) | (43,283) | (5,364) | (3,047) | (24,912) | (re |
| | 100% | 15,263 | 21,419 | (6,157) | (5,735) | (421) | (531) | (6,157) | |
| | 100% | 7,095 | 13,789 | (6,695) | (5,398) | (1,297) | (1,242) | (6,695) | |

| | | | | | | | | | |
|---|-------------|------|----------------|----------------|-----------------|----------|----------------|---------|-----------------|
| Gafisa SPE45 Emp .Im. Ltda. | | | | | | | | | |
| Gafisa SPE 69 Emp. Im. Ltda. | 100% | 100% | 394 | 5,028 | (4,634) | (2,862) | (1,772) | (1,688) | (4,634) |
| Península SPE2 S/A | 50% | 50% | 2,105 | 5,770 | (3,665) | (3,887) | 117 | 35 | (1,885) |
| Other (*) | | | 28,265 | 33,822 | (5,555) | 8,788 | (322) | (796) | (12,294) |
| Total provision for net capital deficiency | | | 181,610 | 258,342 | (76,732) | (52,377) | (9,059) | (7,269) | (56,577) |
| Total equity pick-up | | | | | | | | | - |

(a) Jointly-controlled investees.

(b) Charges not appropriated to the income of subsidiaries, as required by paragraph 6 of OCPC01.

(c) At a meeting of the venture partners held on February 3, 2014, the reduction in the capital of the unincorporated venture (“SCP”) was resolved in the amount of R\$100,000 Class B shares, thus fulfilling all obligations provided for in the contract. As of December 31, 2013, the Company’s shares in such venture amounted to R\$91,056 (Note 15).

(d) See composition in Note 11.

(e) Amount regarding the addition related to the remeasurement of the portion of the remaining investment of 30%, in the amount of R\$375,853, of which R\$108,300 refers to the portion of 10% in Gafisa and R\$267,553 refers to the portion of 20% in Shertis.

(f) Provision for capital deficiency is recorded in account “Other payables” (Note 16).

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Reais, except as otherwise stated)

9. Investments in subsidiaries --Continued

(b) *Change in investments*

| | Company Consolidated | |
|--|-----------------------------|------------------|
| Balance at December 31, 2013 | 2,679,833 | 1,120,076 |
| Equity pick-up | (26,536) | 4,514 |
| Redemption of shares of subsidiaries (a) | (100,000) | |
| Dividends receivable | (2,625) | (2,625) |
| Effect reflecting the program for purchase of treasury shares of Gafisa by Tenda (b) | (22,728) | - |
| Other investments | (2,071) | (19,346) |
| Reclassification of the provision for investment losses | 12,987 | - |
| Balance at December 31, 2014 | 2,538,860 | 1,102,619 |

(a) It refers to the redemption of shares of the Company's associate (Note 15(a))

(b) In the period ended March 31, 2014, 7,000,000 shares in the total amount of R\$22,728 were acquired by Tenda, according to the stock repurchase program. This program was cancelled on February 26, 2014 (Note 19.1).

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 9 to the financial statements as of December 31, 2013.

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

10. Property and equipment

| Type | Company | | | Consolidated | | | |
|--|------------|----------|-----------|------------------|------------|----------|-----------|
| | 12/31/2013 | Addition | Write-off | 3/31/2014 | 12/31/2013 | Addition | Write-off |
| Cost | | | | | | | |
| Hardware | 18,100 | 282 | - | 18,382 | 32,722 | 715 | (41) |
| Vehicles | - | - | - | - | 979 | - | - |
| Leasehold improvements and installations | 8,545 | - | - | 8,545 | 34,256 | 71 | (44) |
| Furniture and fixtures | 1,717 | 32 | (246) | 1,503 | 5,764 | 514 | (388) |
| Machinery and equipment | 2,637 | - | - | 2,637 | 3,836 | 292 | (215) |
| Molds | - | - | - | - | 8,130 | - | - |
| Sales stands | 139,758 | 4,138 | - | 143,896 | 203,236 | 5,777 | - |
| | 170,757 | 4,452 | (246) | 174,963 | 288,923 | 7,369 | (688) |
| Accumulated depreciation | | | | | | | |
| Hardware | (13,177) | (465) | - | (13,641) | (21,820) | (839) | 27 |
| Vehicles | - | - | - | - | (979) | - | - |
| Leasehold improvements and installations | (6,804) | (509) | - | (7,314) | (21,499) | (1,491) | 20 |
| Furniture and fixtures | (1,360) | (13) | 246 | (1,127) | (3,662) | (611) | 496 |
| Machinery and equipment | (817) | (66) | - | (883) | (1,104) | (98) | - |
| Molds | - | - | - | - | (6,945) | (486) | 486 |
| Sales stands | (136,360) | (1,689) | - | (138,049) | (196,529) | (2,883) | - |
| | (158,518) | (2,742) | 246 | (161,014) | (252,538) | (6,408) | 1,029 |
| | 12,239 | 1,710 | - | 13,949 | 36,385 | 961 | 341 |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 10 to the financial statements as of December 31, 2013.

11. Intangible assets

| | Company | | | | |
|-------------------------|-------------------|--------------------|---------------------|-----------------|------------------|
| | 12/31/2013 | Write-down/ | | | 3/31/2014 |
| | Balance | Addition | amortization | | Balance |
| Software – Cost | 80,406 | 1,213 | - | 81,619 | |
| Software – Depreciation | (42,787) | (3,311) | - | (46,098) | |
| Other | 8,404 | 892 | (1,603) | 7,693 | |
| | 46,023 | (1,206) | (1,603) | 43,214 | |

| | Consolidated | | | | |
|--|---------------------|--------------------|---------------------|-----------------|------------------|
| | 12/31/2013 | Write-down/ | | | 3/31/2014 |
| | Balance | Addition | amortization | | Balance |
| Goodwill | | | | | |
| AUSA | 25,476 | - | - | 25,476 | |
| Cipesa | 40,687 | - | - | 40,687 | |
| Provision for non-realization / Write-off – sale of land | (23,083) | - | - | (23,083) | |
| | 43,080 | - | - | 43,080 | |
| Software – Cost | 104,625 | 2,591 | (1,027) | 106,189 | |
| Software – Depreciation | (54,708) | (4,879) | 253 | (59,334) | |
| Other | 13,343 | 5,465 | (2,388) | 12,104 | |
| | 63,260 | (1,139) | (3,162) | 58,959 | |
| | 106,340 | (1,139) | (3,162) | 102,039 | |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 11 to the financial statements as of December 31, 2013.

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

11. Intangible assets--Continued

The Company evaluates the recovery of the carrying amount of goodwill at the end of each year. As of March 31, 2014, the Company did not find any indication of impairment in the carrying amount of goodwill.

12. Loans and financing

| Type | Maturity | Annual interest rate | Company | | Consolidated | |
|-------------------------------|---------------------------|---|------------------|------------|------------------|------------|
| | | | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Certificate of Bank Credit – | June | | | | | |
| CCB | 2014 to July 2017 | 1.30% to 2.20% + CDI / 117% to 123% of CDI / 13.20% | 474,041 | 550,052 | 474,041 | 550,052 |
| National Housing System - SFH | July 2014 to January 2018 | 8.30% to 11.00% + TR | 686,634 | 699,132 | 1,011,377 | 1,088,258 |
| | | | 1,160,675 | 1,249,184 | 1,485,418 | 1,638,310 |
| Current portion | | | 385,187 | 376,047 | 560,458 | 590,386 |
| Non-current portion | | | 775,488 | 873,137 | 924,960 | 1,047,924 |

The current and non-current portions have the following maturities:

| Maturity | Company | | Consolidated | |
|----------|-----------|------------|--------------|------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |

| | | | | |
|--------------|------------------|-----------|------------------|-----------|
| 2014 | 274,969 | 376,047 | 407,468 | 590,386 |
| 2015 | 505,438 | 489,889 | 651,738 | 642,328 |
| 2016 | 267,935 | 275,118 | 310,685 | 296,464 |
| 2017 | 110,964 | 106,898 | 114,158 | 107,901 |
| 2018 onwards | 1,369 | 1,232 | 1,369 | 1,231 |
| | 1,160,675 | 1,249,184 | 1,485,418 | 1,638,310 |

The Company and its subsidiaries have restrictive covenants under certain loans and financing that limit their 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 such covenants. The ratio and minimum and maximum amounts required under such restrictive covenants as of March 31, 2014 and December 31, 2013 are disclosed in Note 13.

The following table shows the summary of financial expenses and charges and the capitalized rate in the account properties for sale.

| | Company | | Consolidated | |
|---|------------------|------------------|---------------------|------------------|
| | 3/31/2014 | 3/31/2013 | 3/31/2014 | 3/31/2013 |
| | | | | (restated) |
| Total financial expenses for the period | 49,631 | 45,171 | 59,271 | 57,502 |
| Capitalized financial charges | (19,534) | (10,124) | (23,597) | (16,714) |
| Financial expenses (Note 25) | 30,097 | 35,047 | 35,674 | 40,788 |
| Financial charges included in "Properties for sale" | | | | |
| Opening balance | 142,860 | 135,582 | 214,298 | 239,327 |
| Capitalized financial charges | 19,534 | 10,124 | 23,597 | 16,714 |
| Charges appropriated to profit or loss (Note 24) | (19,009) | (15,420) | (34,745) | (33,593) |
| Closing balance | 143,385 | 130,286 | 203,150 | 222,448 |

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

12. Loans and financing --Continued

The other explanation related to this note were not subject to significant changes in relation to those reported in Note 12 to the financial statements as of December 31, 2013.

13. Debentures

| Program/placement | Principal - R\$ | Annual interest | Final maturity | Company | | Consol |
|---------------------------------|-----------------|-----------------|----------------|------------------|------------|------------------|
| | | | | 3/31/2014 | 12/31/2013 | 3/31/2014 |
| Sixth placement | 100,000 | CDI + 1.50% | June 2014 | 155,802 | 151,513 | 155,802 |
| Seventh placement | 600,000 | TR + 10.17% | December 2017 | 565,883 | 551,855 | 565,883 |
| Eighth placement /first series | 288,427 | CDI + 1.95% | October 2015 | 302,720 | 294,073 | 302,720 |
| Eighth placement /second series | 11,573 | IPCA + 7.96% | October 2016 | 14,811 | 14,216 | 14,811 |
| First placement (Tenda) (i) | 600,000 | TR + 9.21% | October 2015 | - | - | 419,201 |
| | | | | 1,039,216 | 1,011,657 | 1,458,417 |
| Current portion | | | | 382,234 | 354,271 | 601,435 |
| Non-Current portion | - | | | 656,982 | 657,386 | 856,982 |

(i) On March 28, 2014, the partial deferment of the payment for the fourth installment of the face value of this placement was approved in the amount of R\$90,000 until May 1, 2014, while R\$10,000 is going to be paid on the original due date on April 1, 2014 (Note 33(ii)). On April 17, 2014, among other changes the change in the maturity schedule of this placement was approved (Note 33(i)).

The current and non-current portions fall due as follows.

| Maturity | Company | | Consolidated | |
|----------|------------------|------------|------------------|------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| 2014 | 382,234 | 354,271 | 601,435 | 563,832 |
| 2015 | 298,394 | 299,093 | 498,394 | 499,093 |
| 2016 | 158,588 | 158,292 | 158,588 | 158,292 |
| 2017 | 200,000 | 200,001 | 200,000 | 200,001 |
| | 1,039,216 | 1,011,657 | 1,458,417 | 1,421,218 |

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

13. Debentures--Continued

The actual ratios and minimum and maximum amounts stipulated by these restrictive covenants at March 31, 2014 and December 31, 2013 are as follows:

| | 3/31/2014 | 12/31/2013 |
|--|--------------------------------------|--------------------------------------|
| Seventh placement | | |
| Total accounts receivable plus inventory required to be below zero or 2.0 times over net debt less venture debt ⁽³⁾ | -9.78 times | -6.21 times |
| Total debt less venture debt ⁽³⁾ , less cash and cash equivalents and short-term investments ⁽¹⁾ , cannot exceed 75% of equity plus noncontrolling interests | -19.68% | -31.6% |
| Total receivable plus unappropriated income plus total inventory of finished units required to be 1.5 time over the net debt plus payables for purchase of properties plus unappropriated cost | 2.24 times | 2.79 times |
| Eighth placement - first and second series, second issuance of Promissory Notes, first and second series | | |
| Total accounts receivable plus inventory of finished units required to be below zero or 2.0 times over net debt less venture debt | -6.60 times | -4.31 times |
| Total debt less venture debt, less cash and cash equivalents and short-term investments ⁽¹⁾ , cannot exceed 75% of equity plus noncontrolling interests | -19.68% | -31.6% |
| | 3/31/2014 | 12/31/2013 |
| First placement – Tenda | | |
| Total accounts receivable plus inventory required to be equal to or 2.0 times over net debt less debt with secured guarantee ⁽³⁾ or below zero, considering that TR ⁽⁴⁾ plus TE ⁽⁵⁾ is always above zero. | 2.48 times | -2.49 times |
| Net debt less debt with secured guarantee ⁽³⁾ required to be not in excess of 50% of equity. | -55.70% 36.58 times | -56.97% 56.85 times |

Total receivable plus unappropriated income plus total inventory of finished units required to be 1.5 time the net debt plus payable for purchase of properties plus unappropriated cost

- (1) Cash and cash equivalents and short-term investments refer to cash and cash equivalents and marketable securities.
- (2) Total receivables, whenever mentioned, refers to the amount reflected in the Balance Sheet plus the amount not shown in the Balance Sheet
- (3) Venture debt and secured guarantee debt refer to SFH debts, defined as the sum of all disbursed borrowing contracts which funds were provided by SFH, as well as the debt related to the seventh placement..
- (4) Total receivables.
- (5) Total inventory.

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 13 to the financial statements as of December 31, 2013.

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

14. Obligations assumed on assignment of receivables

The Company's transactions of assignment of receivables portfolio are as follows:

| | Company | | Consolidated | |
|----------------------------|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Assignment of receivables: | | | | |
| CCI obligation Jun/09 | - | - | 8,386 | 12,295 |
| CCI obligation Jun/11 | 11,756 | 13,407 | 14,893 | 17,146 |
| CCI obligation Dec/11 | 4,896 | 5,654 | 10,049 | 13,686 |
| CCI obligation Jul/12 | 2,393 | 2,578 | 2,393 | 2,578 |
| CCI obligation Nov/12 | - | - | 9,088 | 10,639 |
| CCI obligation Dec/12 | 25,341 | 35,831 | 25,340 | 35,831 |
| CCI obligation Dec/13 | 4,489 | 5,675 | 14,108 | 17,154 |
| FIDC obligation | 4,649 | 5,337 | 10,200 | 6,381 |
| Other | 5,719 | 5,719 | 4,187 | 4,187 |
| | 59,243 | 74,201 | 98,644 | 119,897 |
| Current portion | 36,762 | 50,184 | 60,281 | 82,787 |
| Non-current portion | 22,481 | 24,017 | 38,363 | 37,110 |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 14 to the financial statements as of December 31, 2013.

15. Payables to venture partners

| Company | Consolidated |
|----------------|---------------------|
|----------------|---------------------|

| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
|---------------------------------|------------------|-------------------|------------------|-------------------|
| Payable to venture partners (a) | - | 100,000 | - | 103,814 |
| Usufruct of shares | 19,536 | 19,536 | 23,215 | 19,866 |
| | 19,536 | 119,536 | 23,215 | 123,680 |
| Current portion | 8,742 | 108,742 | 12,421 | 112,886 |
| Non-current portion | 10,794 | 10,794 | 10,794 | 10,794 |

The current and non-current portions fall due as follows:

| | Company | | Consolidated | |
|--------------|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| 2014 | 8,742 | 108,742 | 12,421 | 112,886 |
| 2015 | 6,080 | 6,080 | 6,080 | 6,080 |
| 2016 | 3,574 | 3,574 | 3,574 | 3,574 |
| 2017 | 1,140 | 1,140 | 1,140 | 1,140 |
| Total | 19,536 | 119,536 | 23,215 | 123,680 |

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

15. Payables to venture partners--Continued

(a) At a meeting of the venture partners held on February 3, 2014, they decided to reduce the SCP capital by R\$100,000 Class B shares and, as consequence of this resolution, the SCP paid R\$100,000 to the partners that held such units and R\$4,742 related to the mandatory minimum dividend, thus fulfilling all obligations arising from this contract. As of March 31, 2014, the SCP has a capital of R\$13,084 (composed of 13,084,000 Class A shares held by the Company).

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 15 to the financial statements as of December 31, 2013.

16. Other obligations

| | Company | | Consolidated | | |
|---|----------------|------------------|---------------------|------------------|-------------------|
| | 2012 | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Acquisition of interests | 2.286 | 5,102 | 5,102 | 5,102 | 5,102 |
| Provision for penalties for delay in construction works | 8.883 | 7,865 | 6,873 | 13,918 | 14,530 |
| Cancelled contract payable | 2.363 | 8,149 | 9,457 | 37,691 | 38,901 |
| Warranty provision | 21.772 | 20,606 | 23,087 | 49,528 | 53,006 |
| Deferred sales taxes (PIS and COFINS) | 21.772 | 22,238 | 24,841 | 34,395 | 40,461 |
| Provision for net capital deficiency (Note 9) | 35.570 | 56,577 | 43,600 | 29,729 | 25,448 |
| Long-term suppliers | | 16,297 | 14,754 | 30,906 | 29,780 |
| Other liabilities | 13.781 | 7,429 | 11,733 | 23,050 | 39,386 |
| | 113.000 | 144,263 | 139,447 | 224,319 | 246,614 |

| | | | | | |
|---------------------|---------------|----------------|---------|----------------|---------|
| Current portion | 90.953 | 106,351 | 101,296 | 155,315 | 176,740 |
| Non-current portion | 22.047 | 37,912 | 38,151 | 69,004 | 69,874 |

17. Provisions for legal claims and commitments

In the period ended March 31, 2014, the changes in the provision are summarized as follows:

| Company | Civil claims | Tax claims | Labor claims | Total |
|---|-------------------------|-----------------------|-------------------------|----------------|
| Balance at December 31, 2013 | 115,468 | 255 | 23,876 | 139,599 |
| Addition to and reversal of provision (Note 24) | 1,551 | 55 | 13,913 | 15,519 |
| Payment and reversal of provision not used | (2,500) | (92) | (2,661) | (5,253) |
| Balance at March 31, 2014 | 114,519 | 218 | 35,128 | 149,865 |
| Current portion | 47,152 | 218 | 35,128 | 82,498 |
| Non-current portion | 67,367 | - | - | 67,367 |

| Consolidated | Civil claims | Tax claims | Labor claims | Total |
|---|-------------------------|-----------------------|-------------------------|----------------|
| Balance at December 31, 2013 | 140,722 | 1,582 | 55,624 | 197,928 |
| Addition to and reversal of provision (Note 24) | 12,121 | 84 | 13,943 | 26,148 |
| Payment and reversal of provision not used | (8,008) | (92) | (8,481) | (16,581) |
| Balance at March 31, 2014 | 144,835 | 1,574 | 61,086 | 207,495 |
| Current portion | 47,152 | 218 | 35,128 | 82,498 |
| Non-current portion | 97,683 | 1,356 | 25,958 | 124,997 |

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

17. Provisions for legal claims and commitments--Continued

(i) Lawsuits in which likelihood of loss is rated as possible

In addition, as of March 31, 2014, the Company and its subsidiaries are aware of other civil, labor and tax claims and risks. Based on the history of probable lawsuits and the specific analysis of main claims, the estimate for lawsuits which likelihood of loss is rated as possible is of R\$516,767 (R\$435,046 as of December 31, 2013), based on average past outcomes adjusted to current estimates, for which the Company's Management believes it is not necessary to recognize a provision for occasional losses. The change in the period was caused by the higher volume of lawsuits with smaller amounts and the review of the involved amounts.

| | Company | | Consolidated | |
|--------------|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Civil claims | 184,489 | 64,026 | 406,124 | 331,976 |
| Tax claims | 36,354 | 39,248 | 47,379 | 45,413 |
| Labor claims | 38,642 | 36,227 | 63,264 | 57,657 |
| | 259,485 | 139,501 | 516,767 | 435,046 |

(a) Commitments

In addition to the commitments mentioned in Notes 6, 12 and 13, the Company has the following other commitments:

(a) The Company has contracts for the rental of 29 properties where its facilities are located, the monthly cost amounting to R\$1,071 adjusted by the IGP-M/FGV variation. The rental term ranges from one to ten years and there is a fine in case of cancelled contracts corresponding to three-month rent or in proportion to the contract expiration time.

(b) As of March 31, 2014, the Company, through its subsidiaries, has long-term obligations in the amount of R\$30,906 (R\$20,163 as of December 31, 2013), related to the supply of the raw material used in the development of its real estate ventures.

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 17 to the financial statements as of December 31, 2013.

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

18. Payables for purchase of properties and advances from customers

| | Company | | Consolidated | |
|--------------------------------------|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Payables for purchase of properties | 106,998 | 115,397 | 199,107 | 262,902 |
| Adjustment to present value (Note 6) | (4,161) | (873) | (4,863) | (873) |
| Advances from customers | | | | |
| Development and sales - Note 5(i) | 33,227 | 39,868 | 43,105 | 48,220 |
| Barter transaction - Land (Note 6) | 167,300 | 165,703 | 205,666 | 178,100 |
| | 303,364 | 320,095 | 443,015 | 488,349 |
| Current portion | 268,801 | 284,366 | 360,200 | 408,374 |
| Non-current portion | 34,563 | 35,729 | 82,815 | 79,975 |

19. Equity**19.1. Capital**

As of March 31, 2014 and December 31, 2013, the Company's authorized and paid-in capital amounts to R\$2,740,662, represented by 435,559.201 registered common shares, without par value, of which 33,999,486 and 19,099,486 were held in treasury, respectively.

According to the Company's articles of incorporation, capital may be increased without need of making amendment to 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 February 26, 2014, the Board of Directors of Tenda approved the termination of the program to repurchase the common shares issued by Gafisa for holding them in treasury and later sell them. In the period, 7,000,000 shares in free float totaling R\$22,728 were acquired.

On the same date, the Board of Directors of the Company created a program to repurchase its common shares aimed at holding them in treasury and later selling or cancelling them, limiting the acquisition to 17,456,434 shares to be carried out in up to 365 days. In the period ended March 31, 2014, 7,900,000 shares totaling R\$25,440 were acquired.

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

19. Equity--Continued**19.1. Capital --Continued**

| Type | GFSA3 common Number | Treasury shares - 03/31/2014 | | R\$ thousand Market value (*) | R\$ thousand Carrying amount |
|------------------------------|------------------------|----------------------------------|-----------------------------------|----------------------------------|------------------------------------|
| | | R\$ Weighted average price | % % - on shares outstanding | | |
| Acquisition date | | | | | |
| 11/20/2001 | 599,486 | 2,8880 | 0.14% | 2,140 | 1,731 |
| 1 st quarter 2013 | 1,000,000 | 4,3316 | 0.23% | 3,570 | 4,336 |
| 2 nd quarter 2013 | 9,000,000 | 3,9551 | 2.07% | 32,130 | 35,634 |
| 4 th quarter 2013 | 8,500,000 | 3,6865 | 1.95% | 30,345 | 31,369 |
| 1 st quarter 2014 | 14,900,000 | 3,2297 | 3.42% | 53,193 | 48,168 |
| | 33,999,486 | 3,5623 | 7.81% | 121,378 | 121,238 |

(*) Market value calculated based on the closing share price at March 31, 2014 (R\$3.57), not considering the possible effect of volatilities.

| Type | GFSA3 common Number | Treasury shares - 12/31/2013 | | R\$ thousand Market value (*) | R\$ thousand Carrying amount |
|------------------------------|------------------------|----------------------------------|-----------------------------------|----------------------------------|------------------------------------|
| | | R\$ Weighted average price | % % - on shares outstanding | | |
| Acquisition date | | | | | |
| 11/20/2001 | 599,486 | 2,8880 | 0.14% | 2,116 | 1,731 |
| 1 st quarter 2013 | 1,000,000 | 4,3316 | 0.23% | 3,530 | 4,336 |
| 2 nd quarter 2013 | 9,000,000 | 3,9551 | 2.07% | 31,770 | 35,634 |
| 4 th quarter 2013 | 8,500,000 | 3,6865 | 1.95% | 30,005 | 31,369 |
| | 19,099,486 | 3,8258 | 4.39% | 67,421 | 73,070 |

(*) Market value calculated based on the closing share price at December 31, 2013 (R\$3.53), not considering the possible effect of volatilities.

The Company holds shares in treasury acquired in 2001 in order to guarantee the performance of claims.

The change in the number of shares outstanding is as follows:

| | Common shares - In thousands |
|--|-------------------------------------|
| Shares outstanding as of December 31, 2013 | 416,459 |
| Repurchase of treasury shares | (14,900) |
| Shares outstanding as of March 31, 2014 | 401,559 |
| Weighted average shares outstanding | 407,150 |

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

19. Equity --Continued**19.2. Stock option plan**

Expenses for granting stocks recorded under the account "General and administrative expenses" (Note 24) in the periods ended March 31, 2014 and 2013, are as follows:

| | 3/31/2014 | 3/31/2013 | |
|------------|------------------|------------------|---------------------|
| Gafisa | 3,570 | | (restated) 4,629 |
| Tenda | 19 | | 33 |
| | 3,589 | | 4,662 |
| Alphaville | | | 252 4,914 |

In the quarter ended March 31, 2014, there was no change in options outstanding.

Outstanding and exercisable options as of March 31, 2014, are as follows:

| Number of options | Outstanding options | | Exercisable options | |
|--------------------------|--|--|----------------------------|--|
| | Weighted average remaining contractual life | Weighted average exercise price (R\$) | Number of options | Weighted average exercise price (R\$) |

(years)**11,908,128****8.76****1.47****1,716,112****3.56****(ii) Tenda**

Due to the acquisition by Gafisa of the total shares outstanding issued by Tenda, the stock option plans related to Tenda shares were transferred to Gafisa, responsible for share issuance. As of March 31, 2014, the amount of R\$14,958 (R\$14,939 as of December 31, 2013), related to the reserve for granting options of Tenda is recognized under the account "Related Parties" of Gafisa.

In the period ended March 31, 2014 and in the year ended December 31, 2013, the Company did not grant options in connection with its stock option plans comprising common shares.

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

20. Income and social contribution taxes(i) Current income and social contribution taxes

The reconciliation of the effective tax rate for the periods ended March 31, 2014 and 2013 is as follows:

| | Consolidated | |
|---|---------------------|------------------|
| | 3/31/2014 | 3/31/2013 |
| | | (restated) |
| Profit (loss) before income and social contribution taxes, and statutory interest | (33,798) | (77,352) |
| Income tax calculated at the applicable rate - 34% | 11,491 | 26,300 |
| Net effect of subsidiaries taxed by presumed profit | 1,685 | (17,650) |
| Tax losses (tax loss carryforwards used) | (2,389) | (889) |
| Equity pick-up | (347) | 6,160 |
| Stock option plan | (1,220) | (1,585) |
| Other permanent differences | (11,263) | (10,976) |
| Charges on payables to venture partners | 898 | (3,692) |
| Tax benefits recognized (not recognized) | (5,452) | (4,105) |
| | (6,597) | (6,437) |
| | | |
| Tax expenses - current | (7,063) | (3,963) |
| Tax income (expenses) - deferred | 467 | (2,474) |

(ii) Deferred income and social contribution taxes

As of March 31, 2014 and December 31, 2013, deferred income and social contribution taxes are from the following sources:

| | Company | | Consolidated | |
|---|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Provisions for legal claims | 50,954 | 47,464 | 70,548 | 67,296 |
| Temporary differences – PIS and COFINS deferred | 6,874 | 7,918 | 14,245 | 15,566 |
| Provisions for realization of non-financial assets | 2,698 | 2,698 | 22,053 | 22,852 |
| Temporary differences – CPC adjustment | 25,170 | 21,733 | 34,820 | 31,819 |
| Other provisions | 36,083 | 39,684 | 66,684 | 76,735 |
| Income and social contribution tax loss carryforwards | 85,746 | 86,848 | 300,308 | 288,712 |
| Tax credits from downstream acquisition | 10,199 | 9,226 | 10,199 | 9,226 |
| Tax benefits not recognized | (12,327) | (12,327) | (279,986) | (274,534) |
| | 180,227 | 203,244 | 238,871 | 237,672 |
| Liabilities | | | | |
| Negative goodwill | (91,323) | (91,323) | (91,323) | (91,323) |
| Temporary differences –CPC adjustment | (12,843) | (36,822) | (128,980) | (127,790) |
| Differences between income taxed on cash basis | (26,962) | (26,000) | (72,572) | (75,211) |
| and recorded on an accrual basis | (131,128) | (154,145) | (292,875) | (294,324) |
| Total net | 49,099 | 49,099 | (54,004) | (56,652) |

The Company has income and social contribution tax loss carryforwards for offset limited to 30% of annual taxable profit, which have no expiration, in the following amounts:

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

20. Income and social contribution taxes --Continued(ii) Deferred income and social contribution taxes--Continued

| | Company | | | | | |
|---|-----------------------|--|--------------|-----------------------|---|--------------|
| | Income tax | 3/31/2014 Social contribution tax | Total | Income tax | 12/31/2013 Social contribution tax | Total |
| Balance of income and social contribution tax loss carryforwards | 252,194 | 252,194 | | 255,435 | 255,435 | - |
| Deferred tax asset (25%/9%) | 63,049 | 22,697 | 85,746 | 63,859 | 22,989 | 86,848 |
| Recognized deferred tax asset | 53,985 | 19,434 | 73,419 | 54,795 | 19,726 | 74,521 |
| | 9,064 | 3,263 | 12,327 | 9,064 | 3,263 | 12,327 |

Unrecognized deferred tax asset

| | Consolidated | | | | | |
|---|--------------|-------------------------|---------|------------|-------------------------|---------|
| | 3/31/2014 | | Total | 12/31/2013 | | Total |
| | Income tax | Social contribution tax | | Income tax | Social contribution tax | |
| Balance of income and social contribution tax loss carryforwards | 883,259 | 883,259 | | 849,150 | 849,150 | - |
| Deferred tax asset (25%/9%) | 220,815 | 79,943 | 300,308 | 212,288 | 76,424 | 288,712 |
| Recognized deferred tax asset | 53,985 | 19,434 | 73,419 | 54,795 | 19,726 | 74,521 |
| Unrecognized deferred tax asset | 166,830 | 60,059 | 226,889 | 157,493 | 56,698 | 214,191 |

Based on the estimate of projections for generation of future taxable profit of Gafisa, the estimated recovery of the Company's balance of deferred income and social contribution tax is as follows:

Company
883

| | |
|---------------------|----------------|
| 2014 | |
| 2015 | 46,534 |
| 2016 | 531 |
| 2017 | 9,120 |
| 2018 | 17,871 |
| 2019 to 2023 | 140,999 |
| | 215,938 |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 20 to the financial statements as of December 31, 2013.

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments

The Company and its subsidiaries participate in operations involving financial instruments. These instruments are managed through operational strategies and internal controls aimed at liquidity, return and safety. The use of financial instruments with the objective of hedging is made through a periodical analysis of exposure to the risk that the management intends to cover (exchange, interest rate, etc.) which is submitted to the corresponding Management bodies for approval and subsequent 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 Company management. The Company and its subsidiaries operations are subject to the risk factors described below:

(i) Risk considerations

a) *Credit risk*

There was no change in relation to the credit risks disclosed in Note 21(i)(a) to the financial statements as of December 31, 2013.

b) *Derivative financial instruments*

The Company adopts the policy of participating in operations involving derivative financial instruments with the objective of mitigating or eliminating currency, index and interest rate risks to its operations, when considered necessary.

The Company holds derivative instruments to mitigate its exposure to index and interest volatility recognized at their fair value in profit (loss) for the period. Pursuant to its treasury policies, the Company does not own or issue derivative financial instruments for purposes other than hedging.

As of March 31, 2014, the Company had derivative contracts for hedging purposes in relation to interest fluctuations, with final maturity from June 2014 and June 2017. The derivative contracts are as follows:

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments -- Continued(i) Risk considerations --Continuedb) *Derivative financial instruments* --Continued

| | | Reais | Consolidated Percentage | Validity | | |
|------------|---------------------------------|------------|----------------------------|-------------|------------|------------|
| Companies | Swap agreements (Fixed for CDI) | Face value | Original Index | Swap | Beginning | End |
| Gafisa S/A | Banco Votorantim S.A. | 110,000 | Fixed 14.0993% | CDI 1.6344% | 12/20/2013 | 06/20/2014 |
| Gafisa S/A | Banco Votorantim S.A. | 82,500 | Fixed 11.4925% | CDI 0.2801% | 06/20/2014 | 12/22/2014 |
| Gafisa S/A | Banco Votorantim S.A. | 82,500 | Fixed 13.7946% | CDI 1.6344% | 12/22/2014 | 06/22/2015 |
| Gafisa S/A | Banco Votorantim S.A. | 55,000 | Fixed 11.8752% | CDI 0.2801% | 06/22/2015 | 12/21/2015 |
| Gafisa S/A | Banco Votorantim S.A. | 55,000 | Fixed 14.2672% | CDI 1.6344% | 12/21/2015 | 06/20/2016 |
| Gafisa S/A | Banco Votorantim S.A. | 27,500 | Fixed 11.1136% | CDI 0.2801% | 06/20/2016 | 12/20/2016 |
| Gafisa S/A | Banco Votorantim S.A. | 27,500 | Fixed 15.1177% | CDI 1.6344% | 12/20/2016 | 06/20/2017 |

Current
Non-current

During the period ended March 31, 2014, the amount of R\$186 (R\$2,507 in 2013) in the Company's statements and in the consolidated statements, which refer to net result of the interest swap transaction, was recognized in the "financial income" line in the statement of profit or loss for the period, allowing correlation between the impact of such transactions and interest rate fluctuation in the Company's balance sheet (Note 25).

The estimated fair value of derivative financial instruments contracted by the Company was determined based on information available in the market and specific evaluation methodologies. However, considerable judgment was necessary for interpreting market data to produce the estimated fair value of each transaction. Accordingly, the estimates above do not necessarily indicate the actual amounts realized upon the financial settlement of transactions.

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments --Continued(i) Risk considerations--Continuedc) *Interest rate risk*

There was no change in relation to the interest rate risks disclosed in Note 21(i)(c) to the financial statements as of December 31, 2013.

d) *Liquidity risk*

There was no change in relation to the liquidity risks disclosed in Note 21(i)(d) to the financial statements as of December 31, 2013.

The maturities of the financial instruments such as loans, financing, suppliers, payables to venture partners and debentures are as follows:

| Period ended March 31, 2014 | Company | | | | Total |
|-------------------------------|------------------|--------------|--------------|-------------------|-----------|
| | Less than 1 year | 1 to 3 years | 4 to 5 years | More than 5 years | |
| Loans and financing (Note 12) | 385,187 | 703,299 | 72,189 | - | 1,160,675 |
| Debentures (Note 13) | 382,234 | 456,982 | 200,000 | - | 1,039,216 |
| | 8,742 | 10,794 | - | - | 19,536 |

140,999

159

Payables to venture partners
(Note 15)

| | | | | | |
|-----------|---------|-----------|---------|---|-----------|
| Suppliers | 57,267 | - | - | - | 57,267 |
| | 833,430 | 1,171,075 | 272,189 | - | 2,276,694 |

| Year ended December 31, 2013 | Company | | | | Total |
|--|------------------|--------------|--------------|-------------------|-----------|
| | Less than 1 year | 1 to 3 years | 4 to 5 years | More than 5 years | |
| Loans and financing (Note 12) | 376,053 | 765,001 | 108,130 | - | 1,249,184 |
| Debentures (Note 13) | 354,271 | 457,386 | 200,000 | - | 1,011,657 |
| Payables to venture partners (Note 15) | 108,742 | 9,654 | 1,140 | - | 119,536 |
| Suppliers | 51,415 | - | - | - | 51,415 |
| | 890,481 | 1,232,041 | 309,270 | - | 2,431,792 |

| Period ended March 31, 2014 | Consolidated | | | | Total |
|--|------------------|--------------|--------------|-------------------|-----------|
| | Less than 1 year | 1 to 3 years | 4 to 5 years | More than 5 years | |
| Loans and financing (Note 12) | 560,458 | 852,347 | 72,613 | - | 1,485,418 |
| Debentures (Note 13) | 601,435 | 656,982 | 200,000 | - | 1,458,417 |
| Payables to venture partners (Note 15) | 12,421 | 10,794 | - | - | 23,215 |
| Suppliers | 138,536 | - | - | - | 138,536 |
| | 1,312,850 | 1,520,123 | 272,613 | - | 3,105,586 |

| Year ended December 31, 2013 | Consolidated | | | | Total |
|--|------------------|--------------|--------------|-------------------|-----------|
| | Less than 1 year | 1 to 3 years | 4 to 5 years | More than 5 years | |
| Loans and financing (Note 12) | 590,386 | 938,792 | 109,132 | - | 1,638,310 |
| Debentures (Note 13) | 563,832 | 657,386 | 200,000 | - | 1,421,218 |
| Payables to venture partners (Note 15) | 112,886 | 9,654 | 1,140 | - | 123,680 |
| Suppliers | 79,342 | - | - | - | 79,342 |
| | 1,346,446 | 1,605,832 | 310,272 | - | 3,262,550 |

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments -- Continued(i) Risk considerations -- Continuedd) *Interest rate risk* -- ContinuedFair value classification

The Company uses the same classification disclosed in Note 21(i)(d) to the financial statements as of December 31, 2013 to determine and disclose the fair value of financial instruments by the valuation technique.

The classification level of fair value for financial instruments measured at fair value through profit or loss of the Company, presented in the Information as of March 31, 2014 and December 31, 2013:

| As of March 31, 2014 | Company | | | Consolidated | | |
|--|---------|---------|---------|--------------|-----------|---------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Cash equivalents (Note 4.1) | - | 58,699 | - | - | 189,502 | - |
| Short-term investments (Note 4.2) | - | 811,409 | - | - | 1,373,724 | - |
| Derivative financial instruments (Note 21.i.b) | - | (3) | - | - | (3) | - |

| As of December 31, 2013 | Company | | | Consolidated | | |
|--|---------------------------|-----------|---------|--------------|-----------|---------|
| | Fair value classification | | | | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Cash equivalents (Note 4.1) | - | 39,032 | - | - | 215,194 | - |
| Short-term investments (Note 4.2) | - | 1,241,026 | - | - | 1,808,969 | - |
| Derivative financial instruments (Note 21.i.b) | - | 183 | - | - | 183 | - |

In addition, we show the fair value classification of financial instruments liabilities:

| As of December 31, 2014 | Company | | | Consolidated | | |
|---|---------------------------|-----------|---------|--------------|-----------|---------|
| | Fair value classification | | | | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial liabilities | | | | | | |
| Loans and financing (Note 21.ii.a) | - | 1,164,526 | - | - | 1,481,417 | - |
| Debentures (Note 21.ii.a) | - | 1,022,086 | - | - | 1,434,415 | - |
| Payables to venture partners (Note 21.ii.a) | - | 19,535 | - | - | 23,215 | - |

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments -- Continued(i) Risk considerations -- Continuedd) *Liquidity risk* -- ContinuedFair value classification -- Continued

| As of December 31, 2013 | Company | | | Consolidated | | |
|---|---------|-------------|---------|--------------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial liabilities | | | | | | |
| Loans and financing (Note 21.ii.a) | | - 1,254,757 | - | - 1,641,503 | | - |
| Debentures (Note 21.ii.a) | | - 1,019,298 | - | - 1,428,859 | | - |
| Payables to venture partners (Note 21.ii.a) | | - 121,060 | - | - 125,719 | | - |

In the period ended March 31, 2014 and the year ended December 31, 2013, there were not any transfers between the Levels 1 and 2 fair value valuation, nor transfers between Levels 3 and 2 fair value valuation.

There was no change in relation to the other information disclosed in Note 21(ii)(a) to the financial statements as of December 31, 2013.

(ii) Fair value of financial instruments

a) *Fair value measurement*

The Company uses the same methods and assumptions disclosed in Note 21(ii)(a) to the financial statements as of December 31, 2013 in order to estimate the fair value for each financial instrument type for which the estimate of values is practicable.

The main consolidated carrying amounts and fair values of financial assets and liabilities at March 31, 2014 and December 31, 2013 are as follows:

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments -- Continued(ii) Fair value of financial instruments -- Continueda) *Fair value measurement* -- Continued

| | Company | | | |
|--|------------------------|-------------------|------------------------|-------------------|
| | 3/31/2014 | | 12/31/2013 | |
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Cash and cash equivalents (Note 4.1) | 58,699 | 58,699 | 39,032 | 39,032 |
| Short-term investments (Note 4.2) | 811,409 | 811,409 | 1,241,026 | 1,241,026 |
| Derivative financial instruments | (3) | (3) | 183 | 183 |
| Trade accounts receivable (Note 5) | 1,118,913 | 1,118,913 | 1,216,902 | 1,216,902 |
| Financial liabilities | | | | |
| Loans and financing (Note 12) | 1,160,675 | 1,164,526 | 1,249,184 | 1,254,757 |
| Debentures (Note 13) | 1,039,216 | 1,022,086 | 1,011,657 | 1,019,298 |
| Payables to venture partners (Note 15) | 19,536 | 19,536 | 119,536 | 121,060 |
| Suppliers | 57,267 | 57,267 | 51,415 | 51,415 |

| | Consolidated | | | |
|--|------------------------|-------------------|------------------------|-------------------|
| | 3/31/2014 | | 12/31/2013 | |
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| Cash and cash equivalents (Note 4.1) | 189,502 | 189,502 | 215,194 | 215,194 |
| Short-term investments (Note 4.2) | 1,373,724 | 1,373,724 | 1,808,969 | 1,808,969 |
| Derivative financial instruments (Note 21(i)(b)) | (3) | (3) | 183 | 183 |

140,999

165

| | | | | |
|--|------------------|-----------|-----------|-----------|
| Trade accounts receivable (Note 5) | 2,053,796 | 2,053,796 | 2,223,668 | 2,223,668 |
| Financial liabilities | | | | |
| Loans and financing (Note 12) | 1,485,418 | 1,481,417 | 1,638,310 | 1,641,503 |
| Debentures (Note 13) | 1,458,417 | 1,434,415 | 1,421,218 | 1,428,859 |
| Payables to venture partners (Note 15) | 23,215 | 23,215 | 123,680 | 125,719 |
| Suppliers | 138,536 | 138,536 | 79,342 | 79,342 |

a) *Risk of debt acceleration*

There was no change in relation to the risks of debt acceleration disclosed in Note 21(ii)(a) to the financial statements as of December 31, 2013.

b) *Market risk*

There was no change in relation to the market risks disclosed in Note 21(ii)(b) to the financial statements as of December 31, 2013.

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments — Continued(iii) Capital stock management

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 21 (iii) to the financial statements as of December 31, 2013.

The Company includes in its net debt structure: loans and financing, debentures, obligations assumed on assignment of receivables and payables to venture partners less cash and cash equivalents and short-term investments:

| | Company | | Consolidated | |
|--|------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Loans and financing (Note 12) | 1,160,675 | 1,249,184 | 1,485,418 | 1,638,310 |
| Debentures (Note 13) | 1,039,216 | 1,011,657 | 1,458,417 | 1,421,218 |
| Obligations assumed on assignment of receivables (Note 14) | 59,243 | 74,201 | 98,644 | 119,897 |
| Payables to venture partners (Note 15) | 19,536 | 119,536 | 23,215 | 123,680 |
| (-) Cash and cash equivalents and | | | | |
| short-term investments (Notes 4.1 and 4.2) | (870,108) | (1,280,058) | (1,563,226) | (2,024,163) |
| Net debt | 1,408,562 | 1,174,520 | 1,502,468 | 1,278,942 |
| Equity | 3,106,356 | 3,190,724 | 3,129,509 | 3,214,483 |
| Equity and net debt | 4,514,918 | 4,365,244 | 4,631,977 | 4,493,425 |

(iv) Sensitivity analysis

140,999

167

The chart shows the sensitivity analysis of financial instruments for the period of one year, except swap contracts, which are analyzed through their due dates, describing the risks that may incur material variations on the Company's profit or loss, as provided for by CVM, through Rule No. 475/08, in order to show a 25% and 50% increase/decrease in the risk variable considered.

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments --Continued

(iv) Sensitivity analysis --Continued

As of March 31, 2014 and December 31, 2013, the Company has the following financial instruments:

- a) Short-term investments, loans and financing, and debentures linked to Interbank Deposit Certificates (CDI);
- b) Loans and financing and debentures linked to the Referential Rate (TR) and CDI, and debentures indexed to the CDI, IPCA and TR;
- c) Trade accounts receivable, linked to the National Civil Construction Index (INCC).

To the sensitivity analysis of the interest rates of investments, loans and accounts receivables, the Company considered the CDI rate at 10.56%, the TR at 1.40%, the INCC rate at 7.80%, the General Market Prices Index (IGP-M) at 7.18% and the National Consumer Price Index – Extended (IPCA) at 6.00%. The scenarios considered were as follows:

Scenario I: 50% increase in the risk variables used for pricing

Scenario II: 25% increase in the risk variables used for pricing

Scenario III: 25% decrease in the risk variables used for pricing

Scenario IV: 50% decrease in the risk variables used for pricing

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments --Continued(iv) Sensitivity analysis --Continued

As of March 31, 2014:

| Instrument | Risk | Scenario | | | |
|----------------------------------|---------------------------|-------------------|--------------------|---------------------|--------------------|
| | | I Increase 50% | II Increase 25% | III Decrease 25% | IV Decrease 50% |
| Short-term investments | Increase/decrease of CDI | 63,287 | 31,643 | (31,643) | (63,287) |
| Loans and financing | Increase/decrease of CDI | (31,943) | (15,971) | 15,971 | 31,943 |
| Debentures | Increase/decrease of CDI | (21,903) | (10,951) | 10,951 | 21,903 |
| Payables to venture partners | Increase/decrease of CDI | - | - | - | - |
| Derivative financial instruments | Increase/decrease of CDI | (8,450) | (7,858) | 4,823 | 10,124 |
| Net effect of CDI variation | | 991 | (3,137) | 102 | 683 |
| Loans and financing | Increase/decrease of TR | (5,001) | (2,501) | 2,501 | 5,001 |
| Debentures | Increase/decrease of TR | (6,793) | (3,397) | 3,397 | 6,793 |
| Net effect of TR variation | | (11,794) | (5,898) | 5,898 | 11,794 |
| Debentures | Increase/decrease of IPCA | (419) | (210) | 210 | 419 |
| Net effect of IPCA variation | | (419) | (210) | 210 | 419 |
| Accounts receivable | Increase/decrease of INCC | 74,302 | 37,151 | (37,151) | (74,302) |
| Properties for sale | Increase/decrease of INCC | 58,247 | 29,124 | (29,124) | (58,247) |

| | | | |
|------------------------------|---------|--------|--------------------|
| Net effect of INCC variation | 132,549 | 66,275 | (66,275) (132,549) |
|------------------------------|---------|--------|--------------------|

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

21. Financial instruments -- Continued(iv) Sensitivity analysis -- Continued

As of December 31, 2013:

| Instrument | Risk | Scenario | | | |
|----------------------------------|---------------------------|-------------------|--------------------|---------------------|--------------------|
| | | I Increase 50% | II Increase 25% | III Decrease 25% | IV Decrease 50% |
| Short-term investments | Increase/decrease of CDI | 77,110 | 38,555 | (38,555) | (77,110) |
| Loans and financing | Increase/decrease of CDI | (33,920) | (16,960) | 16,960 | 33,920 |
| Debentures | Increase/decrease of CDI | (19,843) | (9,921) | 9,921 | 19,843 |
| Payables to venture partners | Increase/decrease of CDI | (4,623) | (2,312) | 2,312 | 4,623 |
| Derivative financial instruments | Increase/decrease of CDI | (9,303) | (4,856) | 5,344 | 11,219 |
| Net effect of CDI variation | | 9,421 | 4,506 | (4,018) | (7,505) |
| Loans and financing | Increase/decrease of TR | (1,208) | (604) | 604 | 1,208 |
| Debentures | Increase/decrease of TR | (1,474) | (737) | 737 | 1,474 |
| Net effect of TR variation | | (2,682) | (1,341) | 1,341 | 2,682 |
| Debentures | Increase/decrease of IPCA | (385) | (193) | 193 | 385 |
| Net effect of IPCA variation | | (385) | (193) | 193 | 385 |
| Accounts receivable | Increase/decrease of INCC | 83,051 | 41,525 | (41,525) | (83,051) |
| 140,999 | | | | | 173 |

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| | | | | | |
|------------------------------|---------------------------|---------|--------|----------|-----------|
| Properties for sale | Increase/decrease of INCC | 58,235 | 29,117 | (29,117) | (58,235) |
| Net effect of INCC variation | | 141,286 | 70,642 | (70,642) | (141,286) |

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

22. Related parties**22.1. Balances with related parties**

The balances between the Company and related companies are realized under conditions and prices established between the parties.

| Current accounts | Company | | Consolidated | |
|--|------------------|------------|------------------|------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Assets | | | | |
| Current account: | | | | |
| Total SPEs | 185,020 | 163,130 | 116,427 | 80,804 |
| Condominium and consortia and thirty party's works | 300 | 1,743 | 300 | 1,743 |
| Loan receivable | 106,006 | 98,272 | 147,748 | 136,508 |
| Dividends receivable | 2,917 | 7,443 | - | - |
| | 294,243 | 270,588 | 264,475 | 219,055 |
| Current | 188,237 | 172,316 | 116,727 | 82,547 |
| Non-current | 106,006 | 98,272 | 147,748 | 136,508 |
| Liabilities | | | | |
| Current account | | | | |
| Condominium and consortia | (39,681) | (39,100) | (39,681) | (39,100) |
| Total SPEs and Tenda | (74,854) | (163,075) | (70,022) | (94,578) |
| | (114,535) | (202,175) | (109,703) | (133,678) |
| Current | (114,535) | (202,175) | (109,703) | (133,678) |

The composition, nature and condition of loan receivable by the Company are shown below:

| | Company | | Nature | Interest rate |
|---|------------------|-------------------|---------------|----------------------|
| | 3/31/2014 | 12/31/2013 | | |
| Engenho | 15 | 15 | | |
| Laguna Di Mare - Tembok Planej. E Desenv. Imob. Ltda. | 616 | 2,279 | Construction | 12% p.a. + IGPM |
| Vistta Laguna - Tembok Planej. E Desenv. Imob. Ltda. | 15,926 | 15,201 | Construction | 12% p.a. + IGPM |
| Gafisa SPE 65 Emp. Imobiliários Ltda. | 3,029 | 2,929 | Construction | 3% p.a. + CDI |
| Gafisa SPE 46 Emp. Imobiliários Ltda. | 1,106 | 1,056 | Construction | 12% p.a. + IGPM |
| Gafisa SPE 73 Emp. Imobiliários Ltda. | | | -Construction | 12% p.a. + IGPM |
| Gafisa SPE 71 Emp. Imobiliários Ltda. | 6,395 | 6,066 | Construction | 3% p.a. + CDI |
| Gafisa SPE 76 Emp. Imobiliários Ltda. | 3,994 | 3,863 | Construction | 4% p.a. + CDI |
| Acquarelle Civilcorp Incorporações Ltda. | 430 | 411 | Construction | 12% p.a. + IGPM |
| Manhattan Residencial I | 69,235 | 62,441 | Construction | 10% p.a. + TR |
| Manhattan Comercial I | 16 | 15 | Construction | 10% p.a. + TR |
| Manhattan Residencial II | 141 | 137 | Construction | 10% p.a. + TR |
| Manhattan Comercial II | 67 | 65 | Construction | 10% p.a. + TR |
| Target | 5,036 | | -Construction | 12% p.a. + IGPM |
| Scena Laguna - Tembok Planej. e Desenv. Imob. Ltda. | - | 3,794 | Construction | 12% p.a. + IGPM |
| Total Company | 106,006 | 98,272 | | |

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

22. Related parties --Continued**22.1. Balances with related parties --Continued**

| | Consolidated | | | |
|---|---------------------|-------------------|---------------|-----------------------|
| | 3/31/2014 | 12/31/2013 | Nature | Interest rate |
| Engenho | 15 | 15 | Construction | 12% p.a. + IGPM |
| Laguna Di Mare - Tembok Planej. E Desenv. Imob. Ltda. | 616 | 2,279 | Construction | 12% p.a. + IGPM |
| Vista Laguna - Tembok Planej. E Desenv. Imob. Ltda. | 15,926 | 15,201 | Construction | 12% p.a. + IGPM |
| Gafisa SPE 65 Emp. Imobiliários Ltda. | 3,029 | 2,929 | Construction | 3% p.a. + CDI |
| Gafisa SPE-46 Emp. Imobiliários Ltda. | 1,106 | 1,056 | Construction | 12% p.a. + IGPM |
| Gafisa SPE-71 Emp. Imobiliários Ltda. | 6,395 | 6,066 | Construction | 3% p.a. + CDI |
| Gafisa SPE- 76 Emp. Imobiliários Ltda. | 3,994 | 3,863 | Construction | 4% p.a. + CDI |
| Acquarelle - Civilcorp Incorporações Ltda. | 430 | 411 | Construction | 12% p.a. + IGPM |
| Manhattan Residencial I | 69,235 | 62,441 | Construction | 10% p.a. + TR |
| Manhattan Comercial I | 16 | 15 | Construction | 10% p.a. + TR |
| Manhattan Residencial II | 141 | 137 | Construction | 10% p.a. + TR |
| Manhattan Comercial II | 67 | 65 | Construction | 10% p.a. + TR |
| Scena Laguna - Tembok Planej. E Desenv. Imob. Ltda. | 5,036 | 3,794 | Construction | 12% p.a. + IGPM |
| Fit Jardim Botanico SPE Emp. Imob. Ltda. | 18,257 | 17,998 | Construction | 113.5% of 126.5% of C |
| Fit 09 SPE Emp. Imob. Ltda. | 7,453 | 7,183 | Construction | 120% of 126.5% of C |
| Fit 19 SPE Emp. Imob. Ltda. | 4,004 | 4,003 | Construction | 113.5% of 126.5% of C |
| Acedio SPE Emp. Imob. Ltda. | 3,696 | 3,589 | Construction | 113.5% of 126.5% of C |
| Ac Participações Ltda. | 4,934 | 4,710 | Construction | 12% p.a. + IGPM |
| Other | 3,398 | 753 | Construction | Several |
| Total consolidated | 147,748 | 136,508 | | |

In the period ended March 31, 2014 the recognized financial income from interest on loans amounted to R\$1,371 (R\$2,054 in 2013) in the Company's statement and R\$1,486 (R\$2,539 in 2013) in the consolidated statement (Note 25).

Information regarding management transactions and compensation is described in Note 26.

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 22 to the financial statements as of December 31, 2013.

22.2. Endorsements, guarantees and sureties

The financial transactions of the wholly-owned subsidiaries or special purpose entities and its subsidiaries of the Company have the endorsement or surety in proportion to the interest of the Company in the capital stock of such companies, in the amount of R\$1,366,388 (R\$1,428,286 in 2013).

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

23. Net operating revenue**Gross operating revenue****Real estate development, sale, barter transactions and con****(Recognition) Reversal of allowance for doubtful accounts****Taxes on sale of real estate and services****Net operating revenue****24. Costs and expenses by nature**

These are represented by the following:

| | Company | | |
|--|------------------|------------------|------------------|
| | 3/31/2014 | 3/31/2013 | 3/31/2012 |
| Cost of real estate development and sale: | | | |
| Construction cost | (106,387) | (137,083) | (137,083) |
| Land cost | (25,467) | (69,150) | (69,150) |
| Development cost | (9,202) | (9,845) | (9,845) |
| Capitalized financial charges (Note 12) | (19,009) | (15,420) | (15,420) |
| Maintenance / warranty | (5,342) | (3,014) | (3,014) |
| Recognition (reversal) of provision for cancelled contracts (Note 5) | - | - | - |

3/31/2013

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| | | |
|--|------------------|-----------|
| | (165,407) | (234,512) |
| Commercial expenses: | | |
| Product marketing expenses | (4,760) | (12,409) |
| Brokerage and sale commission | (5,730) | (11,900) |
| Customer Relationship Management expenses | (4,032) | (3,299) |
| Other | (1,434) | (941) |
| | (15,956) | (28,549) |
| General and administrative expenses: | | |
| Salaries and payroll charges | (11,248) | (13,310) |
| Employee benefits | (1,079) | (899) |
| Travel and utilities | (369) | (673) |
| Services | (5,108) | (3,316) |
| Rents and condominium fees | (2,452) | (1,620) |
| IT | (3,702) | (1,227) |
| Stock option plan (Note 19.3) | (3,570) | (4,629) |
| Reserve for profit sharing (Note 26.iii) | (3,828) | (4,900) |
| Other | (145) | 200 |
| | (31,501) | (30,374) |
| Other income (expenses), net: | | |
| Expenses with lawsuits (Note 17) | (15,519) | (3,444) |
| Equity pick-up in unincorporated venture ("SCP") | 4,839 | (344) |
| Other | (806) | (226) |
| | (11,486) | (4,014) |

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

25. Financial income

| | Company | | Consolidated |
|--|------------------|------------------|---------------------|
| | 3/31/2014 | 3/31/2013 | 3/31/2014 |
| Financial income | | | (res) |
| Income from financial investments | 25,227 | 4,814 | 37,410 |
| Financial income on loans (Note 22) | 1,371 | 2,054 | 1,486 |
| Interest income | 1,052 | 245 | 1,878 |
| Other financial income | 1,985 | 93 | 3,422 |
| | 29,635 | 7,206 | 44,196 |
| Financial expenses | | | |
| Interest on funding, net of capitalization (Note 12) | (30,097) | (35,047) | (35,674) |
| Amortization of debenture cost | (937) | (980) | (937) |
| Payables to venture partners | - | - | (44) |
| Banking expenses | (1,866) | (2,064) | (1,730) |
| Derivative transactions (Note 21 (i) (b)) | (186) | (2,507) | (186) |
| Discount in securitization transaction | (1,790) | (2,629) | (2,137) |
| Offered discount and other financial expenses | (2,230) | (6,092) | (11,402) |
| | (37,106) | (49,319) | (52,110) |

26. Transactions with management and employees(i) Management compensation

The amounts recorded in the account "general and administrative expenses" for the period ended March 2014 and 2013, related to the compensation of the Company's key management personnel are as follows:

| Period ended March 31, 2014 | Management compensation | | |
|------------------------------------|-------------------------|-----------------|----------------|
| | Board of Directors | Statutory Board | Fiscal Council |
| Number of members | 9 | 6 | 3 |
| Annual fixed compensation (in R\$) | 478 | 1.011 | 45 |
| Salary / Fees | 463 | 900 | 45 |
| Direct and indirect benefits | 15 | 111 | - |
| Monthly compensation (in R\$) | 159 | 337 | 15 |
| Total compensation | 478 | 1.011 | 45 |
| Profit sharing | - | 958 | - |

| Period ended March 31, 2013 | Management compensation | | |
|------------------------------------|-------------------------|-----------------|----------------|
| | Board of Directors | Statutory Board | Fiscal Council |
| Number of members | 9 | 6 | 3 |
| Annual fixed compensation (in R\$) | 473 | 967 | 34 |
| Salary / Fees | 463 | 900 | 34 |
| Direct and indirect benefits | 10 | 67 | - |
| Monthly compensation (in R\$) | 158 | 322 | 11 |
| Total compensation | 473 | 967 | 34 |
| Profit sharing | - | 1.765 | - |

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

26. Transactions with management and employees --Continued

(i) Management compensation --Continued

The maximum aggregate compensation of the Company's management and Fiscal Council for the year 2014 was established at R\$13,617, as approved at the Annual Shareholders' Meeting held on April 25, 2014.

(ii) Sales

In the period ended March 31, 2014, the total sales of units sold in 2014 to the Management is R\$1,513 (R\$2,405 in 2013) and the total receivables is R\$7,140 (R\$5,845 as of December 31, 2013).

(iii) Profit sharing

In the period ended March 31, 2014, the Company recorded an expense for profit sharing amounting to R\$3,828 in the Company's statement (R\$4,900 in 2013) and R\$4,789 in the consolidated statement (R\$8,828 in 2013) in the heading "General and Administrative Expenses" (Note 24), which is broken down as follows.

| Consolidated | 3/31/2014 | 3/31/2013 |
|---------------------|------------------|------------------|
| | | (restated) |
| Statutory Board | 958 | 1,765 |

3/31/2013

| | | |
|---------------------|--------------|-------|
| Other collaborators | 3,831 | 7,063 |
| | 4,789 | 8,828 |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 26 to the financial statements as of December 31, 2013.

27. Insurance

For the period ended March 31, 2014, insurance contracts were not subject to significant changes in relation to those disclosed in Note 27 to the financial statements as of December 31, 2013.

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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

28. Earning and loss per share

The following table shows the calculation of basic and diluted earning and loss per share. In view of the losses for the periods ended March 31, 2014 and 2013, shares with dilutive potential are not considered, because the impact would be antidilutive.

| | 3/31/2014 | 3/31/2013 (restated) |
|---|------------------|--------------------------------|
| Basic numerator | | |
| Proposed dividends and interest on capital | - | - |
| Undistributed profit (loss) | (39,789) | (55,473) |
| Undistributed profit (loss), available for the holders of common shares | (39,789) | (55,473) |
| Basic denominator (in thousands of shares) | | |
| Weighted average number of shares | 407,150 | 431,975 |
| Basic profit (loss) per share in Reais | (0.0977) | (0.1284) |
| Diluted numerator | | |
| Proposed dividends and interest on capital | - | - |
| Undistributed profit (loss) | (39,789) | (55,473) |
| Undistributed profit (loss), available for the holders of common shares | (39,789) | (55,473) |
| Diluted denominator (in thousands of shares) | | |
| Weighted average number of shares | 407,150 | 431,975 |
| Stock options | - | - |
| Diluted weighted average number of shares | 407,150 | 431,975 |
| Diluted profit (loss) per share in Reais | (0.0977) | (0.1284) |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 28 to the financial statements as of December 31, 2013.

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

29. Segment information

The quarterly information of the business segments of the Company is as follows:

| | Gafisa | | Consolidated |
|---|---------------|-------------------|---------------------|
| | S.A. | Tenda | 3/31/2014 |
| Net operating revenue | 326,750 | 105,951 | 432,701 |
| Operating costs | (237,860) | (97,493) | (335,353) |
| Gross profit | 88,890 | 8,458 | 97,348 |
| Selling expenses | (18,995) | (11,787) | (30,782) |
| General and administrative expenses | (32,449) | (18,970) | (51,419) |
| Depreciation and amortization | (11,206) | (2,816) | (14,022) |
| Financial expenses | (38,984) | (13,126) | (52,110) |
| Financial income | 31,160 | 13,036 | 44,196 |
| Tax expenses | (4,022) | (2,575) | (6,597) |
| Net profit/(loss) for the period from continuing operations | (2,329) | (37,460) | (39,789) |
| Customers (short and long term) | 1,569,010 | 484,786 | 2,053,796 |
| Inventories (short and long term) | 1,488,290 | 663,884 | 2,152,274 |
| Other assets | 2,253,220 | 1,158,873 | 3,412,093 |
| Total assets | 5,310,520 | 2,307,543 | 7,618,063 |
| Total liabilities | 3,273,346 | 1,215,208 | 4,488,554 |
| | | (-) | |
| | | Operations | Consolidated |
| | Tenda | AUSA | 3/31/2013 |

3/31/2013

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| | Gafisa S.A. | | | held for sale | | |
|---|------------------------|-----------|-----------|--------------------------|--|-----------------------|
| Net operating revenue | 367,285 | 140,265 | 161,042 | (161,042) | | (restated) 507,550 |
| Operating cost | (279,517) | (149,888) | (80,910) | 80,910 | | (429,405) |
| Gross profit | 87,768 | (9,623) | 80,132 | 80,132 | | 78,145 |
| Selling expenses | (34,441) | (20,779) | (15,214) | 15,214 | | (55,220) |
| General and administrative expenses | (30,373) | (22,632) | (23,944) | 23,944 | | (53,005) |
| Depreciation and amortization | (6,486) | (2,923) | (888) | 888 | | (9,409) |
| Financial expenses | (60,325) | (7,771) | (11,737) | 11,737 | | (68,096) |
| Financial income | 8,229 | 10,702 | 4,601 | (4,601) | | 18,931 |
| Tax expenses | (2,916) | (3,521) | (1,205) | 1,205 | | (6,437) |
| Profit (loss) for the period from continuing operations | (39,946) | (43,853) | - | - | | (83,789) |
| Profit (loss) for the period from discontinued operations | - | - | - | 38,292 | | 38,292 |
| Customers (short and long term) | 1,680,148 | 840,168 | 711,861 | - | | 3,232,177 |
| Inventories (short and long term) | 1,171,301 | 840,146 | 248,192 | - | | 2,259,639 |
| Other assets | 1,044,465 | 1,561,548 | 432,545 | - | | 3,038,558 |
| Total assets | 3,895,914 | 3,241,862 | 1,392,548 | - | | 8,530,534 |
| Total liabilities | 3,672,460 | 1,406,138 | 807,233 | - | | 5,885,831 |

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

29. Segment information--Continued

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 29 to the financial statements as of December 31, 2013.

30. Real estate ventures under construction – information and commitments

In order to enhance its notes and in line with items 20 and 21 of ICPC 02, the Company describes below some information on ventures under construction as of March 31, 2014:

30.1 The contracted sales revenue deducted from the appropriated sales revenue is the unappropriated sales revenue (net revenue calculated by the continuous transfer approach, according to OCPC 04). The unappropriated sales revenue of ventures under construction plus the accounts receivable of completed ventures plus the advance from clients less cumulative receipts, comprise the receivables from developments, as follows:

| | |
|--------------------------------------|-------------|
| Ventures under construction: | |
| Contracted sales revenue (*) | 4,323,107 |
| Appropriated sales revenue (A) (**) | (2,664,951) |
| Unappropriated sales revenue (B) (*) | 1,658,156 |
| Completed ventures (C) | 994,433 |
| Cumulative receipts (D) (**) | (1,528,659) |

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

30. Real estate ventures under construction – information and commitments--Continued

| | |
|--|-----------|
| Advances from clients | |
| Appropriated revenue surplus (Note 18) (E) | 43,105 |
| Total accounts receivable from developments (Note 5) | |
| | 2,173,830 |
| (-A+C+D+E) | |

(* Information other than accounting considered in the scope of independent auditors only to support the conclusion on the appropriated sales revenue recognized using the percentage-of-completion method (PoC).

(**) Amounts stated cumulatively. Accordingly, they do not reflect the impacts on the statement of profit or loss for the period.

The information on unappropriated sales revenue and contracted sales revenue do not include ventures that are subject to restriction due to a suspensive clause, the legal period of 180 days in which the Company can cancel a development and therefore is not appropriated to profit or loss.

The real estate development revenue from units sold and under construction of real estate development is appropriated to statement of profit or loss over the construction period of ventures, in compliance with the requirements of item 14 of CPC 30 – Revenue. The procedures adopted in the appropriation to profit or loss over the construction period are described in Note 2 – Presentation of Financial Statements and summary of main accounting practices of the financial statements as of December 31, 2013.

30.2 As of March 31, 2014, the total cost incurred and to be incurred in connection with units sold or in inventory, estimated until the completion of ventures under construction, is as follows:

Ventures under construction:

| | |
|--|-------------|
| Incurring cost of units in inventory (Note 6) | 598,588 |
| Estimated cost to be incurred with units in inventory (*) | 886,300 |
| Total estimated cost incurred and to be incurred with units in inventory (a)(F) | 1,484,888 |
| Estimated cost of units sold (*) (G) | 3,029,274 |
| Incurring cost of units sold (H) (**) | (1,837,515) |
| Unappropriated estimated cost of units sold (*) (I) | 1,191,759 |
| Total cost incurred and to be incurred (F+G) | 4,514,162 |
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Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

30. Real estate ventures under construction – information and commitments --Continued

(a) The amount of R\$281,125 refers to units of cancelled developments which contracts are not yet cancelled with the respective customers.

(*) Information other than accounting considered in the scope of independent auditors only to support the conclusion on the appropriated sales revenue recognized using the percentage-of-completion method (PoC).

(**) Amounts stated cumulatively. Accordingly, they do not reflect the impacts on the statement of profit or loss for the period.

30.3 As of March 31, 2014, the estimated income to be earned until the completion of ventures under construction in connection with units sold is as follows:

| | |
|---------------------------------------|-------------|
| Unappropriated sales revenue (B) | 1,658,156 |
| Unappropriated barter for land | 175,314 |
| | 1,833,470 |
| Unappropriated cost of units sold (I) | (1,191,759) |
| Estimated profit | 641,711 |

Information other than accounting considered in the scope of independent auditors only to support the conclusion on the appropriated sales revenue recognized using the percentage-of-completion method (PoC).

The estimated profit shown does not consider the tax effects or the present value adjustment, and the costs of lands, financial charges, barter and guarantees, which will be carried out as at the extent they are

realized.

30.4 As of March 31, 2014, the retained profit of ventures under construction in connection with units sold is as follows:

| | |
|---------------------------------------|-------------|
| Appropriated sales revenue (A) (**) | 2,664,951 |
| Appropriated barter for land (**) | 94,694 |
| | 2,759,645 |
| Incurring cost of units sold (H) (**) | (1,837,515) |
| Profit (**) | 922,130 |

(**) Amounts stated cumulatively. Accordingly, they do not reflect the impacts on the statement of profit or loss for the period.

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

30. Real estate ventures under construction – information and commitment--Continued

The above profit is gross of taxes and present value adjustment (AVP).

30.5 The Company shows below a table of the percentage of asset related to the Company's ventures that are included in the structures of equity segregation of the purchase as of March 31, 2014.

| | 2013 |
|---|---------------|
| Total assets included in the structures of equity segregation of the purchase (*) | 7,610,968 |
| Total consolidated assets | 7,618,063 |
| Percentage | 99.91% |

(*)Total assets of the Company, except for the Gafisa Vendas subsidiary, a company that sells the ventures of Gafisa. Regarding the ventures of subsidiaries, the follow-up of the cash and cash equivalents and corporate debts are carried out through the National Corporate Taxpayers' Registry (CNPJ) of the company and not separately by venture.

31. Communication with regulatory bodies

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 31 to the financial statements as of December 31,2013.

32. Additional Information

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 32 to the financial statements as of December 31, 2013.

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

33. Subsequent events

(i) First Debentures Placement of the subsidiary Tenda

On April 17, 2014, the totality of the debenture holders of the First Placement of subsidiary Tenda unanimously approved without any exception (a) the change in the maturity schedule of this placement to the following amounts and due dates: (i) R\$10,000 on April 1, 2014, (ii) R\$10,000 on October 1, 2014, (iii) R\$80,000 on April 1, 2015, (iv) R\$100,000 on October 1, 2015, (v) R\$100,000 on April 1, 2016, (vi) R\$100,000 on October 1, 2016; (b) reduction in the Guaranteed Percentage to 130% of Eligible Receivables; (c) reduction to three (3) months the period for retaining the amounts in the Centralized Account previous to the maturity of each amortization and/or interest installment; (d) change in the definition of associate credit ("crédito associativo"), a government real estate finance aid, of the Indenture (e) permission for cancelling the restriction of Receivables in case of guarantee surplus; (f) exclusion of the possibility of early redemption and/or early amortization of Debentures.

(ii) Funds held in trust by third parties

On April 1, 2014, the Company made the payment of the tenth installment of interest and the fourth installment of amortization related to the first debenture placement of the subsidiary Tenda, in the total amount of R\$29,354.

(iii) Annual Shareholders' Meeting

On April 25, 2014, the Annual Shareholders' Meeting of the Company was held, in which the following main resolutions were taken: (i) approval of the financial statements for the year ended December 31, 2013; (ii)

allocation of the net income for the year ended December 31, 2013 and dividend distribution; (iii) the number of members who shall compose the Board of Directors of the Company and their election; (iv) the aggregate compensation amount to be distributed among the management and Fiscal Council members, and (v) election of members to the Fiscal Council.

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

Comments on Company's Business projections

OUTLOOK

First quarter launches totaled R\$535.4 million, a 172% increase compared to 1Q13. The result represented 23% of the mid-point of the 2014 guidance range. Gafisa segment accounted for 66% of launches and Tenda represented the remaining 34%.

Table 1. Guidance - Launches (2014E)

| | | | |
|---------------------------|--------------------|---------------|-----|
| Consolidated Launches | R\$2.1 – R\$2.5 bi | 535.4 million | 23% |
| Breakdown by Brand | | | |
| Gafisa Launches | R\$1.5 – R\$1.7 bi | 353.9 million | 22% |
| Tenda Launches | R\$600 – R\$800 mn | 181.4 million | 26% |

With the completion of the sale of the Alphaville stake in 2013, the Company entered 2014 with a solid liquidity position. As reported in this release, the Company's Net Debt/Equity ratio reached 44.9% at the end of 1Q14. Given this result, and considering the Company's business plan for 2014, the Company expects leverage to remain between 55% - 65%, as measured by the Net Debt/Equity ratio.

Table 2. Guidance - Leverage (2014E)

| | | | |
|-------------------|--------------------------------|-------|---|
| Consolidated Data | 55% - 65% Net Debt / Equity | 44.9% | - |
|-------------------|--------------------------------|-------|---|

The Company is also providing guidance on its administrative structure. Administrative expenses as a percentage of launch volumes for the Gafisa segment is expected to reach 7.5% in 2014. Tenda has no guidance for this indicator for 2014, although for 2015 the Company expects the ratio to reach 7.0%.

Table 3. Guidance - Administrative Expenses / Launches Volume (2014E)

| | | |
|--------|----------------|------|
| Gafisa | 7.5% | 9.2% |
| Tenda | Not Applicable | - |

Table 4. Guidance Administrative Expenses / Launches Volume (2015E)

| | |
|--------|------|
| Gafisa | 7.5% |
| Tenda | 7.0% |

Finally, the Company defined as a benchmark for profitability the Return on Capital Employed (ROCE), and we expect that in the next three year period, this ratio shall be between 14% - 16% for both the Tenda and Gafisa segments.

Table 5. Guidance – Return on Capital Employed (3 years)

| | |
|--------|-----------|
| Gafisa | 14% - 16% |
| Tenda | 14% - 16% |

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

Other information deemed relevant by the Company

1. SHAREHOLDERS HOLDING MORE THAN 5% OF THE VOTING CAPITAL AND TOTAL NUMBER OF OUTSTANDING SHARES

3/31/2014

Common shares

| Shareholder | Shares | % |
|---|--------------------|----------------|
| Treasury shares | 33,999,486 | 7.81 |
| Polo | 30,472,246 | 7.00 |
| FUNCEF – Fundação dos Economiários Federais | 23,835,800 | 5.47 |
| Skagen Global | 22,265,026 | 5.11 |
| Orbis | 22,228,676 | 5.10 |
| Outstanding shares | 302,757,967 | 69.51 |
| Total shares | 435,559,201 | 100.00% |

3/31/2013

Common shares

| Shareholder | Shares | % |
|---|--------------------|----------------|
| Treasury shares | 1,599,486 | 0.37 |
| FUNCEF – Fundação dos Economiários Federais | 23,835,800 | 5.50 |
| Outstanding shares | 407,774,493 | 94.12 |
| Total shares | 433,229,779 | 100.00% |

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*(A free translation from the original in Portuguese into English)***Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

Other information deemed relevant by the Company**2. SHARES HELD BY PARENT COMPANIES, MANAGEMENT AND BOARD**

| | 3/31/2014 | |
|--|----------------------|----------------|
| | Common shares | |
| | Shares | % |
| Shareholders holding effective control of the Company | | |
| Board of Directors | 670,558 | 0.15 |
| Executive directors | 2,959,426 | 0.68 |
| Fiscal council | 20 | - |
| Executive control, board members, officers and fiscal council | 3,630,004 | 0.83 |
| Treasury shares | 33,999,486 | 7.81 |
| Outstanding shares in the market (*) | 397,929,711 | 91.36 |
| Total shares | 435,559,201 | 100.00% |
| | | |
| | 3/31/2013 | |
| | Common shares | |
| | Shares | % |
| Shareholders holding effective control of the Company | - | - |
| Board of Directors | 383,313 | 0.09 |
| Executive directors | 1,120,722 | 0.26 |
| Fiscal council | - | - |
| Executive control, board members, officers and fiscal council | 1,504,035 | 0.35 |
| Treasury shares | 1,599,486 | 0.37 |
| Outstanding shares in the market (*) | 430,126,258 | 99.28 |
| Total shares | 433,229,779 | 100.00% |

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(*) Excludes shares of effective control, management, board and in treasury.

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Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

Other relevant information

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.

(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

Reports and statements \ Management statement of interim financial information

Management statement of interim financial information

STATEMENT

Gafisa S.A. management, CNPJ 01.545.826/0001-07, located at Av. Nações Unidas, 8501, 19th floor, Pinheiros, São Paulo, states as per article 25 of CVM Instruction 480 issued in December 07, 2009:

- i) Management has reviewed, discussed and agreed with the auditor's conclusion expressed on the report on review interim financial information for the period ended March 31, 2014; and

- ii) Management has reviewed and agreed with the interim information for the period ended March 31, 2014.

Sao Paulo, May 9th, 2014

GAFISA S.A.

Management

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(A free translation from the original in Portuguese into English)

Gafisa S.A.

Notes to the individual and consolidated quarterly information--Continued

March 31, 2014

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**Reports and Statements **

Management statement on the report on review of interim financial information

Management Statement on the Review Report

STATEMENT

Gafisa S.A. management, CNPJ 01.545.826/0001-07, located at Av. Nações Unidas, 8501, 19th floor, Pinheiros, São Paulo, states as per article 25 of CVM Instruction 480 issued in December 07, 2009:

i) Management has reviewed, discussed and agreed with the auditor's conclusion expressed on the report on review interim financial Information for the period ended March 31, 2014; and

ii) Management has reviewed and agreed with the interim information for the period ended March 31, 2014.

Sao Paulo, May 9th, 2014

GAFISA S.A.

Management

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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: May 22, 2014

Gafisa S.A.

By:

/s/ Alceu Duílio Calciolari

Name: Alceu Duílio Calciolari
Title: Chief Executive Officer
