

Gafisa S.A.  
Form 6-K  
March 05, 2008

**FORM 6-K**

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

**Report of Foreign Issuer**

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

For the month of March, 2008

Commission File Number: 001-33356

**Gafisa S.A.**

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

**Av. Nações Unidas No. 4777, 9th floor**

**São Paulo, SP, 05477-000**

**Federative Republic of Brazil**

*(Address of principal executive office)*

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

Form 20-F                          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:

Yes                                  No           

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

**Gafisa Reports Results for 2007 Full Year and Fourth Quarter**

**--- Full Year Adjusted Net income Rose 89% on 77% Gain in Net Revenues ---**

**--- Full Year Launches Increase 122% to R\$2.2 Billion; Pre-sales Increase 63% to R\$1.6 billion ---**

**--- Company Posts 15.7% Adjusted EBITDA Margin for 2007 and Provides 2008 EBITDA Margin Guidance**

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**--- Land Bank Reaches R\$10.2 Billion ---**

**São Paulo, March 4, 2008** - Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), Brazil's leading diversified national homebuilder, today reported financial results for full year and fourth quarter ended December 31, 2007. The financial statements were prepared and presented in accordance with Brazilian GAAP (BR GAAP) and in Brazilian Reais (R\$). Additionally, financial statements and operating information consolidate the numbers for Gafisa and its subsidiaries, and refer to Gafisa's stake (or participation) in its developments. To view a more detailed review of fourth quarter results filed with the Brazilian Comissão de Valores Mobiliários ("CVM"), please visit Gafisa's website [www.gafisa.com.br/ir](http://www.gafisa.com.br/ir).

### **Full Year Results**

Net operating revenue for the full year 2007, recognized by the Percentage of Completion ("PoC") method, rose 77% to R\$1,172 million from R\$664 million in 2006. Pre-sales for the year remained strong, growing by 63% to R\$1.6 billion from R\$995 million.

Project launches in 2007 totaled R\$2.2 billion, an increase of 122% from R\$1.0 billion in 2006. Approximately 46% of the launches for the year took place in the fourth quarter. Fit Residencial and Bairro Novo also launched their first developments during 2007 and accounted for 13% of the total launches.

The Company's land bank totaled R\$10.2 billion at the end of the year and consists of 136 different sites totaling approximately 19.2 million meters. Reflecting the Company's strategy of servicing all segments and geographies of the homebuyer market, 42% of the consolidated land bank was outside the states of Rio de Janeiro and São Paulo.

EBITDA, adjusted for public offering expenses, increased 87% to R\$183.8 million in 2007 and adjusted EBITDA margin improved to 15.7%. Net Income was R\$113.6 million, an increase of 146.7% while Net Income adjusted for public offering expenses totaled R\$143.8 million, up 89% from R\$76.0 million in 2006.

Gafisa adopts one of the most conservative accounting standards in the industry. Starting in the fourth quarter, the Company began to capitalize the interest cost from corporate debt and recognize it on a percentage of completion basis. As a result, Gafisa now accounts for interest expense on the COGS line of its income statement which impacts gross margin.

Selling, general and administrative (SG&A) expenses were R\$192.4 in 2007 versus R\$103.8 in 2006. G&A represented R\$113.1 million in 2007 of the total amount, up from R\$52.1 million in 2006. This increase in G&A primarily reflects the Company's consolidation of AlphaVille and the ramp-up of operations at Fit and Bairro Novo.

### **Fourth Quarter Results**

Net operating revenue for the quarter, recognized by the PoC method, was R\$372.8 million, an increase of 56% from R\$238.3 million during the fourth quarter of 2006. Backlog of Results to be recognized under the PoC method at the end of the fourth quarter totaled R\$583 million, up 96% from R\$298 million in the previous year. Backlog margin to be recognized reached 38.2%.

Project launches for the fourth quarter were up 176% from R\$374.8 million in the same period last year to R\$1.0 billion.

Fourth quarter EBITDA rose 101% to 61.3 million from R\$30.5 in the previous year's quarter. EBITDA margin improved to 16.5%. Net Income was R\$63.1 million in 4Q07, versus R\$14.8 million in the fourth quarter of 2006.

Commenting on results, Wilson Amaral, chief executive officer of Gafisa S.A. said, "Through our disciplined and professional approach, Gafisa delivered strong results in 2007, expanded its reach both geographically and across socioeconomic segments, as well as built a strategic platform to support future growth initiatives. Gafisa, AlphaVille, Fit Residencial and Bairro Novo are all substantially established with dedicated teams specializing in meeting the needs of the specific socioeconomic segments they serve within 40 cities across Brazil."

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“As one of the most geographically diversified homebuilder, offering products for every socioeconomic segment, we are well-positioned to remain an innovator and leader in the marketplace. Our land bank has reached R\$10.2 billion encompassing 136 different sites. Pre-sales, a strong indicator of Gafisa’s ability to deliver the appropriate product to consumers, grew 63%, reaching R\$1.6 billion in 2007 while launches increased to R\$2.2 billion, representing growth of 122% compared to the prior year. Based on our current market outlook, we now expect to execute R\$3 billion in launches for 2008, a 34% increase over 2007. Our EBITDA margin for the year reached 15.7%, which we now anticipate will grow to between 16% and 17% by the end of 2008.”

Commenting on the outlook for growth in the industry, Amaral said, “Looking ahead, the outlook for continued growth in the Brazilian residential housing industry remains strong for years to come. With a current housing deficit of almost 8 million homes and the need for around two million new units per year, the demand for housing is as robust as ever. And, while over R\$25.3<sup>1</sup> billion in housing credit was granted during 2007, the demand for housing continues to far exceed the growth in available credit. We made important strides throughout the year in partnering with the public and private banking industry to innovate and accelerate access to credit for all socioeconomic groups while also creating a model that improved our own working capital structure. Going forward we will continue to make it a priority to work hand in hand with the banking sector to increase access to mortgages and address the vast demand for financing particularly in the lower income sectors of the market.

“Responding to the demand for housing in the lower income segments, I was pleased that we could announce the launch of our first Bairro Novo development in December, months ahead of its planned schedule. Additionally, Fit Residencial has launched ten developments since its establishment at the end of March, and we are seeing strong consumer acceptance. Fit has already developed the five prototypes for future projects and has substantially completed building out its corporate infrastructure.

“Finally, the strong demand for our shares this past year has resulted in Gafisa’s inclusion on the Bovespa Index (Ibovespa) and the IBrX-50, as well as the MSCI Emerging Markets Index. We also strengthened our commitment to transparency and excellence in corporate governance, and we have a majority of independent directors on the board. Gafisa is well-positioned to address the rapidly expanding Brazilian housing market. The initiatives we established in 2007 will enable us to deliver strong business results long into the future while increasing returns to our shareholders.”

## **Outlook**

For 2008, Gafisa reiterates its launch guidance of R\$3 billion by the end of 2008 for its share of consolidated launches. Approximately R\$2 billion is expected to come from Gafisa, R\$300 million from AlphaVille and R\$700 million from Bairro Novo and Fit Residencial.

Based on the current market outlook, the Company expects the EBITDA margin to be between 16% and 17% for the full year 2008.

## **Conference Call**

The management of Gafisa will host a conference call in English on Wednesday, March 5, 2008, at 10:00 a.m. US EST/12:00 p.m. Brasilia time. To access the call, dial +1 (973) 935-8893 and enter the code # 34871359. A replay of the conference call will be available until March 12 2008. To access the replay, dial above mentioned numbers. A live webcast of the conference call will be available on the internet at [www.gafisa.com.br/ir](http://www.gafisa.com.br/ir).

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<sup>1</sup> Source: ABECIP, Central Bank of Brazil, CEF and FGV.

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## **About Gafisa**

We are one of Brazil's leading diversified national homebuilders. Over the last 50 years, we have been recognized as one of the foremost professionally-managed homebuilders, having completed and sold more than 900 developments and constructed almost 40 million square meters of housing, which we believe is more than any other residential development company in Brazil. We believe "Gafisa" is one of the best-known brands in the real estate development market, enjoying a reputation among potential homebuyers, brokers, lenders, landowners, and competitors for quality, consistency, and professionalism.

*This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of Gafisa. These are merely projections and, as such, are based exclusively on the expectations of management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors; therefore, they are subject to change without prior notice.*

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**Consolidated Statements of Income**

| <b>R\$ 000</b>                                      | <b>4Q07</b>    | <b>4Q06</b>    | <b>3Q07</b>    | <b>4Q07 x<br/>4Q06</b> | <b>4Q07 x<br/>3Q07</b> |
|---|----------------|----------------|----------------|------------------------|------------------------|
| Gross Operating Revenue                             |                |                |                |                        |                        |
| Real State development and sales                    | 366,678        | 250,112        | 309,373        | 46.6%                  | 18.5%                  |
| Construction and services rendered                  |                |                |                |                        |                        |
| 14,766  | 2,444          | 11,414         | 504.1%         | 29.4%                  |                        |
| Deductions  | (8,689)        | (14,269)       | (12,232)       | -39.1%                 | -29.0%                 |
| <b>Net Operating Revenue</b>                        | <b>372,755</b> | <b>238,287</b> | <b>308,555</b> | <b>56.4%</b>           | <b>20.8%</b>           |
| Operating Costs                                     | (238,269)      | (170,931)      | (215,822)      | 39.4%                  | 10.4%                  |
| <b>Gross profit</b>                                 | <b>134,486</b> | <b>67,356</b>  | <b>92,733</b>  | <b>99.7%</b>           | <b>45.0%</b>           |
| Operating Expenses                                  |                |                |                |                        |                        |
| Selling expenses                                    | (31,101)       | (16,085)       | (18,941)       | 93.4%                  | 64.2%                  |
| General and administrative expenses                 | (38,753)       | (22,533)       | (28,173)       | 72.0%                  | 37.6%                  |
| Equity Income                                       | -              | -              | -              | -                      | -                      |
| Other Operating Revenues                            | (3,304)        | 1,783          | 2,230          | -285.4%                | -248.2%                |
| <b>EBITDA</b>                                       | <b>61,328</b>  | <b>30,521</b>  | <b>47,849</b>  | <b>100.9%</b>          | <b>28.2%</b>           |
| Depreciation and Amortization                       | (2,259)        | (1,651)        | (1,986)        | 36.9%                  | 13.7%                  |
| <b>EBIT</b>   | <b>59,069</b>  | <b>28,870</b>  | <b>45,863</b>  | <b>104.6%</b>          | <b>28.8%</b>           |
| Financial Income                                    | 20,186         | 12,267         | 11,543         | 64.6%                  | 74.9%                  |
| Financial Expenses                                  | 9,016          | (23,036)       | (14,959)       | -139.1%                | -160.3%                |
| <b>Income before taxes on income</b>                | <b>88,271</b>  | <b>18,100</b>  | <b>42,447</b>  | <b>387.7%</b>          | <b>108.0%</b>          |
| Deffered Taxes                                      | (16,137)       | (1,703)        | (1,987)        | 847.7%                 | 712.1%                 |
| Income tax and social contribution                  | (6,865)        | (1,600)        | (6,744)        | 329.0%                 | 1.8%                   |
| Income after taxes on income                        | <b>65,269</b>  | <b>14,797</b>  | <b>33,716</b>  | <b>341.1%</b>          | <b>93.6%</b>           |
| Minority Shareholders                               | (2,189)        | -              | (2,777)        | -                      | -21.8%                 |
| <b>Net income</b>                                   | <b>63,080</b>  | <b>14,797</b>  | <b>30,939</b>  | <b>326.3%</b>          | <b>103.9%</b>          |
| Adjusted net income per thousand shares outstanding | 0.49           | 0.14           | 0.24           | 240.8%                 | 103.3%                 |

**Consolidated Statements of Income**

| <b>R\$ 000</b>                                      | <b>2007</b>      | <b>2006</b>    | <b>2007 x 2006</b> |
|---|------------------|----------------|--------------------|
| Gross Operating Revenue                             |                  |                |                    |
| Real State development and sales                    | 1,182,571        | 675,999        | 74.9%              |
| Construction and services rendered                  | 35,121           | 21,480         | 63.5%              |
| Deductions  | (45,518)         | (33,632)       | 35.3%              |
| <b>Net Operating Revenue</b>                        | <b>1,172,174</b> | <b>663,847</b> | <b>76.6%</b>       |
| Operating Costs                                     | (796,914)        | (465,795)      | 71.1%              |
| <b>Gross profit</b>                                 | <b>375,260</b>   | <b>198,052</b> | <b>89.5%</b>       |
| Operating Expenses                                  |                  |                |                    |
| Selling expenses                                    | (79,378)         | (51,670)       | 53.6%              |
| General and administrative expenses                 | (113,054)        | (52,121)       | 116.9%             |
| Equity Income                                       | -                | -              | -                  |
| Other Operating Revenues                            | 973              | 3,958          | -75.4%             |
| <b>EBITDA</b>                                       | <b>183,801</b>   | <b>98,219</b>  | <b>87.1%</b>       |
| Depreciation and Amortization                       | (14,823)         | (4,302)        | 244.6%             |
| Extraordinary expenses                              | (30,174)         | (29,894)       | 0.9%               |
| <b>EBIT</b>   | <b>138,804</b>   | <b>64,023</b>  | <b>116.8%</b>      |
| Financial Income                                    | 49,446           | 52,989         | -6.7%              |
| Financial Expenses                                  | (35,291)         | (64,932)       | -45.6%             |
| <b>Income before taxes on income</b>                | <b>152,959</b>   | <b>52,080</b>  | <b>193.7%</b>      |
| Deffered Taxes                                      | (18,729)         | (1,393)        | 1244.5%            |
| Income tax and social contribution                  | (12,217)         | (4,631)        | 163.8%             |
| <b>Income after taxes on income</b>                 | <b>122,013</b>   | <b>46,056</b>  | <b>164.9%</b>      |
| Minority Shareholders                               | (8,410)          | -              | -                  |
| <b>Net income</b>                                   | <b>113,603</b>   | <b>46,056</b>  | <b>146.7%</b>      |
| Adjusted net income per thousand shares outstanding | 1.15             | 0.76           | 51.1%              |

## Consolidated Balance Sheet

| R\$ 000  | 4Q07             | 4Q06             | 3Q07             | 4Q07 x<br>4Q06 | 4Q07 x<br>3Q07 |
|--|------------------|------------------|------------------|----------------|----------------|
| <b>ASSETS</b>                                  |                  |                  |                  |                |                |
| <b>Current assets</b>                          |                  |                  |                  |                |                |
| Cash and banks                                 | 79,590           | 45,231           | 30,454           | 76.0%          | 161.3%         |
| Financial investments                          | 434,857          | 220,928          | 341,638          | 96.8%          | 27.3%          |
| Receivables from clients                       | 524,818          | 365,741          | 485,989          | 43.5%          | 8.0%           |
| Properties for sale                            | 774,908          | 377,576          | 666,150          | 105.2%         | 16.3%          |
| Other accounts receivable                      | 101,920          | 111,600          | 119,062          | -8.7%          | -14.4%         |
| Deferred selling expenses                      | 37,023           | 17,032           | 29,136           | 117.4%         | 27.1%          |
| Prepaid expenses                               | 8,824            | 5,446            | 7,921            | 62.0%          | 11.4%          |
|  | <b>1,961,940</b> | <b>1,143,554</b> | <b>1,680,350</b> | 71.6%          | 16.8%          |
| <b>Long-term assets</b>                        |                  |                  |                  |                |                |
| Receivables from clients                       | 497,933          | 194,097          | 384,934          | 156.5%         | 29.4%          |
| Properties for sale                            | 149,403          | 63,413           | 42,965           | 135.6%         | 247.7%         |
| Deferred taxes                                 | 61,322           | 53,134           | 77,316           | 15.4%          | -20.7%         |
| Other  | 42,797           | 29,329           | 42,738           | 45.9%          | 0.1%           |
|  | <b>751,455</b>   | <b>339,973</b>   | <b>574,953</b>   | 121.0%         | 37.1%          |
| <b>Permanent assets</b>                        |                  |                  |                  |                |                |
| Investments                                    | 209,689          | 2,544            | 167,574          | 8142.5%        | 25.1%          |
| Properties and equipment                       | 27,409           | 8,146            | 21,396           | 236.5%         | 28.1%          |
|  | <b>237,098</b>   | <b>10,690</b>    | <b>188,970</b>   | 2117.9%        | 25.5%          |
| <b>Total assets</b>                            | <b>2,950,493</b> | <b>1,494,217</b> | <b>2,417,273</b> | 97.5%          | 22.1%          |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>    |                  |                  |                  |                |                |
| <b>Current liabilities</b>                     |                  |                  |                  |                |                |
| Loans and financings                           | 59,526           | 17,305           | 31,731           | 244.0%         | 87.6%          |
| Debentures                                     | 9,190            | 11,038           | 2,043            | -16.7%         | 349.8%         |
| Real estate development obligations            | -                | 6,733            | 4,168            | -              | -              |
| Obligations for purchase of land               | 163,034          | 120,239          | 166,286          | 35.6%          | -2.0%          |
| Materials and service suppliers                | 86,709           | 26,683           | 78,655           | 225.0%         | 10.2%          |
| Taxes and contributions                        | 70,293           | 41,574           | 67,860           | 69.1%          | 3.6%           |
| Taxes, payroll charges and profit sharing      | 38,512           | 18,089           | 29,929           | 112.9%         | 28.7%          |
| Advances from clients -real state and services | 47,662           | 76,146           | 29,504           | -37.4%         | 61.5%          |
| Dividends                                      | 26,981           | 11,025           | -                | 144.7%         | -              |
| Other  | 75,489           | 11,912           | 17,036           | 533.7%         | 343.1%         |
|  | <b>577,396</b>   | <b>340,744</b>   | <b>427,212</b>   | <b>69.5%</b>   | <b>35.2%</b>   |
| <b>Long-term liabilities</b>                   |                  |                  |                  |                |                |
| Loans and financings                           | 380,640          | 27,100           | 102,773          | 1304.6%        | 270.4%         |
| Debentures                                     | 240,000          | 240,000          | 240,000          |                |                |
| Obligations for purchase of land               | 73,207           | 6,184            | 28,600           | 1083.8%        | 156.0%         |
| Deferred taxes                                 | 63,268           | 32,259           | 62,407           | 96.1%          | 1.4%           |
| Unearned income from property sales            | -                | 2,439            | 637              | -              | -30.1%         |

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|   |                  |                  |                  |               |              |
|---|------------------|------------------|------------------|---------------|--------------|
| Other   | 35,733           | 29,107           | 48,129           | 22.9%         | -26.6%       |
|   | <b>792,888</b>   | <b>337,089</b>   | <b>482,546</b>   | <b>135.2%</b> | <b>64.3%</b> |
| <b>Deferred income</b>                            |                  |                  |                  |               |              |
| Deferred income on acquisition of subsidiary      | 32,223           | 2,297            | -                | 1,308.8%      | -            |
| Minority Shareholders                             | 17,223           | -                | 14,154           | -             | 21.7%        |
| <b>Shareholders' equity</b>                       |                  |                  |                  |               |              |
| Capital   | 1,221,846        | 591,742          | 1,220,542        | 106.5%        | 0.1%         |
| Treasury shares                                   | (18,050)         | (47,026)         | (18,050)         | -61.6%        |              |
| Capital reserves                                  | 167,276          | 167,276          | 167,276          | -             | -            |
| Revenue reserves                                  | 159,691          | 102,095          | 123,593          | 56.4%         | 29.2%        |
|   | <b>1,530,763</b> | <b>814,087</b>   | <b>1,493,361</b> | <b>88.0%</b>  | <b>2.5%</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>2,950,493</b> | <b>1,494,217</b> | <b>2,417,273</b> | <b>97.5%</b>  | <b>22.1%</b> |