Gafisa S.A.
Form 6-K
May 08, 2015

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, 2015

(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 ___X___ Form 40-F ______

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

Yes ______ No ___X___

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

Yes ______ No ___X___

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

Yes ______ No ___X___

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

FOR IMMEDIATE RELEASE - São Paulo, May 7, 2015 – Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), one of Brazil's leading homebuilders, today reported financial results for the first quarter ended March 31, 2015.

GAFISA RELEASES 1Q15 RESULTS

MANAGEMENT COMMENTS AND HIGHLIGHTS

The first quarter of 2015 marked a turning point in Gafisa's profitability. We are pleased to report that consolidated net income totaled R$31.6 million, of which the Tenda segment contributed R$11.4 million thanks to the increasing contribution of more profitable projects launched under the New Model. The Gafisa segment achieved net income of R$20.2 million, driven by the sale of inventory, cost reductions and equity income from Alphaville. This achievement is the result of the successful execution of our turnaround plan, which is based on three strategic pillars: improved operating efficiency, risk management and capital discipline.

The results are aligned with the Company's strategy of improving operating performance and increasing profitability, despite challenges in the broader operating environment. These include interest rate, inflation and exchange rate movements which are directly impacting both consumer and investor confidence.

Within this context, we would like to highlight a substantial year-over-year increase in margin due to the solid performance of Gafisa's and Tenda's projects. The consolidated adjusted gross margin reached 34.5% in the first quarter, which is approximately 4 percentage points higher than the previous year. The Gafisa segment maintained stable results, with an adjusted gross margin of 36.9% in the quarter. At the same time, the increasing contribution of newer and more profitable projects launched under the New Model within Tenda led the segment to record an adjusted gross margin of 30.0%, which is considerably higher than 1Q14.

In keeping with the shift to a more conservative strategy amid greater risk aversion in the market, the Gafisa segment launched only one project during the quarter. Instead, we focused our efforts on reducing inventory levels, which accounted for approximately 92% of net pre-sales of R$179.8 million in the quarter. It is also worth highlighting strong delivery volumes in the Gafisa segment during the period: totaling 1,847 units and R$569.5 million in PSV, which equates to almost half of full year 2014 deliveries. The result benefited the level of transfers, which reached R$198.0 million, but negatively impacted cancellations, which reached R$124.8 million in 1Q15.

We ended the first quarter having achieved a 9.8%, or R$2.1 billion, reduction in inventory in the Gafisa segment. As a result, just 12.6% relates to completed projects. Of this amount, 44%, or R$115 million, pertains to discontinued locations. The performance of inventory sales contributed to the sales speed, which was 8.0% in 1Q15.

Amid the likely continuation of current economic conditions, we expect to take a conservative approach to launch activity throughout the remainder of the year. We will seek to balance the placement of new products in the market, prioritizing those with more liquidity, in order to achieve satisfactory sales and profitability levels.

Turning to the Tenda segment, we entered into 2015 with the intention of winding-down our remaining legacy projects. Accordingly, there are only 2 construction sites where work remains underway, and these should be delivered in the coming months. Our focus is on increasing the segment's scale through higher launch volumes under the New Model. In 1Q15, 6 projects/phases were launched, totaling R$238.3 million, located in the states of São Paulo, Rio de Janeiro, Bahia and Pernambuco.

One of the most important highlights of the quarter in the Tenda segment was the strong level of sales speed achieved. The first quarter result of 23.3% reflected greater product availability after two quarters with high volume of launches, strong demand in the low income segment and the strong reduction in the volume of dissolutions observed during the period. As a result, net pre-sales increased significantly, totaling R$243.5 million, the highest level since the 4Q10.

Tenda delivered 6 projects during the quarter, representing 1,687 units and R$216.3 million in PSV, of which 50% (739 units, or R$102.3 million) were under the New Model.

The Tenda segment's solid operating performance positively impacted its financial result, with adjusted gross income reaching R$53.8 million in 1Q15. The adjusted gross margin remained in the range of 28-30%, as it has since 2Q14.

Tenda has continued its efforts to achieve greater economies of scale by increasing launches and implementing strategies designed to ensure strong sales speed. The evolution in recent operating results in the last three quarters reinforces our confidence in the New Model.

On a consolidated basis, Gafisa and Tenda launched R$313.6 million in 1Q15, with net pre-sales of R$423.3 million. Adjusted gross profit was R$179.3 million, with margin of 34.5% in the quarter.

We are focused on achieving greater efficiency and productivity over the course of the business cycle, both in Gafisa and Tenda. In terms of selling and administrative expenses, the Gafisa segment achieved a 16.5% reduction on a year-over-year basis and a 21.7% decline compared with the fourth quarter of 2014. In the Tenda segment, the decrease was 9.6% y-o-y and 21.6% compared to 4Q14.

As a result of these initiatives, consolidated net income for the quarter was a positive result of R$31.6 million, consisting of net income of R$20.2 million from Gafisa and R$11.4 million at Tenda.

At the end of March 2015, the Net Debt / Shareholder's Equity ratio reached 50.0%, slightly higher than the 47.1% registered in the previous quarter. Excluding financing for projects, the Net Debt / Shareholder's Equity ratio was negative 15.7%. In the 1Q15, due to a higher volume of landbank acquisitions at Tenda, the Company recorded operating cash generation of R$15.1 million, with cash consumption of R$69.8 million.

Work related to the potential separation of the Gafisa and Tenda business units is continuing, with the goal of meeting the conditions deemed necessary for implementation of the plan. Since the beginning of 2014, a number of steps have already been completed, while some of the actions are still underway, including, for example, defining the appropriate capital structure for each of the business units. Taking into consideration that this is a necessary step in the separation process, it is still not possible to determine when the potential separation will be concluded, with the possibility that it could extend into 2016.

Finally, we would like to highlight our satisfaction with the evolution of the business cycles at both Gafisa and Tenda. In recent years, both companies have strengthened and improved their operating and financial cycles, positioning them well for the challenges facing the sector in 2015. The Company has maintained its focus on achieving superior operating performance and continues to be guided, at all times, by capital discipline, the achievement of higher profitability and the generation of value for its shareholders and other stakeholders.

Sandro Gamba

Chief Executive Officer – Gafisa S.A.

Rodrigo Osmo

Chief Executive Officer – Tenda S.A.

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MAIN CONSOLIDATED FIGURES

Table 1. Operating and Financial Highlights – (R$000, and % Company)

	313,581	241,549	30%	535,379	-41%
Launches, Units	1,950	1,660	17%	1,866	5%
	423,344	303,888	39%	239,323	77%
Pre-sales, Units	1,908	1,215	57%	767	149%
	59,716	150,409	-60%	58,171	3%
Sales over Supply (SoS)	12.8%	8.9%	390 bps	7.5%	530 bps
	785,748	726,213	8%	557,508	41%
Delivered projects, Units	3,534	3,036	16%	1,796	97%
	519,501	649,276	-20%	432,701	20%
Adjusted Gross Profit[1]	179,302	196,068	-9%	132,093	36%
	34.5%	30.2%	430 bps	30.5%	400 bps
Adjusted EBITDA[2]	96,363	71,725	34%	26,470	264%
	18.6%	11.0%	750 bps	6.1%	1,250 bps
Net Income (Loss)	31,651	8,045	293%	(39,791)	180%
	930,601	1,025,195	-9%	1,641,262	-43%
Backlog Results[3]	367,567	396,444	-7%	593,755	-38%
	39.5%	38.7%	83 bps	36.2%	332 bps
Net Debt + Investor Obligations	1,535,215	1,440,300	7%	1,403,824	9%
	1,116,168	1,157,254	-4%	1,563,226	-29%
Shareholders' Equity	3,066,952	3,055,345	0%	3,106,358	-1%
	3,070,891	3,058,403	0%	3,129,511	-2%
Total Assets	7,333,898	7,205,851	2%	7,618,111	-4%
	50.0%	47.1%	290 bps	44.9%	513 bps

1) Adjusted by capitalized interests.

2) Adjusted by expenses with stock option plans (non-cash), minority. Consolidated EBITDA considers the equity income from Alphaville.

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

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FINANCIAL RESULTS

- Net revenue recognized by the “PoC” method was R$340.1 million in the Gafisa segment and R$179.4 million in the Tenda segment. This resulted in consolidated revenue of R$519.5 million in the first quarter, an increase of 20.1% year on year, and a reduction of 20.0% from the previous quarter.

- Adjusted gross profit for 1Q15 was R$149.2 million, up from R$97.3 million in 1Q14 and stable from the R$150.6 million in the previous quarter. Adjusted gross margin reached 34.5% versus 30.5% in the prior-year period and 30.2% in the 4Q14. Gafisa’s contribution was an adjusted gross profit of R$125.5 million, with an adjusted gross margin of 36.9%, while Tenda’s contribution was an adjusted gross profit of R$53.8 million, with a margin of 30.0% in 1Q15.

- Adjusted EBITDA was R$96.4 million in 1Q15, with margin of 18.6%, an increase of 12.4 p.p. y-o-y and of750 bps q-o-q. The Gafisa segment reported adjusted EBITDA of R$58.3 million, while the Tenda segment’s adjusted EBITDA was positive R$21.1 million. Please note that consolidated adjusted EBITDA includes Alphaville equity income, while the Gafisa segment’s adjusted EBITDA is net of this effect.

- The Company reported positive net income of R$31.6 million in the first quarter. Gafisa reported a net profit of R$20.2 million, while Tenda reported a profit of R$11.4 million.

- Operating cash generation reached R$15.1 million in the 1Q15. In the period, net cash consumption of R$69.8 million was recorded.

OPERATING RESULTS

- Launches totaled R$313.6 million in the 1Q15, encompassing 7 projects in the states of São Paulo, Rio de Janeiro, Bahia and Pernambuco, compared to R$241.5 million in 4Q14. The Gafisa segment accounted for 24% of the first quarter launches, while the Tenda segment accounted for the remaining 76%.

- Net pre-sales totaled R$423.3 million in the 1Q15, of which R$179.8 million related to Gafisa and R$243.5 million to Tenda. The result is well above net pre-sales totaling R$239.3 million in the 1Q14. Consolidated sales from launches in the quarter represented 14.1% of the total, while sales from inventory comprised the remaining 85.9%.

- Consolidated sales over supply (SoS) reached 12.8% in 1Q15, compared to 8.9% in 4Q14 and 7.5% in 1Q14. Over the past 12 months, Gafisa’s SoS was 27.9%, while Tenda’s was 42.2%.

- Consolidated inventory at market value decreased R$249.7 million in the quarter, reaching R$2.9 billion. Gafisa’s inventory totaled R$2.1 billion and Tenda’s inventory totaled R$803.5 million.

- Throughout the first quarter, the Company delivered 15 projects/phases, totaling 3,534 units, representing R$785.7 million in PSV. The Gafisa segment delivered 1,847 units, while the Tenda segment delivered the remaining 1,687 units.

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ANALYSIS OF RESULTS

GAFISA SEGMENT

Results Benefited from Growth in Revenues and Consistent Gross Margin, Reduction in Selling, General and Administrative Expenses and the contribution of Alphaville Results

Table 2. Gafisa Segment – Operating and Financial Highlights – (R$000, and % Gafisa)

	75,227	-	-	289,145	-74%
Net pre-sales	179,807	177,294	1%	187,555	-4%
	14,436	57,770	-75%	37,915	-62%
Sales over Supply (SoS)	8.0%	7.2%	80 bps	7.9%	10 bps
	1,847	1,412	31%	524	252%
Net Revenue	340,058	490,947	-31%	326,750	4%
	125,502	150,806	-17%	116,530	8%
Adjusted Gross Margin[1]	36.9%	30.7%	620 bps	35.7%	120 bps
	58,289	81,843	-29%	54,810	6%
Adjusted EBITDA Margin[2]	17.1%	16.7%	47 bps	16.8%	30 bps
	20,205	36,819	-45%	(2,331)	967%
Backlog Revenues	742,154	894,344	-17%	1,429,230	-48%
	294,093	356,254	-17%	526,273	-44%
Backlog Margin[3]	39.6%	39.8%	-20 bps	36.8%	280 bps

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 income from Alphaville.

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

Solid first quarter revenue performance reflects strong revenues from inventory sales, which represented 92.0% of net sales in the first quarter. In addition, equity income at Alphaville increased to R$16.9 million, versus a result of R$6.4 million which was not recorded in 4Q14. Another point worth highlighting is the reduction in selling, general and administrative expenses, which were 16.5% less than 1Q14 and 21.7% less than 4Q14. This reflects ongoing efforts in the Gafisa segment to increase efficiencies and improve cost management.

The adjusted gross margin ended the quarter at 36.9%, returning to the average levels presented in previous quarters, due to the absence of non-recurring items that impacted the gross margin in the previous quarter. These profitability levels ratify the equilibrium and stability of the gross margin in the Gafisa segment, observed since the beginning of 2013, and the solid performance of its projects, resulting from the continuous evolution of the Company's business cycle.

Net Income

Net income for the period was R$20.2 million, compared to a loss of R$2.3 million in the year ago period. Excluding the R$17.0 million in equity income from Alphaville, the Gafisa segment's net income in the 1Q15 was R$3.2 million, higher than R$ 1.1 million recorded in 1Q14.

Table 3 – Gafisa Segment – Net Income (R$ Million)

	125.5	150.8	116.5
Adjusted Gross Margin	36.9%		