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FOR IMMEDIATE RELEASE - São Paulo, October 18, 2016 – Construtora Tenda S.A., one of Brazil’s leading homebuilders focused on the low income segment, today reported financial results for the third quarter ended September 30, 2016.

**TENDA RELEASES
3Q16 RESULTS****MANAGEMENT COMMENTS AND HIGHLIGHTS**

2016 has been marked by continued uncertainty in Brazil’s political and economic prospects. A combination of political crisis and economic slowdown has strongly impacted the Brazilian real estate market. However, performance within the low income segment has been more resilient thus, allowing us to partially mitigate the negative effects experienced during this period.

The consolidation of the new model, based on four strategic pillars, has allowed Tenda to post consistent positive operational and financial performance.

In 3Q16, Tenda took another step towards improving operational levels with launches totaling R\$325.4 million; nine projects/phases in the states of São Paulo, Rio de Janeiro, Rio Grande do Sul, Pernambuco and Bahia. Launch sales in the year accounted for 70.2% of Tenda’s total sales in the period and 38.4% in 9M16.

Tenda’s SoS ended the period at 18.8%, slightly lower than previous periods, as a result of a higher volume of dissolutions.

Gross sales totaled R\$318.7 million in 3Q16, with dissolutions reaching 25.1% of gross sales, totaling net pre-sales of R\$238.7 million. In the period, dissolutions were impacted by the following factors: (i) seasonality related to projects sold in the “Feirão da Caixa” (“Caixa Faire”) (2Q16); (ii) introduction of in-person interviews in bank branches as an additional step in the process of analyzing and granting credit by financial agents, which led to the annulment of approvals to customers already preapproved and; (iii) review of Tenda’s unilateral dissolution process for

sales not transferred after a period exceeding three months as the prior process allowed for some units to remain beyond the deadline deemed appropriate by the Company. We estimate that this last factor should result in a temporary increase in the level of company dissolutions before returning to the average levels that we expect.

Since 2013, when Tenda implemented its new model, it has launched 81 projects, representing a total of R\$3.0 billion in PSV. Of this total, Tenda has delivered R\$1.4 billion, comprised of 42 projects/phases. Notably, all projects initiated in the first years of the new operations (2013) have been completed and delivered on schedule. In relation to the 2014 projects, only one project/phase of 14 projects launched is still waiting delivery. In 3Q16, Tenda delivered 10 projects/phases and 1,811 units, accounting for R\$265.1 million in PSV. In 9M16, 23 projects/phases were delivered, comprising 4,170 units and R\$602.2 million in PSV.

Tenda is continuing to pursue scale gains by intensifying the volume of launches and adopting strategies to ensure the delivery of a solid pace of sales. Consistent recent results obtained with new model projects reinforce the confidence in our business model.

This quarter was also marked by the best quarterly profit achieved by Tenda since the beginning of the turnaround process in 2012. The maintenance of an efficient operating performance and the economies of scale, allowed Tenda to record a good level of profitability in 3Q16. Net income totaled R\$23.0 million in 3Q16, compared with R\$11.8 million in the year-ago period and R\$8.6 million in the second quarter, as a result of a higher level of revenues and a better adjusted gross margin, which reached 35.0% in the period. The gross margin of 3Q16 was positively impacted by an accounting reclassification of financial

co-obligation balance in relation to transferred clients, required by financial institutions during construction period, totaling R\$ 11.1 million. In the year Tenda recorded net income of R\$ 36.5 million.

Since 2013, Tenda has been adopting the measures necessary to improve the efficiency of its operating and financial cycle targeting better profitability. This also resulted in a streamlined operating structure, and the ability to replicate productivity gains of the new business model in different regions where Tenda operates.

A robust business model and good operating and financial performance in the period are clearly reflected in the growth of adjusted EBITDA, which totaled R\$39.7 million, with adjusted EBITDA margin of 14.7% in 3Q16, up in the y-o-y comparison. In 9M16, Tenda's adjusted EBITDA reached R\$85.0 million, with a margin of 11.1%.

The operating cash generation totaled R\$7.7 million in 3Q16 and R\$82.9 million in 9M16. It is worth noting that third quarter cash generation was impacted by a strike in the financial sector in September, creating a volume of transfers that should normalize within the next months and therefore should be reflected in fourth quarter results.

The successful implementation of Tenda's New Model is evidenced by consistent, strong operational results and improving profitability. The Company's results reaffirm management's confidence in Tenda's ability to benefit from continued strong supply and demand fundamentals in Brazil's low income housing sector.

The Company continues to advance guided by capital discipline, its profitability goals, and value creation for shareholders.

Rodrigo Osmo
Chief Executive Officer – Tenda



FINANCIAL RESULTS

- 3Q16 net revenue recognized by the “PoC” method was R\$270.5 million an increase of 22.1% year-on-year and 3.7% from the previous quarter. In 9M16, consolidated net revenue was R\$765.8 million, 18.9% above from R\$644.1 million in 9M15.
- Adjusted gross profit for 3Q16 was R\$94.8 million, higher than R\$73.0 million in 2Q16 and R\$71.2 million recorded in the past year. Adjusted gross margin reached 35.0%, compared to 28.0% in 2Q16 and 32.1% in the 3Q15, positively impacted by an accounting reclassification of R\$11.1 millions of the Company's financial co-obligation balance in relation to transferred clients, required by financial institutions during the construction period. In 9M16, adjusted gross profit was R\$242.0 million with adjusted gross margin of 31.6%, compared to R\$198.2 million in 9M15.
- Adjusted EBITDA was R\$39.7 million in 3Q16, with an adjusted EBITDA margin of 14.7%. In 9M16, Adjusted EBITDA was R\$85.0 million, 39.6% above than R\$60.9 million in 9M15.
- The Company reported a 3Q16 net profit of R\$23.0 million compared to R\$8.6 million in 2Q16, and R\$11.8 million in 3Q15. In the 9M16, the Company reported a net profit of R\$36.5 million.
- Operating cash generation totaled R\$7.7 million in 3Q16, finishing the 9M16 with a cash generation of R\$82.9 million.



OPERATING RESULTS

- Total Company launches were R\$325.4 million in 3Q16, comprised of 9 projects in the states of São Paulo, Rio de Janeiro, Pernambuco, Bahia and Rio Grande do Sul, up from R\$318.6 million launched in 3Q15. Launches in 9M16 totaled R\$968.6 million.
- Net pre-sales totaled R\$238.7 million in 3Q16, a decrease of 26.6% from the R\$325.0 million recorded in 2Q16 and 2.7% lower y-o-y. Consolidated sales from launches in the quarter represented 70.2% of the total, while sales from inventory comprised the remaining 29.8%. The Company reached R\$830.2 million in net pre-sales in the first nine months of the year.
- Consolidated sales over supply (SoS) reached 18.8% in 3Q16 compared to 26.4% in 2Q16 and 23.0% in 3Q15. On a trailing 12-month basis, Tenda's SoS was 50.9%.
- Consolidated inventory at market value reached R\$1.0 billion in 3Q16, 13.5% up from R\$906.3 million in 2Q16.
- Throughout the third quarter, the Company delivered 10 projects/phases, totaling 1,811 units, accounting for R\$265.1 million in PSV. In regards to the first nine months, the company delivered 23 projects/phases and 4,170 units, accounting for R\$602.2 million in PSV.



Tenda

Operating and Financial Profitability Supported
by Increased Scale and the Improved Performance of the New Model

Table 1- Tenda – Operating and Financial Highlights (R\$ 000 and % Tenda)

	3Q16	2Q16	Q/Q(%)	3Q15	Y/Y(%)	9M16	9M15	Y/Y(%)
Launches	325,393	414,678	-22%	318,585	2%	968,614	786,306	23%
Net pre-sales	238,686	324,992	-27%	245,195	-3%	830,176	778,679	7%
Net pre-sales of Launches	167,443	129,406	29%	162,543	3%	318,778	315,296	1%
Sales over Supply (SoS)	18.8%	26.4%	-760 bps	23.0%	-420 bps	44.7%	48.7%	-400 bps
Delivered projects (Units)	1,811	1,895	-4%	1,304	39%	4,170	4,231	-1%
Net Revenue	270,509	260,743	4%	221,560	22%	765,804	644,140	19%
Adjusted Gross Profit ¹	94,759	72,951	30%	71,150	33%	241,971	198,235	22%
Adjusted Gross Margin ¹	35.0%	28.0%	700 bps	32.1%	290 bps	31.6%	30.8%	80 bps
Adjusted EBITDA ²	39,744	21,858	82%	24,403	62%	85,042	60,902	40%
Adjusted EBITDA Margin ²	14.7%	8.4%	570 bps	11.1%	310 bps	11.1%	9.5%	140 bps
Net Financial Result	(12,173)	(450)	2.605%	(1,970)	518%	(14,520)	5,209	-
Net Income (Loss)	23,045	8,622	167%	11,830	95%	36,461	43,311	-16%
Backlog Revenues	269,361	301,000	-11%	251,343	7%	269,361	251,343	7%
Backlog Results ³	115,869	125,889	-8%	109,040	6%	115,869	109,040	6%
Backlog Margin ³	43.0%	41.8%	120 bps	43.4%	-40 bps	43.0%	43.4%	-40 bps
Net Debt + Investor Obligations	254,509	314,218	-19%	325,239	-22%	254,509	325,239	-22%
Cash and cash equivalents	(55,111)	(47,873)	15%	19,285	-386%	(55,111)	19,285	-386%
Shareholders' Equity	1,128,446	1,104,912	2%	1,103,393	2%	1,128,446	1,103,393	2%
Shareholders' Equity + Minority	1,158,067	1,141,642	1%	1,137,742	2%	1,158,067	1,137,742	2%
Total Assets	1,902,091	1,956,313	-3%	1,964,405	-3%	1,902,091	1,964,405	-3%
(Net Debt +Obligations) / (SE + Minority)	-4.8%	-4.2%	-60 bps	1.7%	-650 bps	-4.8%	1.7%	-650 bps

1) Adjusted by capitalized interests.

2) Adjusted by expenses with stock option plans (non-cash), minority shareholders. Tenda does not hold equity interest in 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.

4) Backlog results comprise the projects restricted by condition precedent.

During 3Q16, Tenda continued to scale its operations, supported by its sales and launches performance, thus, allowing a good level of net revenues.

3Q16 adjusted gross margin was 35.0%, compared with 28.0% in 2Q16 and 32.1% in 3Q15. Adjusted gross margin was impacted by: accounting reclassification of R\$11.1 millions of the Company's financial co-obligation balance in relation to transferred clients, required by financial institutions during the construction period, which now is accounted for in Financial Results. Excluding this effect, the adjusted gross margin would remain in a healthy level of 32.2% in 3Q16.

Selling, general and administrative expenses ended the 9M16 at R\$127.2 million, 15.4% higher than 9M15, but in line with the expansion of the Company; launch volume increased by 23.2% in the period, compared to 9M15.

Adjusted EBITDA totaled R\$39.7 million, with adjusted EBITDA margin of 14.7% in 3Q16. Adjusted EBITDA increased from R\$24.6 million in 3Q15 and R\$21.9 million in 2Q16. The Adjusted EBITDA reached R\$85.0 million in 9M16, with adjusted EBITDA margin of 11.1%.

Net Income

3Q16 net income was R\$23.0 million, up from net income of R\$11.8 million recorded in 3Q15 and R\$8.6 million in 2Q16. In 9M16, net income was R\$36.5 million.

The 3Q16 results are attributable to: (i) higher volume of revenues, and; (ii) better level of gross margin and adjusted EBITDA.

Table 2 –Tenda – Net Income (R\$ Million)

	3Q16	2Q16	3Q15	9M16	9M15
Adjusted Gross Profit	94.8	73.0	71.2	242.0	198.2
Adjusted Gross Margin	35.0%	28.0%	32.1%	31.6%	30.8%
Net Income	23.0	8.6	11.8	36.5	43.3



RECENT EVENTS

UPDATE ON THE SEPARATION PROCESS OF THE GAFISA AND TENDA UNITS

During 2016, the Company has continued working on the potential separation of the Gafisa and Tenda business units. Since studies began in February 2014, several activities have been undertaken to enable these two business units to become more independent, both from an operational viewpoint and in terms of capital structure. As previously informed via Material Fact, such procedures are still in progress.

On August 16, 2016, the Company released a Material Fact informing that the process to capture Tenda segment's value may involve a tender offer and/or sale of equity interest, besides the separation itself through a corporate restructuring operation.

The Company will keep its shareholders and the market informed about the process, and any developments pertaining to the issues mentioned above.



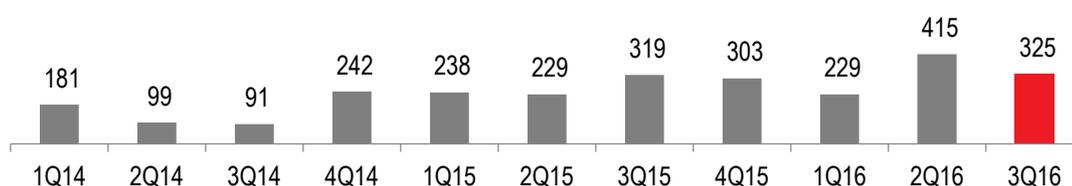
TENDA

Focuses on affordable residential developments, classified within the Layer II of *Minha Casa Minha Vida* Program.

Operating Results | Launches and Sales

Third quarter launches totaled R\$325.4 million and included 9 projects/phases in the states of São Paulo, Rio de Janeiro, Pernambuco, Bahia and Rio Grande do Sul. In 9M16, the launch volume reached R\$968.6 million.

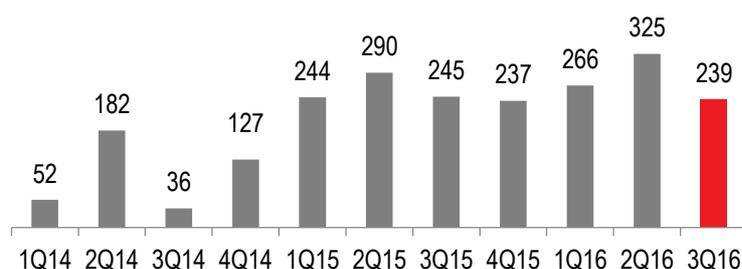
Launches (R\$ million)



During 3Q16, gross sales reached R\$318.7 million and dissolutions were R\$80.0 million, resulting in total net pre-sales of R\$238.7 million, down 2.7% y-o-y and 26.6% q-o-q. In the 9M16, the volume of dissolutions was R\$184.2 million and net pre-sales totaled R\$830.2 million.

In nine months, 61.6% of total net sales were related to remaining units.

Net Pre-Sales (R\$ million)



Sales Breakdown 9M16

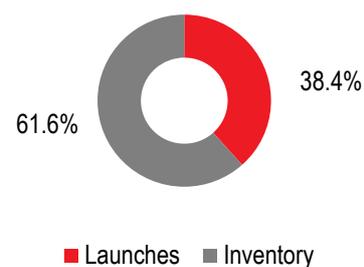


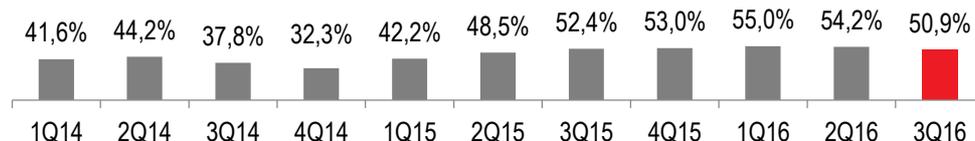
Table 3 – Tenda – Launches and Pre-sales (R\$ 000)

	3Q16	2Q16	Q/Q(%)	3Q15	Y/Y(%)	9M16	9M15	Y/Y(%)
Launches	325,393	414,678	-21%	318,585	2%	968,614	786,306	23%
Pre-Sales	238,686	324,992	-27%	245,195	-3%	830,176	778,679	7%

Sales Over Supply (SoS)

In 3Q16, sales velocity (sales over supply) was 18.8%, and on a trailing 12-month basis, Tenda's SoS was 50.9%.

SoS L12M



Below is a breakdown of Tenda's SoS, which includes both legacy and New Model projects.

Table 4. SoS Gross Revenue (Ex-Dissolutions)

	3Q15	4Q15	1Q16	2Q16	3Q16
New Model	29.6%	27.4%	29.7%	32.2%	26.5%
Legacy	19.4%	13.3%	20.7%	25.0%	16.0%
Total	26.9%	24.4%	28.0%	31.1%	25.1%

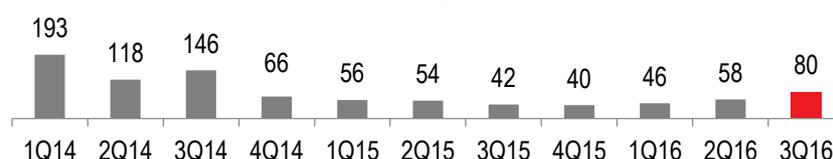
Table 5. SoS Net Revenue

	3Q15	4Q15	1Q16	2Q16	3Q16
New Model	27.1%	24.9%	26.9%	28.9%	21.2%
Legacy	11.4%	5.2%	10.7%	11.9%	3.2%
Total	23.0%	20.9%	23.9%	26.4%	18.8%

Dissolutions

The level of dissolutions totaled R\$80.0 million in 3Q16, an increase of 90.4% compared to 3Q15 and 38.1% compared to 2Q16.

Dissolutions (R\$ million)



Tenda maintains its policy of immediately transferring a sale and the reduction in the legacy project portfolio. However, the percentage of dissolutions over gross sales reached 25.1% in 3Q16, higher than the average level seen in previous periods due to the following factors: (i) seasonality related to projects sold in "Feirão da Caixa" (2Q16); (ii) introduction of in-person interviews in bank branches as an additional step in the process of analyzing and granting credit by financial agents, which led to annulments of already preapproved customers and; (iii) review of Tenda's unilateral dissolution process for sales not transferred after a period exceeding three months as the prior process allowed for some units to remain beyond the deadline deemed appropriate by the Company. We estimate that this last factor should result in a temporary increase in the level of company dissolutions before returning to the average levels that we expect.

Table 6. PSV Dissolutions (R\$ 000 and % of total gross sales)

	3Q15	% GS	4Q15	% GS	1Q16	% GS	2Q16	% GS	3Q16	% GS
New Model	19,576	6.8%	22,201	8.0%	20,490	6.6%	24,030	6.3%	58,802	18.5%
Legacy	22,447	7.8%	17,686	6.4%	25,736	8.2%	33,904	8.9%	21,194	6.7%
Total	42,023	14.6%	39,887	14.4%	46,226	14.8%	57,934	15.1%	79,995	25.1%

Tenda remained focused on the completion and delivery of legacy projects. In addition, the Company is dissolving contracts with ineligible clients to resell the related units to new, qualified customers.

During the quarter, 562 units were cancelled and returned to inventory, of which 294 units were resold to qualified customers during the same period. The sale and transfer process plays an important role in Tenda's business model. It is expected that within a 90-day period, the effective sale and transfer process will be completed.

Transfers

In the 3Q16, 1,632 units were transferred to financial institutions, representing R\$208.8 million in net pre-sales. It is worth noting that the banking strike that lasted throughout the month of September detracted from the performance of lending. Volume should normalize over the coming months.

Table 7 – Tenda - PSV Transferred- Tenda (R\$ 000)

	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
New Model	59,736	67,621	114,939	199,423	194,719	165,691	236,120	205,410	179,807
Legacy	100,361	74,773	59,110	61,566	53,912	40,050	30,642	56,184	29,020
Total	160,097	142,393	174,049	260,989	248,631	205,741	266,762	261,594	208,827

1) PSV transferred refers to the conclusion of the transfer operation.

2) PSV = Potential sales volume of the units.

Delivered Projects

During 3Q16, Tenda delivered 10 projects/phases and 1,811 units, accounting for a PSV of R\$265.1 million. In 9M16, 23 projects/phases and 4,170 units were delivered, accounting for R\$602.2 million in PSV.

Inventory

The market value of Tenda's inventory was R\$1.0 billion at the end of the 3Q16, up 13.5% compared to R\$906.3 million at the end of 2Q16. Inventory related to the legacy units totaled R\$159.9 million or 15.5% of the total Tenda inventory, down 13.0% versus 2Q16 and 35.2% compared to 3Q15. During the quarter, inventory units within the Minha Casa Minha Vida program totaled R\$1.0 billion, or 97.9% of total inventory, while units outside the program totaled R\$21.5 million, a decrease of 10.4% q-o-q and of 81.0% y-o-y.

Table 8 –Tenda – Inventory at Market Value (R\$ 000) – by Region

	Inventory EP 2Q16	Launches	Dissolutions	Pre-Sales	Price Adjustments ¹	Inventory EP 3Q16	% Q/Q
São Paulo	208,474	34,043	12,805	(78,414)	10,047	186,955	-10%
Rio Grande do Sul	94,250	106,748	13,363	(48,119)	9,077	175,319	86%
Rio de Janeiro	237,802	97,232	24,188	(74,411)	7,882	292,693	23%
Bahia	165,720	53,450	9,410	(49,181)	5,234	184,633	11%
Pernambuco	51,615	33,920	4,514	(31,377)	1,658	60,330	17%
Minas Gerais	119,234	-	8,927	(28,659)	1,760	101,262	-15%
Other	29,228	-	6,788	(8,521)	(216)	27,279	-7%
Total Tenda	906,323	325,393	79,995	(318,682)	35,442	1,028,471	13%
MCMV	882,273	325,393	71,715	(308,512)	36,052	1,006,921	14%
Out of MCMV	24,050	-	8,280	(10,170)	(610)	21,550	-10%

1) The quarter adjustments reflect updates related to project scope, expected launch date and price adjustments during the period.

Table 9 – Tenda – Inventory at Market Value – Work Status(R\$ 000)

	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished Units ¹	Total 3Q16
New Model – MCMV	281,143	234,226	242,117	63,680	47,439	868,605
Legacy – MCMV	-	-	62,503	-	75,813	138,316
Legacy – Out of MCMV	-	-	-	-	21,550	21,550
Total Tenda	281,143	234,226	304,620	63,680	144,802	1,028,471

1) Inventory at market value includes projects in partnership. This index is not comparable to the accounting inventory, due to the implementation of new accounting practices pursuant to CPC's 18, 19 and 36.

Regarding legacy projects, the Company is still awaiting legal approval for a suspended project with a total PSV of R\$62.5 million to move forward with construction.

Landbank

The Tenda landbank, with a PSV of approximately R\$4.2 billion, is comprised of 127 different projects/phases. Out of these projects/phases, 26% are located in Bahia, 24% in São Paulo, 22% in Rio de Janeiro, 14% in Rio Grande do Sul, 8% in Pernambuco and 6% in Minas Gerais. In total, these projects/phases reflect more than 31,000 units.

Table 10 – Tenda - Landbank (R\$ 000)

	PSV (% Tenda)	% Swap Total	% Swap Units	% Swap Financial	Potential Units (% Tenda)	Potential Units (100%)
São Paulo	1,029,487	0.0%	0.0%	0.0%	6,688	6,688
Rio Grande do Sul	573,080	21.1%	10.6%	10.5%	4,292	4,340
Rio de Janeiro	920,234	20.1%	20.1%	0.0%	6,782	6,871
Bahia	1,090,939	5.6%	4.8%	0.8%	8,690	8,712
Pernambuco	334,677	26.8%	11.5%	15.3%	2,646	2,672
Minas Gerais	255,649	25.0%	25.0%	0.0%	1,806	1,840
Total	4,204,066	12.5%	9.1%	3.4%	30,904	31,123

¹ Swap percentage over the historical cost of land acquisition.

² Potential Units are net of swaps and refer to Tenda's and/or its partners' stake in the projects.

Table 11 – Tenda – Changes in the Landbank (2Q16 x 3Q16 - R\$ 000)

	Initial Landbank	Land Acquisition	Launches	Adjustments	Final Landbank
São Paulo	1,022,885	46,834	(34,043)	(6,189)	1,029,487
Rio Grande do Sul	685,382	-	(106,748)	(5,554)	573,080
Rio de Janeiro	928,336	106,052	(97,232)	(16,922)	920,234
Bahia	1,146,693	23,907	(53,450)	(26,211)	1,090,939
Pernambuco	458,090	28,184	(33,920)	(117,677)	334,677
Minas Gerais	209,149	46,500	-	-	255,649
Total	4,450,535	251,477	(325,393)	(172,553)	4,204,066

In 3Q16, the Company acquired 8 new land plots with a potential PSV of R\$232.0 million. These had an acquisition cost of R\$18.2 million, 95% to be paid in cash and 5% to be paid via swap. Moreover, it has reinstated land parcels with potential PSV of approximately R\$133.1 million, which were previously for sale; they were added to landbank, due to positive results from new feasibility studies.

New Model Update and Turnaround

Tenda is focused on expanding launch volumes under its New Business Model, which is based on three pillars: operational efficiency, risk management, and capital discipline.

The Company continues to operate in six macro regions: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife. Tenda has a total of 81 projects/phases and a launched PSV of R\$3.0 billion since 2013. Below is a brief description of the average performance of these projects, per region.

Notably, Tenda has delivered 42 projects/phases since 2013, totaling 9,853 units and R\$1.4 billion in PSV, all of them maintaining the performance and profitability drivers established in the New Model.

Table 12. Tenda – New Model Monitoring 2013 – 2016

	SP	RJ	BA	PE	MG	RS	2013
Number of Projects	4	1	2	-	-	-	7
Units launched	1,380	300	779	-	-	-	2,459
Total PSV (R\$ 000)	189.7	40.4	83.9	-	-	-	314
Units Sold	1,379	281	771	-	-	-	2,431
% Sold	100%	94%	99%	-	-	-	99%
SoS Avg (Month)	11%	5%	6%	-	-	-	9%
Transfers	1,379	270	763	-	-	-	2,412
% Transferred (Sales)	100%	90%	98%	-	-	-	98%
Work Progress	100%	100%	100%	-	-	-	100%

	SP	RJ	BA	PE	MG	RS	2014
Number of Projects	4	4	4	1	1	-	14
Units launched	720	1,511	1,220	432	432	-	4,315
Total PSV (R\$ 000)	117.8	224.8	151.5	58.8	60.4	-	613
Units Sold	706	1,418	1,191	427	387	-	4,129
% Sold	98%	94%	98%	99%	90%	-	96%
SoS Avg (Month)	13%	5%	7%	6%	4%	-	7%
Transfers	705	1,319	1,171	413	378	-	3,986
% Transferred (Sales)	99%	88%	96%	96%	88%	-	92%
Work Progress	100%	100%	99%	100%	100%	-	100%

	SP	RJ	BA	PE	MG	RS	2015
Number of Projects	10	7	5	3	2	3	30
Units launched	2,180	1,751	1,584	944	372	880	7,711
Total PSV (R\$ 000)	338.2	252.6	198.5	122.3	53.2	123.6	1,088
Units Sold	2,125	1,208	1,309	829	338	814	6,623
% Sold	97%	69%	83%	88%	91%	93%	86%
SoS Avg (Month)	14%	5%	8%	6%	9%	10%	9%
Transfers	2,055	1,010	1,146	662	302	648	5,823
% Transferred (Sales)	95%	58%	74%	71%	81%	73%	76%
Work Progress	92%	83%	82%	92%	79%	87%	87%

	SP	RJ	BA	PE	MG	RS	2016
Number of Projects	5	7	6	2	4	6	30
Units launched	1,057	1,738	1,520	576	780	1,400	7,071
Total PSV (R\$ 000)	165.1	246.0	187.3	72.1	107.7	190.3	969
Units Sold	514	486	450	228	258	296	2,232
% Sold	49%	28%	30%	40%	33%	21%	32%
SoS Avg (Month)	11%	10%	8%	9%	7%	8%	9%
Transfers	306	257	311	125	103	124	1,226
% Transferred (Sales)	31%	19%	22%	21%	20%	8%	17%
Work Progress	33%	25%	32%	31%	38%	14%	27%



Financial Result

Revenues

Tenda's 3Q16 net revenues totaled R\$270.5 million, an increase of 22.1% y-o-y, reflecting an increased operational volume during the past quarters. As shown in the table below, revenue from new projects, which quarter after quarter has been increasing its contribution to total volume of revenues, represented the majority of total revenues in 3Q16. Tenda's net revenues totaled R\$765.8 million in 9M16, an increase of 18.9% y-o-y, due to the increased level of operations in the period.

Table 13. Tenda - Pre-Sales and Recognized Revenues (R\$ 000)

Launches	3Q16				3Q15			
	Pre-Sales	% Sales	Revenue	% Revenue	Pre-Sales	% Sales	Revenue	% Revenue
2016	167,443	70%	92,765	34%	-	0%	-	0%
2015	71,246	30%	178,943	66%	162,543	66%	81,907	37%
2014	(4,648)	-2%	(7,654)	-3%	51,146	21%	98,808	45%
2013	(562)	0%	(844)	0%	(152)	0%	4,316	2%
≤ 2012	5,207	2%	7,299	3%	31,658	13%	36,529	16%
Total	238,686	100%	270,509	100%	245,195	100%	221,560	100%
New Model	233,478	98%	263,210	97%	213,537	87%	185,031	84%
Legacy	5,208	2%	7,299	3%	31,658	13%	36,529	16%

Gross Profit and Margin

3Q16 gross profit totaled R\$90.9 million, up from R\$67.4 million in 3Q15 and 2Q16. Gross margin for the quarter reached 33.6%, compared to 30.4% in 3Q15 and 25.9% in 2Q16. The adjusted gross margin was up 35.0% in 3Q16, compared with 28.0% in 2Q16 and 32.1% y-o-y due to the accounting reclassification of R\$11.1 millions of the Company's financial co-obligation balance in relation to transferred clients, required by financial institutions during construction period, which now is accounted for in Financial Results. Excluding this effect, the adjusted gross margin would remain in a healthy level of 32.2% in 3Q16.

The table below shows Tenda's gross margin breakdown in 3Q16.

Table 14. Tenda – Gross Margin (R\$ 000)

	3Q16	2Q16	Q/Q (%)	3Q15	Y/Y (%)	9M16	9M15	Y/Y (%)
Net Revenue	270,509	260,743	4%	221,560	22%	765,804	644,140	19%
Gross Profit	90,930	67,407	35%	67,390	35%	227,082	186,718	22%
Gross Margin	33.6%	25.9%	770 bps	30.4%	320 bps	29.7%	29.0%	70 bps
(-) Financial Costs	3,829	5,544	-31%	3,760	2%	14,889	11,517	29%
Adjusted Gross Profit	94,759	72,951	30%	71,150	33%	241,971	198,235	22%
Adjusted Gross Margin	35.0%	28.0%	700 bps	32.1%	290 bps	31.6%	30.8%	80 bps

Selling, General and Administrative Expenses (SG&A)

During 3Q16, selling, general and administrative expenses totaled R\$47.5 million, an increase of 10.1% compared to R\$43.1 million in 3Q15 and 11.9% compared to R\$42.4 million in 2Q16. In 9M16, SG&A increased by 15.4%, totaling R\$127.2 million, as a result of a higher volume of operations.

Selling expenses reached R\$25.6 million in 3Q16, an increase of 20.1% from 2Q16 and 56.9% from 3Q15, due to a higher launch volume and increased gross sales. In addition, the increase of 20.1% in selling expenses reflects the current scenario of greater restriction of credit to customers, requiring a higher volume of investments related to marketing and sales expenses, so that to allow a higher volume of clients in our stores. In 9M16, selling expenses increased 38.6%, totaling R\$65.1 million.

In 3Q16, general and administrative expenses decreased 18.4% compared to 3Q15 and increased 3.5% in the sequential comparison. In 9M16, general and administrative expenses totaled R\$62.1 million, 1.8% down from R\$63.2 million recorded in 2015 and in line with the current level of operations of the Company.

Since 2013, Tenda has been rebalancing its cost structure and expenses to levels that are adequate for the current stage of its business model. This is a key step in the Company's ability to improve its operating and financial cycles, in order to achieve better profitability.

Table 15. Tenda – SG&A Expenses (R\$ 000)

	3Q16	2Q16	Q/Q (%)	3Q15	Y/Y(%)	9M16	9M15	Y/Y(%)
Selling Expenses	(25,554)	(21,270)	20%	(16,283)	57%	(65,096)	(46,963)	39%
General & Admin Expenses	(21,928)	(21,177)	4%	(26,861)	-18%	(62,125)	(63,248)	-2%
Total SG&A Expenses	(47,482)	(42,447)	12%	(43,144)	10%	(127,221)	(110,211)	15%
Launches	325,393	414,678	-22%	318,585	2%	968,614	786,306	23%
Net Pre-Sales	238,686	324,992	-27%	245,195	-3%	830,176	778,679	7%
Net Revenue	270,509	260,743	4%	221,560	22%	765,804	644,140	19%

The Other Operating Revenues/Expenses totaled an expense of R\$10.5 million, an increase of 44.6% compared to 2Q16, due to the higher impact of litigation expenses recorded last quarter.

Below, we present a breakdown of this expense.

Table 16 – Tenda – Other Revenues/Operating Expenses (R\$ 000)

	3Q16	2Q16	Q/Q (%)	3Q15	Y/Y(%)	9M16	9M15	Y/Y(%)
Litigation Expenses	(7,704)	(5,597)	38%	(7,999)	-4%	(20,385)	(18,900)	8%
Other	(2,805)	(1,673)	68%	(7,502)	-63%	(12,611)	(13,308)	-5%
Total	(10,509)	(7,270)	45%	(15,501)	-32%	(32,996)	(32,208)	2%

Adjusted EBITDA

Adjusted EBITDA was R\$39.7 million in 3Q16, compared to adjusted EBITDA of R\$21.9 million in 2Q16 and R\$24.6 million in 3Q15. In 9M16, adjusted EBITDA was R\$85.0 million compared to R\$60.9 million in the last year.

Adjusted EBITDA margin was 14.7% in 3Q16 compared to an adjusted EBITDA margin of 11.1% in 3Q15 and 8.4% in the previous quarter. The y-o-y increase is attributable to: (i) higher volume of revenues in the period; and (ii) better gross margin level, benefited by accounting reclassification previously mentioned. In 9M16, adjusted EBITDA margin reached 11.1%.

Table 17. Tenda – Adjusted EBITDA (R\$ 000)

	3Q16	2Q16	Q/Q (%)	3Q15	Y/Y (%)	9M16	9M15	Y/Y (%)
Net (Loss) Profit	23,045	8,622	167%	11,830	95%	36,461	43,311	-16%
(+) Financial results	12,173	450	2605%	1,970	518%	14,520	(5,209)	-379%
(+) Income taxes	2,885	3,394	-15%	1,993	45%	13,034	771	1591%
(+) Depreciation & Amortization	4,432	3,040	46%	4,186	6%	11,346	11,058	3%
(+) Capitalized interests	3,829	5,544	-31%	3,760	2%	14,889	11,517	29%
(+) Expenses with stock Option Plan	489	27	1711%	545	-10%	1,050	1,606	-35%
(+) Minority Shareholders	(7,109)	781	-	283	-	(6,257)	(2,151)	191%
Adjusted EBITDA	39,744	21,858	82%	24,567	62%	85,042	60,902	40%
Net Revenue	270,509	260,743	4%	221,560	22%	765,804	644,140	19%
Adjusted EBITDA Margin	14.7%	8.4%	630 bps	11.1%	360 bps	11.1%	9.5%	160 bps

1) EBITDA is adjusted by expenses associated with stock option plans, as this is a non-cash expense.

2) Tenda does not hold equity interest in Alphaville. In 4Q13, the result of the sale of interest in Alphaville, which was allocated to Tenda, was excluded.

Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method was R\$115.9 million in 3Q16. The consolidated margin for the quarter was 43.0%.

Table 18. Tenda – Backlog Results (REF) (R\$ 000)

	3Q16	2Q16	Q/Q (%)	3Q15	Y/Y (%)
Backlog Revenues	269,361	301,000	-11%	251,343	7%
Backlog Costs (units sold)	(153,492)	(175,111)	-12%	(142,303)	8%
Backlog Results	115,869	125,889	-8%	109,040	6%
Backlog Margin	43.0%	41.8%	120 bps	43.4%	40 bps

¹ Backlog results net of PIS/COFINS taxes and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638

² Backlog results comprise the projects restricted by condition precedent.

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	3Q16	2Q16	Q/Q (%)	3Q15	Y/Y(%)	9M16	9M15	Y/Y(%)
Net Revenue	270,509	260,743	4%	221,560	22%	765,804	644,140	19%
Operating Costs	(179,579)	(193,336)	-7%	(154,170)	16%	(538,722)	(457,422)	18%
Gross Profit	90,930	67,407	35%	67,390	35%	227,082	186,718	22%
Gross Margin	33.6%	25.9%	770 bps	30.4%	320 bps	29.7%	29.0%	70 bps
Operating Expenses	(59,936)	(54,160)	11%	(51,314)	17%	(169,324)	(149,996)	13%
Selling Expenses	(25,554)	(21,270)	20%	(16,283)	57%	(65,096)	(46,963)	39%
General and Administrative Expenses	(21,928)	(21,177)	4%	(26,861)	-18%	(62,125)	(63,248)	-2%
Other Operating Revenue/Expenses	(10,509)	(7,270)	45%	(15,501)	-32%	(32,996)	(32,208)	2%
Depreciation and Amortization	(2,889)	(3,040)	-5%	(4,022)	-28%	(9,119)	(10,894)	-16%
Equity Income	944	(1,403)	-	11,353	-92%	12	3,317	-100%
Operational Result	30,994	13,247	134%	16,076	93%	57,758	36,722	57%
Financial Income	6,471	8,586	-25%	2,147	201%	23,866	39,774	-40%
Financial Expenses	(18,644)	(9,036)	106%	(4,117)	353%	(38,386)	(34,565)	11%
Net Income Before taxes on Income	18,821	12,797	47%	14,106	33%	43,238	41,931	3%
Deferred Taxes	(1,863)	(169)	1002%	1,768	-	(5,528)	5,634	-
Income Tax and Social Contribution	(1,022)	(3,225)	-68%	(3,761)	-73%	(7,506)	(6,405)	17%
Net Income After Taxes on Income	15,936	9,403	69%	12,113	32%	30,204	41,160	-27%
Minority Shareholders	(7,109)	781	-	283	-	(6,257)	(2,151)	191%
Net Income	23,045	8,622	167%	11,830	95%	36,461	43,311	-16%

Balance Sheet

	3Q16	2Q16	Q/Q(%)	3Q15	Y/Y(%)
Current Assets					
Cash and cash equivalents	60,777	116,547	-48%	27,372	122%
Securities	193,732	197,671	-2%	297,867	-35%
Receivables from clients	348,383	412,709	-16%	464,720	-25%
Properties for sale	539,537	503,352	7%	459,852	17%
Other accounts receivable	104,856	104,090	1%	94,677	11%
Land for sale	71,310	84,060	-15%	127,242	-44%
	1,318,595	1,418,429	-7%	1,471,730	-10%
Long-term Assets					
Receivables from clients	126,254	67,530	87%	46,181	173%
Properties for sale	199,559	216,894	-8%	176,261	13%
Other	58,091	48,649	19%	63,286	-8%
	383,904	333,073	15%	285,728	34%
Intangible, Property and Equipment	46,294	44,516	4%	38,810	19%
Investments	153,298	160,295	-4%	168,137	-9%
Total Assets	1,902,091	1,956,313	-3%	1,964,405	-3%
Current Liabilities					
Loans and financing	19,298	11,236	72%	5,390	258%
Debentures	102,793	174,475	-41%	216,374	-52%
Obligations for Purchase of Land and Advances from customers	138,362	138,672	0%	129,169	7%
Material and service suppliers	26,978	34,818	-23%	23,006	17%
Taxes and Contributions	68,157	65,564	4%	86,645	-21%
Other	70,814	65,201	9%	70,412	1%
	426,402	489,966	-13%	530,996	-20%
Long-term liabilities					
Loans and financings	77,307	80,634	-4%	22,760	240%
Debentures	-	-	0%	100,000	-100%
Obligations for Purchase of Land and Advances from customers	85,842	97,870	-12%	71,044	21%
Deferred taxes	12,088	10,224	18%	2,725	344%
Provision for contingencies	51,768	52,760	-2%	56,528	-8%
Other	90,617	83,217	9%	42,610	113%
	317,622	324,705	-2%	295,667	7%
Shareholders' Equity					
Shareholders' Equity	1,128,446	1,104,912	2%	1,103,393	2%
Minority Shareholders	29,621	36,730	-19%	34,349	-14%
	1,158,067	1,141,642	1%	1,137,742	2%
Total liabilities and Shareholders' Equity	1,902,091	1,956,313	-3%	1,964,405	-3%

About Tenda

Tenda, with over 45 years of history and more than 75,000 units built, is one of Brazil's leading homebuilders and real estate developers focused on the low income segment. The Company is present in over 100 cities, distributed into 12 states, besides the Federal District. Currently, the Company has more than 30 stores and its own sales force.

Tenda is a company controlled by Gafisa, one of Brazil's leading residential and commercial properties development and construction companies. Founded over 60 years ago, Gafisa's brand is also one of the most respected in the Brazilian real estate market. The Group, besides Gafisa brand focused on the middle and upper class segments, the Company also focuses on low income developments through its Tenda brand and holds 30% interest in Alphaville, a leading urban developer, operating in the sale of residential lots throughout the country. Gafisa S.A. is a corporation with its shares traded on the Novo Mercado of the BM&FBOVESPA (BOVESPA:GFS3) and is the only Brazilian homebuilder listed on the New York Stock Exchange (NYSE:GFA) with an ADR Level III, which ensures best practices in terms of transparency and corporate governance.

This release contains forward-looking statements about the business prospects, estimates for operating and financial results and Gafisa's growth prospects. 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.