

**Construtora Tenda S.A.**  
**CNPJ/MF Nº 71.476.527/0001-35**  
**NIRE 35.300.348.206**

## **Notice to the Market**

### **PREVIEW OF OPERATIONAL RESULTS 1Q17**

## **Gross sales reached a record R\$424 million since the introduction of the New Model projects**

**FOR IMMEDIATE RELEASE** - São Paulo, April 18, 2017 – Construtora Tenda S.A., a leading Brazilian homebuilder and real estate developer focused on low income residential projects within the government’s “Minha Casa, Minha Vida” (“My house, My life”) housing program, ranges 1.5 and 2, today announced first quarter 2017 preliminary operational results, including launches, gross sales, dissolutions, pre-sales, delivered units, works in progress and landbank for the first quarter of 2017. These operating results are unaudited and subject to audit review.

#### **HIGHLIGHTS**

- First quarter gross sales increased 35.8% year-over-year to a record high with the New Model projects.
- Unit transfers rose 21.9% compared to 1Q16, underscoring the efficiency of the New Model.

## LAUNCHES

First quarter 2017 launches grew 32.2% year-over-year, supported by the increasing scale of the Company's operations since the beginning of the New Model and continued strength of the low income housing market in Brazil.

Launches	1Q17	4Q16	Q/Q (%)	1Q16	Y/Y (%)
<b>% Tenda<sup>1</sup></b>					
PSV (R\$ million)	302.1	373.9	(19.2%) ↓	228.5	32.2% ↑
Number of units	2,060	2,748	(25.0%) ↓	1,724	19.5% ↑
Average Price per Unit (R\$ thousand)	146.6	136.1	7.8% ↑	132.6	10.6% ↑

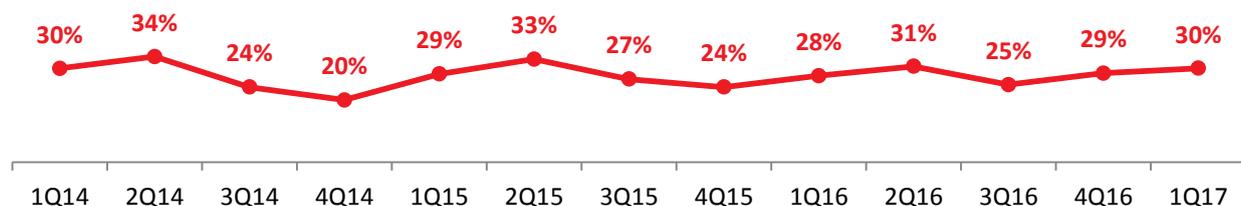
## GROSS SALES

The first quarter of 2017 marked a milestone for Tenda, with gross sales reaching a record level since the introduction of the New Model. Gross sales increased 35.8% compared to the same period of 2016, reflecting the better distribution of products between the regions where Tenda operates.

Speed of sales ("SoS") increased to the level of 30%, driven by sales of the New Model.

Gross Sales	1Q17	4Q16	Q/Q (%)	1Q16	Y/Y (%)
<b>% Tenda<sup>1</sup></b>					
<b>PSV (R\$ million)</b>	<b>424.6</b>	<b>403.5</b>	<b>5.2% ↑</b>	<b>312.7</b>	<b>35.8% ↑</b>
Number of units	3,034	2,860	6.1% ↑	2,176	39.4% ↑
Average Price per Unit (R\$ thousand)	140.0	141.1	(0.8%) ↓	143.7	(2.6%) ↓
<b>Gross SoS</b>	<b>30.5%</b>	<b>28.9%</b>	<b>1.6 p.p. ↑</b>	<b>28.0%</b>	<b>2.5 p.p. ↑</b>
New Model	33.1%	30.3%	2.8 p.p. ↑	29.7%	3.4 p.p. ↑
Legacy	9.8%	17.9%	(8.1 p.p.) ↓	20.6%	(10.8 p.p.) ↓

Speed of Sales – Gross SoS (%)



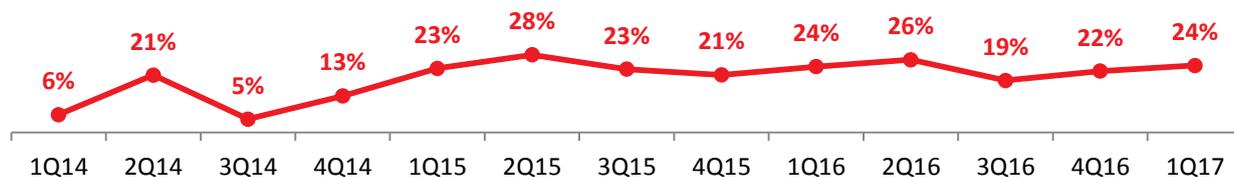
## DISSOLUTIONS AND NET SALES

In keeping with Tenda's policy of dissolving contracts with ineligible clients in order to sell the units to new qualified customers, 1Q17 dissolutions comprised 20.2% of gross sales, down 2.6 p.p. when compared to 4Q16. As indicated since the 3Q16, the temporary increase in dissolutions reflects the review of Tenda's dissolution process for sales not transferred within a three-month period. Tenda expects to return to stable operating levels in the second half of this year.

(in R\$ million)	1Q17	4Q16	Q/Q (%)	1Q16	Y/Y (%)
<b>% Tenda<sup>1</sup></b>					
<b>Gross Sales</b>	424.6	403.5	5.2% ↑	312.7	35.8% ↑
New Model	409.3	375.0	9.1% ↑	270.2	51.4% ↑
Legacy	15.4	28.5	(46.2%) ↓	42.5	(63.8%) ↓
<b>Dissolutions</b>	<b>85.8</b>	<b>91.8</b>	<b>(6.6%) ↓</b>	<b>46.2</b>	<b>85.5% ↑</b>
New Model	71.6	67.9	5.4% ↑	26.0	175.6% ↑
Legacy	14.2	23.9	(40.8%) ↓	20.2	(30.1%) ↓
<b>Pre-Sales</b>	<b>338.9</b>	<b>311.7</b>	<b>8.7% ↑</b>	<b>266.5</b>	<b>27.2% ↑</b>
% Launches <sup>2</sup>	16.1%	76.7%	(60.6 p.p.) ↓	8.2%	7.9 p.p. ↑
% Inventory	83.9%	23.3%	60.6 p.p. ↑	91.8%	(7.9 p.p.) ↓
<b>Dissolutions / Gross Sales</b>	<b>20.2%</b>	<b>22.8%</b>	<b>(2.6 p.p.) ↓</b>	<b>14.8%</b>	<b>5.4 p.p. ↑</b>
<b>Net SoS</b>	<b>24.3%</b>	<b>22.3%</b>	<b>2.0 p.p. ↑</b>	<b>23.9%</b>	<b>0.4 p.p. ↑</b>
New Model	27.3%	24.8%	2.5 p.p. ↑	26.9%	0.5 p.p. ↑
Legacy	0.8%	2.9%	(2.1 p.p.) ↓	10.7%	(9.9 p.p.) ↓

(in units)	1Q17	4Q16	Q/Q (%)	1Q16	Y/Y (%)
Gross Units Sold	3,034	2,860	6.1% ↑	2,176	39.4% ↑
Dissolved units	621	653	(4.9%) ↓	314	97.8% ↑
<b>Net Units Sold</b>	<b>2,413</b>	<b>2,207</b>	<b>9.3% ↑</b>	<b>1,862</b>	<b>29.6% ↑</b>
<b>Dissolutions / Gross Sales</b>	<b>20.5%</b>	<b>22.8%</b>	<b>(2.4 p.p.) ↓</b>	<b>14.4%</b>	<b>6.0 p.p. ↑</b>

Speed of Sales – Net SoS (%)



1. Monetary values adjusted to Tenda's equity stake.

2. Launches of the current year.

## UNITS TRANSFERRED, DELIVERED AND WORK IN PROGRESS

The Company was able to maintain a stable volume of transferred and delivered units compared with the fourth quarter of 2016, reflecting the strong performance of its sales and operations teams.

Transfer, Delivery and Work in Progress	1Q17	4Q16	Q/Q (%)	1Q16	Y/Y (%)
Transferred Units	2,577	2,551	1.0% ↑	2,037	26.5% ↑
Delivered Units	2,647	2,668	(0.8%) ↓	464	470.5% ↑
Work in Progress	33	37	(10.8%) ↓	29	13.8% ↑

## LANDBANK

The Company registered a small increase in landbank in the first quarter. Of note, all projects in Tenda's landbank are within the 1.5 and 2 ranges of the "Minha Casa, Minha Vida" program, which is the Company's only target market.

Landbank	1Q17	4Q16	Q/Q (%)	1Q16	Y/Y (%)
<b>% Tenda<sup>1</sup></b>					
PSV (R\$ million)	4,517	4,462	1.2% ↑	4,634	(2.5%) ↓
Number of units	32,827	32,707	0.4% ↑	33,702	(2.6%) ↓
Average Price per Unit (R\$ thousand)	137.6	136.4	0.9% ↑	137.5	0.1% ↑

1. Monetary values adjusted to Tenda's equity stake. Tenda owns 100% stake in landbank projects

## INVESTOR RELATIONS

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### About Tenda

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With 45 years of operating history and more than 75,000 units constructed, Tenda is one of Brazil's leading homebuilders and real estate developers focused on low-income projects launched within the 1.5 and 2 levels of "Minha Casa, Minha Vida" ("My House, My Life"), a government sponsored low income housing program. The Company's operations are concentrated in six of Brazil's largest metropolitan regions - São Paulo, Rio de Janeiro, Porto Alegre, Belo Horizonte, Salvador and Recife. Tenda has more than 40 of its own stores and an experienced sales team.