

**Construtora Tenda S.A.**

Corporate Taxpayer's ID (CNPJ/MF) 71.476.527/0001-35

Company Registry (NIRE) 35.300.348.206

**Notice to the Market****1Q17 OPERATING AND FINANCIAL RESULTS**

**Gross sales reach historical record of R\$424 million under the New Model. Net Income of R\$18.9 million up 295.1% y-o-y.**

**FOR IMMEDIATE RELEASE** - São Paulo, May 9, 2017 – Construtora Tenda S.A., one of Brazil's leading homebuilders and real estate developers operating in the low-income housing segment within the "Minha Casa, Minha Vida" ("MCMV") program, levels 1,5 and 2, today reports its operating and financial results for the first quarter of 2017.

**Highlights**

- Gross sales reach historical record under the New Model: 35.8% increase year-on-year.
- Growth of 26.5% in transferred units compared to the same period last year, reinforcing the efficiency of financial cycle under the New Model.
- Net revenue climbed 38.4% year-on-year due to 27.2% increase in net PSV during same period.
- Adjusted EBITDA went up 39.5% against 1Q16.
- Net income expanded 295.1% year-on-year with 3.8 p.p. increase in net margin during same period, evidencing consistent improved results.

**CONFERENCE CALL AND WEBCAST  
WITH SIMULTANEOUS TRANSLATION****May 10, 2017 - Wednesday****3:00 p.m. (BRT)**

2:00 p.m. (US EDT)

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Code: Tenda

Webcast: [click here](#)

## Message from Management

The earnings release of this first quarter of 2017 sets a new phase for Tenda. On May 4, our shares TEND3 debuted in the B3 basic trading segment (formerly BM&FBOVESPA), completing the definitive separation between Tenda and Gafisa and ending a process initiated in February 2014. We also obtained the corporate authorizations necessary to request the Company's migration to the special listing segment referred to as "*Novo Mercado*".

Now, in this new phase, we reap the benefits of Tenda's business restructuring and under the New Model the Company is positioned to capture the growth opportunities in the low-income housing segment, based on four strategic pillars: (1) utilization of aluminum molds in its projects, ensuring high quality and cost efficiency; (2) transferred sales system, in which all units sold are immediately available to be transferred to financial institutions; (3) contracted launches, which facilitates the transfer of sales and mitigates project's technical and legal risks; and (4) sales at own store, thus, allowing greater efficiency in sales and marketing expenses.

The strategic insight and gains of scale allowed to intensify launches and better distribute products in six metropolitan regions where we operate, especially in the income levels 1,5 and 2 within the "Minha Casa, Minha Vida" ("MCMV") program. We recorded the most vigorous first quarter in terms of gross sales since the implementation of the new business model, reaching a historical record of R\$424 million.

The market in this first quarter continues more resilient, signaling a stable beginning of year compared to previous periods. In this regard, we will continue launching well-structured projects, located in several regions, with good access infrastructure. These characteristics have been enabled Tenda to sustain a solid sales speed, which exceeds 20%, the highest in the sector. In 1Q17, New Model's Net SoS reached 27.3%.

One of our major operational challenges in 2017 will be to recover our landbank after strong project launches over the last periods. Our projects are well distributed in the regions where we operate and we will seek to maintain such healthy balance to expand even more the launches volume.

Over the past four years, Tenda launched 100 projects/phases, representing a total of R\$3.6 billion in PSV, already including the R\$302 million launched in this first quarter of 2017. Of this total, Tenda has delivered R\$2.1 billion in PSV, corresponding to 56 projects/phases, always achieving the performance and profitability drivers set out for the New Model. All projects launched in 2013 and 2014 have been completed and delivered on schedule and out of 30 projects launched in 2015, there are only three projects to be delivered.

We continue maintaining a high volume of units transferred and delivered, reflecting an optimum performance of sales team and operations, pointing out the 33.7% increase in the number of units transferred under the New Model in the year-on-year comparison.

It is also worth mentioning that in February, MCMV parameters were reviewed, reducing interest rates, improving income levels, rising price cap and increasing the FGTS (Government Severance Indemnity Fund for Employees) transfer amount to financial institutions. These measures were positive for Tenda, as these expand our reach to new clients, generating positive impact on our price margins and speed up our sales velocity. More relevant, it attests the government's commitment to the program sustainability.

Financially speaking, Tenda's main indicators have been evolving. Net revenues climbed 38.4% year-on-year, adjusted EBITDA grew 39.5% and net income increased 295.1% to R\$18.9 million in 1Q17. Adjusted gross margin was up 2.9 p.p., reaching 34.6% in 1Q17, benefited by cost-savings seen in the quarter.

Tenda maintains a solid cash position of R\$284.3 million in 1Q17, up 27.2% from 4Q16, sufficient to cover its total debt, which totaled R\$173.4 million in the period. It is worth mentioning that, with a negative adjusted net debt/shareholders' equity ratio of 1.0%, Tenda is one of the sector's most deleveraged companies.

We would like to thank all those persons involved in Tenda's lengthy restructuring process, which demanded a lot of work, but ultimately proved to be very relevant to unlock value for our shareholders. We especially thank Gafisa's team, for their support during all these years we worked together.

Finally, considering such new reality for Tenda as a publicly-held company, we sustain our belief that only the focus on building a long-term project creates sustainable value for shareholders. We inaugurated a new phase in Tenda's history and we are optimistic about the future, thanks to the discipline applied to our business plan. Tenda keeps its vision of becoming Brazil's low-income segment company which delivers the best return to its shareholders. This is our commitment.

## Operating and Financial Highlights

Operational and Financial Highlights (in R\$ Million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
<b>Operational Highlights</b>					
Launches	302.1	373.9	(19.2%) ↓	228.5	32.2% ↑
Net pre-sales	338.9	311.7	8.7% ↑	266.5	27.2% ↑
Sales over Supply (SoS)	24.3%	22.3%	2.0 p.p. ↑	23.9%	0.4 p.p. ↑
Delivered projects (Units)	2,647	2,668	(0.8%) ↓	464	470.5% ↑
<b>Financial Highlights</b>					
Net Revenue	324.7	286.9	13.2% ↑	234.6	38.4% ↑
Adjusted Gross Profit <sup>1</sup>	112.3	109.1	2.9% ↑	74.3	51.2% ↑
Adjusted Gross Margin <sup>1</sup>	34.6%	38.0%	(3.4 p.p.) ↓	31.7%	2.9 p.p. ↑
Adjusted EBITDA <sup>2</sup>	31.7	47.4	(33.0%) ↓	22.8	39.5% ↑
Adjusted EBITDA Margin <sup>2</sup>	9.8%	16.5%	(6.7 p.p.) ↓	9.7%	0.1 p.p. ↑
Net Financial Result	(0.7)	(5.5)	(88.0%) ↓	(1.9)	(65.1%) ↓
Net Income (Loss)	18.9	20.2	(6.2%) ↓	4.8	295.1% ↑
Backlog Revenues	243.2	241.6	0.6% ↑	281.5	(13.6%) ↓
Backlog Results <sup>3</sup>	106.2	110.3	(3.8%) ↓	115.1	(7.7%) ↓
Backlog Margin <sup>3</sup>	43.7%	45.7%	(2.0 p.p.) ↓	40.9%	2.8 p.p. ↑
Cash and cash equivalents <sup>4</sup>	284.3	223.5	27.2% ↑	334.9	(15.1%) ↓
Net Debt	(110.9)	(88.5)	25.3% ↑	(41.9)	164.3% ↑
Adjusted Net Debt <sup>5</sup>	(10.9)	11.5	(194.3%) ↓	(41.9)	(74.1%) ↓
Shareholders' Equity + minority shareholders	1,100.9	1,075.6	2.3% ↑	1,132.2	(2.8%) ↓
Net Debt / (SE + Minority)	(10.1%)	(8.2%)	(1.8 p.p.) ↓	(3.7%)	(6.4 p.p.) ↓
Adjusted Net Debt <sup>5</sup> / (SE + Minority)	(1.0%)	1.1%	(2.1 p.p.) ↓	(3.7%)	2.7 p.p. ↑
Net Income (Loss) (last 12 months)	60.2	47.3	27.4% ↑	23.4	157.5% ↑
NOPAT (last 12 months) <sup>6</sup>	106.5	95.4	11.7% ↑	38.6	176.0% ↑
Adjusted Capital Employed <sup>7</sup>	1,090.0	1,087.1	0.3% ↑	1,090.3	(0.0%) ↓
ROE (last 12 months) <sup>8</sup>	5.4%	4.3%	1.1 p.p. ↑	2.1%	3.3 p.p. ↑
ROCE (last 12 months) <sup>9</sup>	9.8%	8.6%	1.2 p.p. ↑	3.5%	6.3 p.p. ↑

1) Adjusted by capitalized interests.

2) Adjusted by capitalized interests, expenses with stock option plans (non-cash) and minority shareholders.

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. Backlog results comprise the projects restricted by condition precedent.

4) Cash and cash equivalents and securities.

5) Net debt adjusted by payment obligations from the capital reduction on December 14, 2016. This obligation is recorded in the Balance Sheet under Other Non-current Liabilities.

6) NOPAT is composed of net income excluding financial result and capitalized interest effects.

7) Adjusted Capital Employed is composed of the sum of adjusted net debt, shareholders' equity and minority shareholders.

8) ROE is calculated by net income of the last 12 months divided by the average shareholders' equity and minority shareholders. Average referring to the opening and closing position in the last 12 months.

9) ROCE is calculated by NOPAT of the last 12 months divided by average capital employed. Average referring to the opening and closing position in the last 12 months.

## Launches

Launches volume climbed 32.2% in 1Q17 compared to the same period last year, sustained by gains of scale under the New Model and market resilience.

Launches <sup>1</sup>	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Number of Launches	8	11	(27.3%) ↓	9	(11.1%) ↓
<b>PSV (in R\$ million)</b>	<b>302.1</b>	<b>373.9</b>	<b>(19.2%) ↓</b>	<b>228.5</b>	<b>32.2% ↑</b>
Number of units	2,060	2,748	(25.0%) ↓	1,724	19.5% ↑
Average price per unit (in R\$ Thousand)	146.6	136.1	7.8% ↑	132.6	10.6% ↑
Average size of launches (in units)	258	250	3.1% ↑	192	34.4% ↑

1) The projects launched under the New Business Model have Tenda's 100% equity interest.

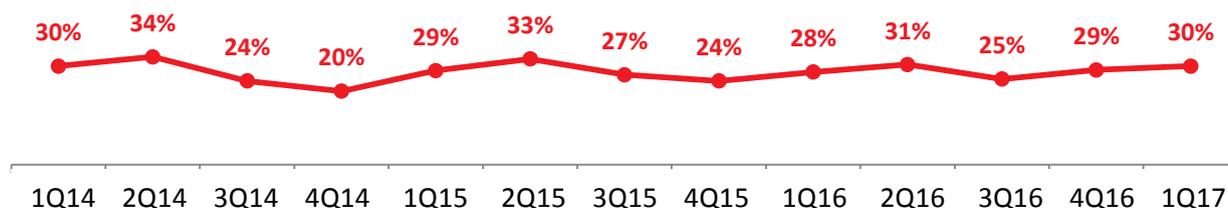
## Gross Sales

The first quarter of 2017 was a milestone for Tenda; the Company's gross sales reached a historical record under the New Model, which climbed 35.8% year-on-year, reflecting better distribution of products in the regions where we operate.

Sales velocity (measured by "sales over supply" indicator or "SoS") reached 30%, driven by sales under the New Model.

Gross Sales	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
PSV (in R\$ million)	424.6	403.5	5.2% ↑	312.7	35.8% ↑
Number of units	3,034	2,860	6.1% ↑	2,176	39.4% ↑
Average price per unit (in R\$ Thousand)	140.0	141.1	(0.8%) ↓	143.7	(2.6%) ↓
Gross SoS	30.5%	28.9%	1.6 p.p. ↑	28.0%	2.5 p.p. ↑
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.) ↓	20.7%	(10.8 p.p.) ↓

Sales Over Supply – Gross SoS (%)



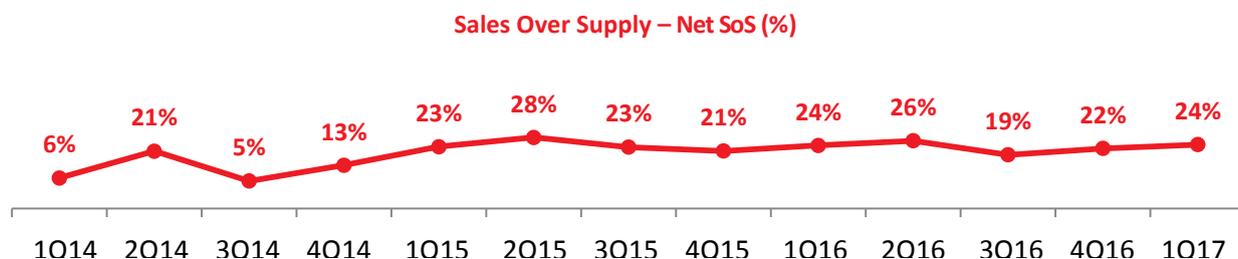
## Cancelations and Net Pre-Sales

Maintaining the policy to cancel contracts with ineligible clients, for subsequent resale to new qualified customers, the volume cancelled in the 1Q17 was 20.2% of gross sales, down 2.6p.p. from 4Q16. As already disclosed since 3Q16, the temporary increase of cancelations volume is a result of review of unilateral cancelation process executed by Tenda, for sales not transferred for a period exceeding three months. We expect return to a stable level of operations as of the second half this year.

(in R\$ million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
<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>Cancelations</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% ↑	25.7	178.2% ↑
Legacy	14.2	23.9	(40.8%) ↓	20.5	(30.9%) ↓
<b>Net Pre-Sales</b>	<b>338.9</b>	<b>311.7</b>	<b>8.7% ↑</b>	<b>266.5</b>	<b>27.2% ↑</b>
% Launch <sup>1</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>Cancelations / 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%	0.4 p.p. ↑
Legacy	0.8%	2.9%	(2.1 p.p.) ↓	10.7%	(9.9 p.p.) ↓

(in units)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Gross Units Sold	3,034	2,860	6.1% ↑	2,176	39.4% ↑
Canceled 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>Cancelations / 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>

1) Launches of current year.



## Units Transferred, Delivered and Works in Progress

Tenda managed to maintain the same volume of last quarter's units transferred and delivered, reflecting good performance of sales team and operations.

Transfers, Deliveries and Work in Progress	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
PSV Transferred (in R\$ million)	320.3	321.1	(0.3%) ↓	266.8	20.1% ↑
New Model	300.2	291.7	2.9% ↑	236.1	27.1% ↑
Legacy	20.1	29.3	(31.6%) ↓	30.6	(34.5%) ↓
Transferred Units	2,577	2,551	1.0% ↑	2,037	26.5% ↑
New Model	2,427	2,338	3.8% ↑	1,815	33.7% ↑
Legacy	150	213	(29.6%) ↓	222	(32.4%) ↓
Delivered Units	2,647	2,668	(0.8%) ↓	464	470.5% ↑
Work in Progress	33	37	(10.8%) ↓	29	13.8% ↑

## Inventory at Market Value

The growth in launches volume and gains of the Company's operating scale in 2016 increased the Company's inventory to R\$1.0 billion, justifying the 24.1% increase year-on-year.

However, one of the indicators which reflects the company's inventory health is the inventory turnover, currently at 10.4 months.

Inventory at Market Value	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
PSV (in R\$ million)	1,053.7	1,085.4	(2.9%) ↓	849.1	24.1% ↑
Number of Units	7,109	7,530.0	(5.6%) ↓	5,825.0	22.0% ↑
Average price per unit (in R\$ Thousand)	148.2	144.1	2.8% ↑	145.8	1.7% ↑

Status of Construction	1Q17	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished Units
PSV (in R\$ million)	1,053.7	119.4	255.5	434.2	133.5	111.2
New Model MCMV	898.6	119.4	255.5	367.4	133.5	22.8
Legacy MCMV	140.0	0.0	0.0	66.8	0.0	73.3
Legacy non-MCMV	15.1	0.0	0.0	0.0	0.0	15.1

1) (Inventory PSV at current Market Value / PSV of Net Sales in the last 12 months ) x 12 months.

## Landbank

In 1Q17, Tenda recorded a marginal increase of its landbank. The Company reinforces that all projects of its landbank target the income levels 1,5 and 2 of “Minha Casa, Minha Vida” (“MCMV”) program.

Landbank <sup>1</sup>	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Number of Projects	139	138	0.7% ↑	131	6.1% ↑
PSV (in R\$ million)	4,516.7	4,461.8	1.2% ↑	4,634.4	(2.5%) ↓
Acquisitions / Adjustments (in R\$ Million)	357.1	631.6	(43.5%) ↓	130	174.6% ↑
Number of Units	32,827	32,707	0.4% ↑	33,702	(2.6%) ↓
Average price per unit (in R\$ thousands)	137.6	136.4	0.9% ↑	137.5	0.1% ↑
% Swap Total	14.8%	17.2%	(2.4 p.p.) ↓	12.8%	2.1 p.p. ↑
% Swap Units	7.5%	10.4%	(2.9 p.p.) ↓	9.2%	(1.7 p.p.) ↓
% Swap Financial	7.4%	6.8%	0.6 p.p. ↑	3.6%	3.8 p.p. ↑

1) Tenda owns 100% equity interest of its landbank.

## New Model Update

The Company continues to operate in six metropolitan regions: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife, with a total of 100 projects/phases and launched PSV of R\$3.6 billion since 2013.

New Model Update	2013	2014	2015	2016	YTD 2017
Number of Projects	7	14	30	41	8
Units launched	2,460	4,315	7,711	9,819	2,060
Total PSV (R\$ 000)	313.9	613.3	1,088.9	1,342.5	302.1
Units Sold	2,443	4,219	7,467	5,507	344
% Sold	99.3%	97.8%	96.8%	56.1%	16.7%
Avg SoS (Month)	8.6%	6.5%	8.3%	6.6%	6.8%
Units transferred	2,431	4,144	7,102	4,327	121
% Units transferred	98.8%	96.0%	92.1%	44.1%	5.9%
Work in Progress	100.0%	100.0%	99.4%	59.8%	21.2%

## Net Operating Revenue

Net operating revenue increased 38.4% compared to 1Q16, sustained by a 27.2% growth in net PSV during same period and higher number of works in progress.

The provision for doubtful accounts and cancelations decreased compared to 4Q16, due to reversals in provisions for unilateral cancelations by Tenda in 1Q17.

(in R\$ million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Gross Operating Revenues	347.2	358.2	(3.1%) ↓	262.5	32.3% ↑
Provision for doubtful accounts and cancelations	(1.7)	(49.3)	(96.6%) ↓	(8.8)	(80.8%) ↓
Taxes on sales of properties and services	(20.8)	(21.9)	(5.1%) ↓	(19.1)	8.7% ↑
<b>Net Operating Revenue</b>	<b>324.7</b>	<b>286.9</b>	<b>13.2% ↑</b>	<b>235</b>	<b>38.4% ↑</b>

## Gross Profit

Gross profit went up 56.1% year-on-year justified by gains of operating scale under the New Model and market resilience.

Financial expenses decreased 62.4% from 4Q16, period when the Company recorded a non-recurring negative effect of R\$7.0 million due to the write-off of capitalized interest rates on assets held for sale. We point out that, excluding such non-recurring effect, financial expenses would be in line in the q-o-q comparison.

The adjusted gross margin went down 3.4 p.p. in 1Q17 compared to 4Q16, period when the Company recognized relevant savings with construction costs and non-recurring positive effect on sale of land.

(in R\$ Million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Net Revenue	324.7	286.9	13.2% ↑	234.6	38.4% ↑
<b>Gross Profit</b>	<b>107.3</b>	<b>95.9</b>	<b>11.9% ↑</b>	<b>68.7</b>	<b>56.1% ↑</b>
Gross Margin	33.1%	33.4%	(0.4 p.p.) ↓	29.3%	3.7 p.p. ↑
(-) Financial Costs	4.9	13.2	(62.4%) ↓	5.5	(10.3%) ↓
<b>Adjusted Gross Profit<sup>1</sup></b>	<b>112.3</b>	<b>109.1</b>	<b>2.9% ↑</b>	<b>74.3</b>	<b>51.2% ↑</b>
Adjusted Gross Margin	34.6%	38.0%	(3.4 p.p.) ↓	31.7%	2.9 p.p. ↑

1) Adjusted by capitalized interest rates.

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

Selling expenses increased 16.0% q-o-q, due to gross sales record of R\$424 million.

General and administrative expenses (“G&A”) decreased 17.0% compared to 4Q16, period when non-recurring expenses were incurred referring to the separation process of Tenda and Gafisa totaling R\$6.0 million.

(in R\$ Million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Selling Expenses	(29.5)	(25.4)	16.0% ↑	(18.3)	61.2% ↑
General & Admin Expenses	(22.9)	(27.6)	(17.0%) ↓	(19.0)	20.5% ↑
<b>Total SG&amp;A Expenses</b>	<b>(52.4)</b>	<b>(53.0)</b>	<b>(1.2%) ↓</b>	<b>(37.3)</b>	<b>40.5% ↑</b>
Gross Sales	424.6	403.5	5.2% ↑	312.7	35.8% ↑
Launches	302.1	373.9	(19.2%) ↓	228.5	32.2% ↑
<b>Selling Expenses / Gross Sales</b>	<b>(6.9%)</b>	<b>(6.3%)</b>	<b>(0.6 p.p.) ↓</b>	<b>(5.8%)</b>	<b>(1.1 p.p.) ↓</b>
<b>G&amp;A Expenses / Launches</b>	<b>(7.6%)</b>	<b>(7.4%)</b>	<b>(0.2 p.p.) ↓</b>	<b>(8.3%)</b>	<b>0.7 p.p. ↑</b>

## Other Operating Revenues/Expenses

Other Operating Revenues/Expenses increased q-o-q due to higher litigation expenses and also to the conclusion of an arbitration proceeding referring to an entity Tenda had to shut down concerned with legacy projects, with impact of R\$ 11.3 million.

(in R\$ Million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
<b>Other Operating Revenues and Expenses</b>	<b>(28.7)</b>	<b>(3.7)</b>	<b>666.2% ↑</b>	<b>(15.2)</b>	<b>88.7% ↑</b>
Litigation Expenses	(12.1)	(0.8)	1,337.4% ↑	(7.1)	71.0% ↑
Other	(16.6)	(2.9)	471.4% ↑	(8.1)	104.0% ↑
Equity Income	0.1	(5.5)	(101.6%) ↓	0.5	(81.1%) ↓

## Adjusted EBITDA

The adjusted EBITDA climbed 39.5% year-on-year, sustained by the Company's growth. Adjusted gross margin of 9.8% came in line with 1Q16.

(in R\$ Million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Net Income	18.9	20.2	(6.2%) ↓	4.8	295.1% ↑
(+) Financial result	0.7	5.5	(88.0%) ↓	1.9	(65.1%) ↓
(+) Income taxes and social contribution	4.5	7.9	(42.9%) ↓	6.8	(32.9%) ↓
(+) Depreciation and amortization	3.3	3.2	2.9% ↑	3.2	2.6% ↑
(+) Capitalized interests	4.9	13.2	(62.4%) ↓	5.5	(10.3%) ↓
(+) Expenses with Stock Option Plan <sup>1</sup>	0.5	0.5	(0.2%) ↓	0.5	(8.3%) ↓
(+) Minority Shareholders	(1.1)	(3.1)	(64.7%) ↓	0.1	(1,653.5%) ↓
<b>Adjusted EBITDA<sup>1</sup></b>	<b>31.7</b>	<b>47.4</b>	<b>(33.0%) ↓</b>	<b>22.8</b>	<b>39.5% ↑</b>
Net Revenue	324.7	286.9	13.2% ↑	234.6	38.4% ↑
<b>Adjusted EBITDA Margin<sup>1</sup></b>	<b>9.8%</b>	<b>16.5%</b>	<b>(6.7 p.p.) ↓</b>	<b>9.7%</b>	<b>0.1 p.p. ↑</b>

1) Adjusted by capitalized interests, expenses with stock option plans (non-cash) and minority shareholders.

## Financial Result

The financial result improved compared to 4Q16, reflecting the maintenance of a higher cash level resulting from the Company's operating generation, and reduced financial expenses in view of settlement of FGTS debenture.

(in R\$ Million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Financial Income	5.6	3.4	66.4% ↑	8.8	(35.9%) ↓
Financial Expenses	(6.3)	(8.9)	(29.2%) ↓	(10.7)	(41.1%) ↓
<b>Financial Result</b>	<b>(0.7)</b>	<b>(5.5)</b>	<b>(88.0%) ↓</b>	<b>(1.9)</b>	<b>(65.1%) ↓</b>

## Net Income

The net income and net margin increased year-on-year, due to higher contribution from the New Model and market resilience.

(in R\$ million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Net Income after Income Tax and Social Contribution	17.8	17.1	4.5% ↑	4.9	266.6% ↑
(-) Minority shareholders	(1.1)	(3.1)	(64.7%) ↓	0.1	(1,653.5%) ↓
<b>Net Income</b>	<b>18.9</b>	<b>20.2</b>	<b>(6.2%) ↓</b>	<b>4.8</b>	<b>295.1% ↑</b>
Net Margin	5.8%	7.0%	(1.2 p.p.) ↓	2.0%	3.8 p.p. ↑

## Backlog Results

The Backlog margin remains at healthy levels, above 40%, indicating the quality of New Model projects and savings obtained in construction costs.

(in R\$ million)	1Q17	4Q16	QoQ (%)	1Q16	YoY (%)
Backlog Revenues	243.2	241.6	0.6% ↑	281.5	(13.6%) ↓
Backlog Costs (units sold)	(137.0)	(131.3)	4.4% ↑	(166.4)	(17.7%) ↓
<b>Backlog Results<sup>1</sup></b>	<b>106.2</b>	<b>110.3</b>	<b>(3.8%) ↓</b>	<b>115.1</b>	<b>(7.7%) ↓</b>
Backlog Margin	43.7%	45.7%	(2.0 p.p.) ↓	40.9%	2.8 p.p. ↑

1) Backlog results net of PIS/COFINS taxes (3.65%), and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638. Comprises the projects restricted by precedent condition.

## Cash and Cash Equivalents and Financial Investments

(in R\$ million)	March 17	December 16	QoQ (%)	March 16	YoY (%)
Cash & Cash Equivalents	45.5	28.4	60.2% ↑	102.6	(55.6%) ↓
Short term investments	238.8	195.1	22.4% ↑	232.4	2.8% ↑
<b>Total Cash Position</b>	<b>284.3</b>	<b>223.5</b>	<b>27.2% ↑</b>	<b>334.9</b>	<b>(15.1%) ↓</b>

## Accounts Receivable from Development and Services Rendered

Increased receivables compared to previous quarter is justified by record sales volume early this year since the implementation of New Model.

(in R\$ million)	March 17	December 16	QoQ (%)	March 16	YoY (%)
Up to 2017 <sup>1</sup>	411.8	363.5	13.3% ↑	526.5	(21.8%) ↓
2018	80.1	96.5	(17.0%) ↓	23.6	239.0% ↑
2019	70.8	63.2	12.0% ↑	12.1	487.5% ↑
2020 and beyond	40.5	32.2	25.8% ↑	11.6	249.8% ↑
<b>Total Accounts Receivable</b>	<b>603.2</b>	<b>555.4</b>	<b>8.6% ↑</b>	<b>573.8</b>	<b>5.1% ↑</b>
(-) Present value adjustment	(8.7)	(2.9)	200.2% ↑	(1.8)	377.2% ↑
(-) Provision for doubtful accounts and cancelations	(127.0)	(125.4)	1.3% ↑	(97.0)	31.0% ↑
<b>Accounts Receivable</b>	<b>467.5</b>	<b>427.1</b>	<b>9.4% ↑</b>	<b>475.0</b>	<b>(1.6%) ↓</b>

1) Overdue and falling due.

Accounts Receivable Tenda <sup>2</sup> (in R\$ million)	March 17	December 16	QoQ (%)	March 16	YoY (%)
Before delivery to buyer ( <i>Pro-Soluto</i> )	17.6	17.8	(1.2%) ↓	16.0	9.9% ↑
After delivery to buyer ( <i>TCD</i> )	101.5	91.3	11.2% ↑	44.0	130.8% ↑
<b>Tenda Receivables</b>	<b>119.1</b>	<b>109.1</b>	<b>9.2% ↑</b>	<b>60.0</b>	<b>98.5% ↑</b>
Total accounts receivable	467.5	427.1	9.4% ↑	475.0	(1.6%) ↓
Backlog Revenues	243.2	241.6	0.6% ↑	281.5	(13.6%) ↓
<b>Tenda Receivables/(Total accounts receivable + Backlog Revenues)</b>	<b>16.8%</b>	<b>16.3%</b>	<b>0.4 p.p. ↑</b>	<b>7.9%</b>	<b>8.8 p.p. ↑</b>

2) Amounts of not transferred receivables net of provisions, with installment payments directly to the Company, since bank loans not absorb 100% of the property value.

## Indebtedness

Tenda ended the first quarter of 2017 with a total debt of R\$173.4 million, at an weighted average cost of 11.3% p.a. and duration of 20.4 months.

Debt Maturity Schedule (in R\$ million)	Project Finance	Corporate Debt	Total
2017	1.3	50.3	51.6
2018	20.6	18.9	39.5
2019	47.6	1.1	48.7
2020	32.3	0.0	32.3
2021 onwards	1.4	0.0	1.4
<b>Total Debt</b>	<b>103.1</b>	<b>70.3</b>	<b>173.4</b>
Duration (in months)			20.4

Debt Breakdown (in R\$ million)	Maturity	Charges (p.a.)	Balance Due mar-17	Balance Due dec-16
<b>Project Finance</b>			<b>103.1</b>	<b>83.0</b>
SFH	until Aug/2021	TR + 8.3% to 9.5%	103.1	83.0
<b>Corporate Debt</b>			<b>70.3</b>	<b>52.0</b>
Working Capital	until Jun/2019	CDI + 2.3% to 4.25% INCC-DI Variation	70.3	52.0

Weighted Average Cost of Debt (in R\$ million)	Balance Due mar-17	Balance Due / Total Debt	Average Cost (p.a.)
CDI	65.0	37.5%	CDI + 3.43%
TR	103.1	59.5%	TR + 8.31%
INCC	5.3	3.0%	INCC + 0%
<b>Total</b>	<b>173.4</b>	<b>100%</b>	<b>11.28%</b>

## Net Debt

The net debt decreased 25.3% q-o-q. Net debt adjusted by payment obligations from the capital reduction for Gafisa ended the quarter negative at R\$10.9 million.

It is worth mentioning that, with a negative adjusted net debt/shareholders' equity ratio of 1.0%, Tenda is one of the sector's most deleveraged companies.

(in R\$ millions)	March-17	December-16	Q/Q (%)	March-16	Y/Y (%)
Gross Debt	173.4	135.0	28.5% ↑	293.0	(40.8%) ↓
(-) Cash and cash equivalents and financial investments	(284.3)	(223.5)	27.2% ↑	(334.9)	(15.1%) ↓
Net Debt	(110.9)	(88.5)	25.3% ↑	(41.9)	164.3% ↑
(+) Capital Reduction	100.0	100.0	0.0% ↑	0.0	0.0% ↑
<b>Adjusted Net Debt<sup>1</sup></b>	<b>(10.9)</b>	<b>11.5</b>	<b>(194.3%) ↓</b>	<b>(41.9)</b>	<b>(74.1%) ↓</b>
Shareholders' Equity + Minority Shareholders	1,100.9	1,075.6	2.3% ↑	1,132.2	(2.8%) ↓
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(10.1%)	(8.2%)	(1.8 p.p.) ↓	(3.7%)	(6.4 p.p.) ↓
Adjusted Net Debt/ (Shareholders' Equity + Minority Shareholders)	(1.0%)	1.1%	(2.1 p.p.) ↓	(3.7%)	2.7 p.p. ↑
Adjusted EBITDA (Last 12 months)	139.2	130.2	6.9% ↑	63.8	118.0% ↑
Adjusted Net Debt/Adjusted EBITDA (last 12 months)	(7.8%)	8.8%	(16.6 p.p.) ↓	(65.7%)	57.9 p.p. ↑

1) Net debt adjusted by payment obligations from the capital reduction on December 14, 2016. This amount was recorded in the balance sheet under other liabilities.

## Statement of Income

(in R\$ millions)	1Q17	4Q16	Q/Q (%)	1Q16	Y/Y (%)
Net Revenue	324.7	286.9	13.2% ↑	234.6	38.4% ↑
Operating Costs	(217.4)	(191.0)	13.8% ↑	(165.8)	31.1% ↑
<b>Gross Profit</b>	<b>107.3</b>	<b>95.9</b>	<b>11.9% ↑</b>	<b>68.7</b>	<b>56.1% ↑</b>
<i>Gross Margin</i>	<i>33.1%</i>	<i>33.4%</i>	<i>(0.4 p.p.) ↓</i>	<i>29.3%</i>	<i>3.7 p.p. ↑</i>
Operating Expenses	(84.3)	(65.4)	28.9% ↑	(55.2)	52.6% ↑
Selling Expenses	(29.5)	(25.4)	16.0% ↑	(18.3)	61.2% ↑
General and Administrative Expenses	(22.9)	(27.6)	(17.0%) ↓	(19.0)	20.5% ↑
Other Operating Revenue/Expenses	(28.7)	(3.7)	666.2% ↑	(15.2)	88.7% ↑
Depreciation and Amortization	(3.3)	(3.2)	2.9% ↑	(3.2)	2.6% ↑
Equity Income	0.1	(5.5)	(101.6%) ↓	0.5	(81.1%) ↓
<b>Operational Result</b>	<b>23.0</b>	<b>30.5</b>	<b>(24.5%) ↓</b>	<b>13.5</b>	<b>70.4% ↑</b>
Financial Income	5.6	3.4	66.4% ↑	8.8	(35.9%) ↓
Financial Expenses	(6.3)	(8.9)	(29.2%) ↓	(10.7)	(41.1%) ↓
<b>Net Income Before Taxes on Income</b>	<b>22.4</b>	<b>25.0</b>	<b>(10.5%) ↓</b>	<b>11.6</b>	<b>92.5% ↑</b>
Deferred income tax and social contribution	(2.0)	0.7	(410.9%) ↓	(3.5)	(42.1%) ↓
Current Income Tax and Social Contribution	(2.5)	(8.6)	(70.8%) ↓	(3.3)	(23.0%) ↓
<b>Net Income After Taxes on Income</b>	<b>17.8</b>	<b>17.1</b>	<b>4.5% ↑</b>	<b>4.9</b>	<b>266.6% ↑</b>
Minority Shareholders	(1.1)	(3.1)	(64.7%) ↓	0.1	(1,653.5%) ↓
<b>Net Income</b>	<b>18.9</b>	<b>20.2</b>	<b>(6.2%) ↓</b>	<b>4.8</b>	<b>295.1% ↑</b>

## Balance Sheet

(in R\$ millions)	March-17	December-16	Q/Q (%)	March-16	Y/Y (%)
<b>Current Assets</b>	<b>1,286.5</b>	<b>1,217.4</b>	<b>5.7% ↑</b>	<b>1,474.2</b>	<b>(12.7%) ↓</b>
Cash and cash equivalents	45.5	28.4	60.2% ↑	102.6	(55.6%) ↓
Short term investments	238.8	195.1	22.4% ↑	232.4	2.8% ↑
Receivables from clients	286.9	250.5	14.6% ↑	428.5	(33.0%) ↓
Properties for sale	526.3	563.6	(6.6%) ↓	513.4	2.5% ↑
Other accounts receivable	111.0	104.6	6.1% ↑	103.5	7.2% ↑
Land for sale	78.0	75.2	3.6% ↑	93.9	(17.0%) ↓
<b>Non-Current Assets</b>	<b>488.3</b>	<b>448.9</b>	<b>8.8% ↑</b>	<b>306.8</b>	<b>59.2% ↑</b>
Receivables from clients	180.5	176.7	2.2% ↑	46.5	288.1% ↑
Properties for sale	250.5	211.7	18.3% ↑	212.8	17.7% ↑
Other	57.3	60.6	(5.4%) ↓	47.4	20.8% ↑
<b>Intangible, Property and Equipment</b>	<b>50.6</b>	<b>48.0</b>	<b>5.3% ↑</b>	<b>41.5</b>	<b>21.8% ↑</b>
<b>Investments</b>	<b>63.5</b>	<b>147.8</b>	<b>(57.1%) ↓</b>	<b>163.8</b>	<b>(61.3%) ↓</b>
<b>Total Assets</b>	<b>1,888.8</b>	<b>1,862.1</b>	<b>1.4% ↑</b>	<b>1,986.3</b>	<b>(4.9%) ↓</b>
<b>Current Liabilities</b>	<b>342.1</b>	<b>353.5</b>	<b>(3.2%) ↓</b>	<b>526.7</b>	<b>(35.0%) ↓</b>
Loans and financing	66.8	41.3	61.5% ↑	7.6	780.1% ↑
Debentures	0.0	0.0	0.0% ↑	207.1	(100.0%) ↓
Obligations for purchase of land and advances from customers	134.6	131.3	2.6% ↑	136.2	(1.2%) ↓
Material and service suppliers	21.0	31.7	(33.8%) ↓	29.8	(29.7%) ↓
Taxes and contributions	36.1	30.5	18.2% ↑	37.7	(4.5%) ↓
Other	83.7	118.8	(29.5%) ↓	108.2	(22.7%) ↓
<b>Non-current liabilities</b>	<b>445.8</b>	<b>433.0</b>	<b>3.0% ↑</b>	<b>327.5</b>	<b>36.1% ↑</b>
Loans and financing	106.7	93.7	13.9% ↑	78.3	36.2% ↑
Debentures	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Obligations for purchase of land and advances from customers	106.8	104.3	2.3% ↑	102.9	3.8% ↑
Deferred taxes	13.4	11.4	17.3% ↑	10.1	33.0% ↑
Provision for contingencies	45.8	45.0	1.9% ↑	56.2	(18.5%) ↓
Other	173.2	178.6	(3.0%) ↓	79.9	116.6% ↑
<b>Shareholders' Equity</b>	<b>1,100.9</b>	<b>1,075.6</b>	<b>2.3% ↑</b>	<b>1,132.2</b>	<b>(2.8%) ↓</b>
Shareholders' Equity	1,068.6	1,049.1	1.9% ↑	1,096.3	(2.5%) ↓
Minority Shareholders	32.3	26.5	21.9% ↑	35.9	(10.2%) ↓
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,888.8</b>	<b>1,862.1</b>	<b>1.4% ↑</b>	<b>1,986.3</b>	<b>(4.9%) ↓</b>

## Cash Flow

(in R\$ millions)	March-17	December-16	Q/Q (%)	March-16	Y/Y (%)
<b>Cash Used in Operating Activities</b>	<b>33.5</b>	<b>42.7</b>	<b>(21.6%) ↓</b>	<b>65.0</b>	<b>(48.5%) ↓</b>
Net Income (loss) before taxes	22.4	25.0	(10.5%) ↓	11.6	92.5% ↑
Expenses/revenue not affecting working capital	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Depreciation and amortization	4.3	4.1	3.9% ↑	3.9	10.2% ↑
Impairment	(2.6)	(1.8)	48.1% ↑	0.0	0.0% ↑
Stock option plan expenses	0.5	0.5	(0.2%) ↓	0.5	(8.3%) ↓
Penalty fee over delayed projects	(0.3)	(0.3)	(8.6%) ↓	(0.5)	(43.5%) ↓
Unrealized interest and charges, net	4.2	4.3	(1.7%) ↓	6.9	(38.5%) ↓
Equity income	(0.1)	5.5	(101.6%) ↓	(0.5)	(81.1%) ↓
Disposal of fixed asset	0.5	(0.1)	(705.8%) ↓	2.1	(75.3%) ↓
Warranty provision	2.3	(0.7)	(442.6%) ↓	1.0	120.3% ↑
Provision for contingencies	0.8	(31.0)	(102.6%) ↓	7.1	(88.7%) ↓
Profit sharing provision	4.7	0.8	491.8% ↑	2.1	126.3% ↑
Provision (reversal) for doubtful accounts and cancelations	3.0	19.4	(84.3%) ↓	12.2	(75.1%) ↓
Provision for cancelations and cancelations payable	5.9	1.1	459.1% ↑	(0.4)	(1,721.8%) ↓
Clients	(37.8)	(1.9)	1,938.0% ↑	(3.2)	1,069.1% ↑
Properties for sale	7.3	(8.4)	(186.7%) ↓	7.0	3.9% ↑
Other receivables	(6.3)	(0.8)	662.8% ↑	0.4	(1,551.4%) ↓
Deferred selling expenses and prepaid expenses	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Obligations for purchase of real properties	7.1	11.4	(37.9%) ↓	3.6	94.5% ↑
Taxes and contributions	0.8	(6.3)	(112.1%) ↓	(2.6)	(129.5%) ↓
Accounts payable	(10.7)	4.7	(328.7%) ↓	16.1	(166.4%) ↓
Salaries, payroll charges and bonus provision	1.7	(5.9)	(129.1%) ↓	1.4	20.6% ↑
Other accounts payable	(18.4)	22.0	(183.4%) ↓	(0.5)	3,499.2% ↑
Current account operations	31.6	6.3	405.8% ↑	1.2	2,457.0% ↑
Taxes paid	(6.0)	(5.2)	15.6% ↑	(3.3)	83.2% ↑
Present value adjustment	6.3	0.0	0.0% ↑	(1.4)	(548.0%) ↓
Other operating revenue/expenses	12.2	0.0	0.0% ↑	0.0	0.0% ↑
<b>Cash used in investment activities</b>	<b>(51.0)</b>	<b>(7.1)</b>	<b>621.1% ↑</b>	<b>(24.1)</b>	<b>111.8% ↑</b>
Investment activities	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Purchase of property and equipment	(7.3)	(5.7)	28.1% ↑	(4.4)	68.2% ↑
Redemption of securities, sureties and credits	365.0	596.5	(38.8%) ↓	486.0	(24.9%) ↓

Investments in marketable securities and restricted credits	(408.7)	(597.8)	(31.6%) ↓	(505.7)	(19.2%) ↓
Investments increase	0.0	0.0	(100.0%) ↓	0.0	0.0% ↑
Dividends Received	0.0	0.0	0.0% ↑	0.0	0.0% ↑
<b>Cash provided by financing activities</b>	<b>34.7</b>	<b>(67.9)</b>	<b>(151.1%) ↓</b>	<b>40.1</b>	<b>(13.4%) ↓</b>
Financing Activities	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Increase in loans and financing	106.1	102.1	3.9% ↑	74.4	42.6% ↑
Amortization of loans and financing	(71.9)	(170.8)	(57.9%) ↓	(36.6)	96.1% ↑
Stock buyback	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Dividends Paid	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Loan operations	0.5	0.8	(36.3%) ↓	2.3	(78.7%) ↓
Disposal of treasury shares	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Income from disposal of treasury shares	0.0	0.0	0.0% ↑	0.0	0.0% ↑
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>17.1</b>	<b>(32.4)</b>	<b>(152.8%) ↓</b>	<b>80.9</b>	<b>(78.9%) ↓</b>
At the beginning of the period	28.4	0.0	0.0% ↑	21.7	31.2% ↑
At the end of the period	45.5	(32.4)	(240.6%) ↓	102.6	(55.6%) ↓

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## About Tenda

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With over 45 years of history and more than 75,000 units delivered, Tenda is one of Brazil's leading homebuilders and real estate developers operating in the low-income housing segment within the "Minha Casa, Minha Vida" ("MCMV") program, levels 1,5 and 2. The Company concentrates its activities in six of the largest metropolitan regions of the country: São Paulo, Rio de Janeiro, Porto Alegre, Belo Horizonte, Salvador and Recife and relies on more than 40 stores and its own sales force.