

Construtora Tenda S.A.

**Report on the Review of
Quarterly Information - ITR
June 30, 2017**

(A free translation of the original report in Portuguese as published in Brazil, containing Quarterly Information (ITR) prepared in accordance with accounting practices adopted in Brazil and IFRS)

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COMPANY DATA / CAPITAL COMPOSITION

Number of Shares	CURRENT QUARTER
(in thousands)	06/30/2017
Paid-in Capital	
Common	54,000
Preferred	-
Total	54,000
Treasury shares	
Common	-
Preferred	-
Total	-

INDIVIDUAL FINANCIAL STATEMENTS - BALANCE SHEET - ASSETS (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL QUARTER 06/30/2017	PRIOR YEAR 12/31/2016
1	Total Assets	1,981,340	2,257,878
1.01	Current Assets	634,592	637,341
1.01.01	Cash and cash equivalents	18,086	12,124
1.01.02	Short-term investments	102,837	101,217
1.01.02.01	Fair value of short-term investments	102,837	101,217
1.01.03	Accounts receivable	52,920	51,674
1.01.03.01	Trade accounts receivable	52,920	51,674
1.01.04	Inventories	146,534	177,838
1.01.04.01	Properties for sale	146,534	177,838
1.01.08	Other Current Assets	314,215	294,488
1.01.08.03	Other	314,215	294,488
1.01.08.03.01	Land available for sale	36,885	43,487
1.01.08.03.02	Receivables from related parties	250,386	216,393
1.01.08.03.03	Judicial deposits	2,136	2,426
1.01.08.03.04	Other assets	24,808	32,182
1.02	Non-Current Assets	1,346,748	1,620,537
1.02.01	Non-Current Assets	167,298	162,884
1.02.01.03	Accounts receivable	46,163	37,940
1.02.01.03.01	Receivables from clients of developments	46,163	37,940
1.02.01.04	Inventories	52,734	55,094
1.02.01.04.01	Properties for sale	52,734	55,094
1.02.01.08	Receivables from related parties	42,746	47,044
1.02.01.09	Other Non-Current	25,655	22,806
1.02.01.09.03	Judicial Deposits	25,655	22,806
1.02.02	Investments	1,124,092	1,409,681
1.02.02.01	Interest in associates and affiliates	1,124,092	1,409,681
1.02.02.01.01	Participations in associated companies	89,445	147,831
1.02.02.01.02	Interest in subsidiaries	1,034,647	1,261,850
1.02.03	Property and equipment	33,596	30,107
1.02.03.01	Operation property and equipment	33,596	30,107
1.02.04	Intangible assets	21,762	17,865
1.02.04.01	Intangible assets	21,762	17,865

INDIVIDUAL FINANCIAL STATEMENTS - BALANCE SHEET - LIABILITIES AND EQUITY (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL QUARTER 06/30/2017	PRIOR YEAR 12/31/2016
2	Total Liabilities	1,981,340	2,257,878
2.01	Current Liabilities	706,650	986,466
2.01.01	Social and labor obligations	4,569	4,994
2.01.01.02	Labor Obligations	4,569	4,994
2.01.01.02.01	Salaries, payroll charges and profit sharing	4,569	4,994
2.01.02	Suppliers	10,080	7,827
2.01.02.01	Local suppliers	10,080	7,827
2.01.03	Tax Obligations	12,176	13,066
2.01.04	Loans and financing	58,443	28,690
2.01.04.01	Loans and financing	58,443	28,690
2.01.04.01.01	In local currency	58,443	28,690
2.01.05	Other Obligations	595,282	906,624
2.01.05.01	Payables to related parties	582,899	877,802
2.01.05.01.02	Related parties	582,899	877,802
2.01.05.02	Other	12,383	28,822
2.01.05.02.04	Obligations for purchase of properties and advances from customers	5,512	9,256
2.01.05.02.05	Other payables	6,871	19,566
2.01.06	Provisions	26,100	25,265
2.01.06.02	Other Provisions	26,100	25,265
2.01.06.02.04	Provisions and cancelled contracts payable	4,050	2,441
2.01.06.02.05	Provision for net capital deficiency of equity accounted investees	22,050	22,824
2.02	Non current liabilities	186,092	222,286
2.02.01	Loans and financing	16,011	16,216
2.02.01.01	Loans and financing	16,011	16,216
2.02.01.01.01	In local currency	16,011	16,216
2.02.02	Other liabilities	140,435	177,405
2.02.02.01	Payables to related parties	14,638	150,599
2.02.02.02	Other	125,797	26,806
2.02.02.02.03	Obligations for purchase of properties and advances from customers	11,125	13,033
2.02.02.02.04	Other payables	13,053	13,773
2.02.02.02.05	Other creditors	101,619	-
2.02.04	Provisions	29,646	28,665
2.02.04.01	Tax, labor and civil lawsuits	29,646	28,665
2.02.04.01.01	Tax lawsuits	28	32
2.02.04.01.02	Tax and labor lawsuits	10,110	9,465
2.02.04.01.04	Civil lawsuits	19,508	19,168
2.03	Equity	1,088,598	1,049,126
2.03.01	Capital	1,094,000	1,094,000
2.03.02	Capital reserves	100,450	100,725
2.03.02.07	Reserve for expenditures with public offering	100,450	100,725
2.03.05	Retained earnings/accumulated losses	-105,852	-145,599

INDIVIDUAL FINANCIAL STATEMENTS – OF PROFIT OR LOSS - (in thousands of Brazilian Reais)

CODE	DESCRIPTION	CURRENT QUARTER 04/01/2017 to 06/30/2017	YEAR TO DATE 01/01/2017 to 06/30/2017	SAME PREVIOUS QUARTER 04/01/2016 to 06/30/2016	YEAR TO DATE FROM PREVIOUS YEAR 01/01/2016 to 06/30/2016
3.01	Gross Sales and/or Services	46,070	136,239	24,886	66,365
3.02	Cost of sales and/or services	(34,983)	(82,870)	(27,709)	(59,970)
3.03	Gross profit	11,087	53,369	(2,823)	6,395
3.04	Operating expenses/income	10,586	(10,936)	9,302	1,932
3.04.01	Selling expenses	(5,924)	(10,983)	(6,467)	(12,614)
3.04.02	General and administrative expenses	(7,750)	(12,719)	(4,217)	(13,729)
3.04.05	Other operating expenses	(26,468)	(56,382)	(12,369)	(26,754)
3.04.06	Income from equity method investments	50,728	69,148	32,355	55,029
3.05	Income (loss) before financial results and income taxes	21,673	42,433	6,479	8,327
3.06	Financial	(866)	(2,686)	2,143	5,089
3.06.01	Financial Income	5,244	8,112	7,459	14,743
3.06.02	Financial Expenses	(6,110)	(10,798)	(5,316)	(9,654)
3.07	Income before income taxes	20,807	39,747	8,622	13,416
3.09	Income (loss) from continuing operation	20,807	39,747	8,622	13,416
3.11	Income (loss) for the period	20,807	39,747	8,622	13,416
3.99	Earnings per Share – (Reais / Share)	-	-	-	-
3.99.01	Basic Earnings per Share	-	-	-	-
3.99.01.01	On	0.38531	0.73606	0.15967	0.24844
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	On	0.36026	0.68819	0.15396	0.23956

INDIVIDUAL FINANCIAL STATEMENTS - COMPREHENSIVE INCOME - (in thousands of Brazilian Reais)

CODE	DESCRIPTION	CURRENT QUARTER 04/01/2017 to 06/30/2017	YEAR TO DATE 01/01/2017 to 06/30/2017	SAME PREVIOUS QUARTER 04/01/2016 to 06/30/2016	YEAR TO DATE FROM PREVIOUS YEAR 01/01/2016 to 06/30/2016
4.01	Income (loss) for the period	20,807	39,747	8,622	13,416
4.03	Comprehensive income (loss) for the period	20,807	39,747	8,622	13,416

INDIVIDUAL FINANCIAL STATEMENTS - CASH FLOWS - INDIRECT METHOD - (in thousands of Brazilian Reais)

CODE	DESCRIPTION	YEAR TO DATE	YEAR TO DATE FROM
		01/01/2017 to 06/30/2017	PREVIOUS YEAR 01/01/2016 to 06/30/2016
6.01	Net cash from operating activities	(1,308)	104,981
6.01.01	Cash generated in the operations	(870)	9,405
6.01.01.01	Income (loss) before income and social contribution taxes	39,747	13,416
6.01.01.02	Stock options expenses	(275)	560
6.01.01.03	Unrealized interest and finance charges, net	5,409	11,822
6.01.01.04	Depreciation and amortization	8,297	7,638
6.01.01.05	Write-off of property and equipment, net	533	2,161
6.01.01.06	Provision for legal claims	981	13,694
6.01.01.07	Warranty provision	1,583	3,026
6.01.01.08	Provision for profit-sharing	5,665	838
6.01.01.09	Allowance for doubtful accounts	(3,657)	22,508
6.01.01.10	Provision for realization of non-financial assets - properties for	169	(10,919)
6.01.01.11	Provision for penalties due to delay in construction works	(431)	890
6.01.01.12	Income from equity method investments	(69,148)	(55,029)
6.01.01.13	Provisions and cancelled contracts payable	3,072	(1,200)
6.01.01.16	Other operating income and expenses	4,471	-
6.01.01.17	Deferred taxes	576	-
6.01.01.18	Present value adjustments	2,138	-
6.01.02	Variation in assets and liabilities	(438)	95,576
6.01.02.01	Trade accounts receivable	12,555	4,656
6.01.02.02	Properties for sale	19,069	5,053
6.01.02.03	Other accounts receivable	4,846	(3,136)
6.01.02.04	Transactions with related parties	(9,260)	89,857
6.01.02.05	Suppliers	2,253	8,325
6.01.02.06	Obligations for buying property and adv. customers	(5,129)	3,433
6.01.02.07	Labor and tax obligations	(2,501)	(4,907)
6.01.02.08	Other accounts payable	(22,271)	(7,705)
6.02	Net cash from investing activities	(17,836)	1,997
6.02.01	Purchase of property and equipment and intangible assets	(16,216)	(11,201)
6.02.02	Redemption of short-term investments	(727,249)	906,991
6.02.03	Short-term investments	725,629	(888,239)
6.02.04	Increase investments	-	(5,554)
6.03	Net cash from financing activities	25,106	(15,710)
6.03.01	Increase of loans and financing	54,105	32,640
6.03.02	Payment of loans and financing	(28,749)	(54,436)
6.03.03	Loan transactions with related parties	(250)	6,086
6.05	Net increase (decrease) of cash and cash equivalents	5,962	91,268
6.05.01	Cash and cash equivalents at the beginning of the period	12,124	6,248
6.05.02	Cash and cash equivalents at the end of the period	18,086	97,516

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2017 TO 06/30/2017 (in thousands of Brazilian reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Equity
5.01	Opening Balances	1,094,000	100,725	-	(145,599)	-	1,049,126
5.03	Opening Balances Adjusted	1,094,000	100,725	-	(145,599)	-	1,049,126
5.04	Capital transactions with shareholders	-	(275)	-	-	-	(275)
5.04.03	Stock option plan	-	(275)	-	-	-	(275)
5.05	Total of comprehensive income (loss)	-	-	-	39,747	-	39,747
5.05.01	Net income (loss) for the period	-	-	-	39,747	-	39,747
5.07	Closing balance	1,094,000	100,450	-	(105,852)	-	1,088,598

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2016 TO 06/30/2016 (in thousands of Brazilian reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Equity
5.01	Opening balance	1,194,000	66,979	-	(170,043)	-	1,090,936
5.03	Opening adjusted balance	1,194,000	66,979	-	(170,043)	-	1,090,936
5.04	Capital transactions with shareholders	-	560	-	-	-	560
5.04.03	Stock option plan	-	560	-	-	-	560
5.05	Total of comprehensive income (loss)	-	-	-	13,416	-	13,416
5.05.01	Net income (loss) for the period	-	-	-	13,416	-	13,416
5.07	Closing balance	1,194,000	67,539	-	(156,627)	-	1,104,912

INDIVIDUAL STATEMENT OF VALUE ADDED (in thousands of Brazilian Reais)

CODE	DESCRIPTION	YEAR TO DATE	YEAR TO DATE
		01/01/2017 to 06/30/2017	FROM PREVIOUS YEAR 01/01/2016 to 06/30/2016
7.01	Revenues	152,152	73,061
7.01.01	Real estate development, sales and services	127,986	89,565
7.01.04	Allowance for doubtful accounts	24,166	(16,504)
7.02	Inputs acquired from third parties	(136,055)	(67,403)
7.02.01	Cost of Sales and/or Services	(80,634)	(56,279)
7.02.02	Materials, energy, outsourced labor and other	(55,421)	(11,124)
7.03	Gross Added Value	16,097	5,658
7.04	Retentions	(8,830)	(2,342)
7.04.01	Depreciation and amortization	(8,830)	(2,342)
7.05	Net value added produced by the Company	7,267	3,316
7.06	Added value received on transfer	77,260	69,772
7.06.01	Income from equity method investments	69,148	55,029
7.06.02	Financial Income	8,112	14,743
7.07	Value added total to be distributed	84,527	73,088
7.08	Value added distribution	84,527	73,088
7.08.01	Personnel and payroll charges	15,620	32,931
7.08.01.01	Direct Remuneration	15,620	32,931
7.08.02	Taxes and contributions	18,189	13,395
7.08.02.01	Federal	18,189	13,395
7.08.03	Compensation – Interest	10,971	13,346
7.08.03.01	Interest	10,971	13,346
7.08.04	Compensation – Company capital	39,747	13,416
7.08.04.03	Net income (Retained losses)	39,747	13,416

CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET - ASSETS (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL QUARTER 06/30/2017	PRIOR YEAR 12/31/2016
1	Total Assets	1,920,309	1,862,149
1.01	Current Assets	1,289,832	1,217,370
1.01.01	Cash and cash equivalentes	84,479	28,414
1.01.02	Short-term investments	267,679	195,073
1.01.02.01	Fair Value of short-term investments	267,679	195,073
1.01.03	Accounts receivable	256,881	250,474
1.01.03.01	Trade accounts receivable	256,881	250,474
1.01.04	Inventories	548,894	563,576
1.01.04.01	Properties for sale	548,894	563,576
1.01.08	Other Current Assets	131,899	179,833
1.01.08.03	Others	131,899	179,833
1.01.08.03.01	Landbank for sales	78,670	75,227
1.01.08.03.02	Receivables from related parties	12,946	55,733
1.01.08.03.03	Judicial deposits	2,246	2,545
1.01.08.03.04	Other assets	38,037	46,328
1.02	Non current assets	630,477	644,779
1.02.01	Non current assets	503,533	448,940
1.02.01.03	Accounts receivable	178,594	176,673
1.02.01.03.01	Receivables from clients of developments	178,594	176,673
1.02.01.04	Inventories	265,828	211,711
1.02.01.04.01	Properties for sale	265,828	211,711
1.02.01.08	Receivables from related parties	33,447	37,745
1.02.01.09	Others non current	25,664	22,811
1.02.01.09.03	Judicial Deposits	25,655	22,806
1.02.01.09.04	Others accounts receivable	9	5
1.02.02	Investments	71,546	147,831
1.02.02.01	Interest in associates and affiliates	71,546	147,831
1.02.02.01.01	Participations in associated companies	71,546	147,831
1.02.03	Property and equipment	33,636	30,143
1.02.03.01	Operation property and equipment	33,636	30,143
1.02.04	Intangible assets	21,762	17,865
1.02.04.01	Intangible assets	21,762	17,865

CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET - LIABILITIES AND EQUITY (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL QUARTER 06/30/2017	PRIOR YEAR 12/31/2016
2	Total Liabilities	1,920,309	1,862,149
2.01	Current Liabilities	363,585	353,538
2.01.01	Social and labor obligations	31,511	29,598
2.01.01.02	Labor Obligations	31,511	29,598
2.01.01.02.01	Salaries, payroll charges and profit sharing	31,511	29,598
2.01.02	Suppliers	28,858	31,664
2.01.02.01	Local suppliers	28,858	31,664
2.01.03	Tax Obligations	26,742	30,510
2.01.04	Loans and financing	73,450	41,333
2.01.04.01	Loans and financing	73,450	41,333
2.01.04.01.01	In local currency	73,450	41,333
2.01.05	Other Obligations	189,420	210,326
2.01.05.01	Payables to related parties	34,329	49,665
2.01.05.02	Others	155,091	160,661
2.01.05.02.04	Obligations for purchase of properties and advances from customers	144,981	131,280
2.01.05.02.05	Other payables	10,110	29,381
2.01.06	Provisions	13,604	10,107
2.01.06.02	Other Provisions	13,604	10,107
2.01.06.02.04	Provisions and cancelled contracts payable	8,207	4,711
2.01.06.02.05	Provision for net capital deficiency of equity accounted investees	5,397	5,396
2.02	Non current liabilities	462,079	432,989
2.02.01	Loans and financing	105,102	93,661
2.02.01.01	Loans and financing	105,102	93,661
2.02.01.01.01	In local currency	105,102	93,661
2.02.02	Other liabilities	304,548	282,941
2.02.02.01	Payables to related parties	18,499	155,052
2.02.02.02	Others	286,049	127,889
2.02.02.02.03	Obligations for purchase of properties and advances from customers	148,747	104,343
2.02.02.02.04	Others payables	35,683	23,546
2.02.02.02.05	Others creditors	101,619	-
2.02.03	Tax-deferred	5,735	11,437
2.02.03.01	Deferred income tax and social contribution	5,735	11,437
2.02.04	Provisions	46,694	44,950
2.02.04.01	Tax, labor and civil lawsuits	46,694	44,950
2.02.04.01.01	Tax lawsuits	41	48
2.02.04.01.02	Tax and labor lawsuits	15,167	14,303
2.02.04.01.04	Civil lawsuits	31,228	30,341
2.02.04.01.06	Environmental proceedings	258	258
2.03	Equity	1,094,645	1,075,622
2.03.01	Capital	1,094,000	1,094,000
2.03.02	Capital Reserves	100,450	100,725
2.03.02.07	Reserve for expenditures with public offering	100,450	100,725
2.03.05	Retained earnings/accumulated losses	(105,852)	(145,599)
2.03.09	Non-controlling interest	6,047	26,496

CONSOLIDATED FINANCIAL STATEMENTS – OF PROFIT OR LOSS (in thousands of Brazilian Reais)

CODE	DESCRIPTION	CURRENT QUARTER 04/01/2017 to 06/30/2017	YEAR TO DATE 01/01/2017 to 06/30/2017	SAME PREVIOUS QUARTER 04/01/2016 to 06/30/2016	YEAR TO DATE FROM PREVIOUS YEAR 01/01/2016 to 06/30/2016
3.01	Gross Sales and/or Services	314,636	639,323	260,743	495,295
3.02	Cost of sales and/or services	(211,129)	(428,501)	(193,336)	(359,143)
3.03	Gross profit	103,507	210,822	67,407	136,152
3.04	Operating expenses/income	(80,861)	(165,143)	(54,160)	(109,388)
3.04.01	Selling expenses	(33,485)	(62,945)	(21,270)	(39,542)
3.04.02	General and administrative expenses	(21,764)	(44,692)	(21,177)	(40,197)
3.04.05	Other Operating expenses	(25,148)	(57,131)	(10,310)	(28,717)
3.04.06	Income (loss) from equity method investments	(464)	(375)	(1,403)	(932)
3.05	Income (loss) before financial results and income taxes	22,646	45,679	13,247	26,764
3.06	Financial	734	71	(450)	(2,347)
3.06.01	Financial Income	8,195	13,839	8,586	17,395
3.06.02	Financial Expenses	(7,461)	(13,768)	(9,036)	(19,742)
3.07	Income before income taxes	23,380	45,750	12,797	24,417
3.08	Income and social contribution taxes	(2,522)	(7,055)	(3,394)	(10,149)
3.08.01	Current	(10,400)	(12,909)	(3,225)	(6,484)
3.08.02	Deferred	7,878	5,854	(169)	(3,665)
3.09	Income (loss) from continuing operation	20,858	38,695	9,403	14,268
3.11	Income (loss) for the period	20,858	38,695	9,403	14,268
3.11.01	Income (loss) attributable to the Company	20,807	39,747	8,622	13,416
3.11.02	Net income attributable to non-controlling interests	51	(1,052)	781	852
3.99	Earnings per share-(Reais/share)	-	-	-	-
3.99.01	Basic income per share	-	-	-	-
3.99.01.01	On	0.38531	0.73606	0.15967	0.24844
3.99.02	Diluted profit per share	-	-	-	-
3.99.02.01	On	0.36026	0.68819	0.15396	0.23956

CONSOLIDATED FINANCIAL STATEMENTS - COMPREHENSIVE INCOME - (in thousands of Brazilian Reais)

CODE	DESCRIPTION	CURRENT QUARTER 04/01/2017 to 06/30/2017	YEAR TO DATE 01/01/2017 to 06/30/2017	SAME PREVIOUS QUARTER 04/01/2016 to 06/30/2016	YEAR TO DATE FROM PREVIOUS YEAR 01/01/2016 to 06/30/2016
4.01	Consolidated Income (loss) for the period	20,858	38,695	9,403	14,268
4.03	Consolidated comprehensive income (loss) for the period	20,858	38,695	9,403	14,268
4.03.01	Income (loss) attributable to the Company	20,807	39,747	8,622	13,416
4.03.02	Net income attributable to the noncontrolling interests	51	(1,052)	781	852

CONSOLIDATED FINANCIAL STATEMENTS - CASH FLOWS - INDIRECT METHOD - (in thousands of Brazilian Reais)

CODE	DESCRIPTION	YEAR TO DATE	YEAR TO DATE FROM
		01/01/2017 to 06/30/2017	PREVIOUS YEAR 01/01/2016 to 06/30/2016
6.01	Net cash from operating activities	141,514	78,486
6.01.01	Cash generated in the operations	105,921	85,541
6.01.01.01	Income (loss) before income and social contribution taxes	45,750	24,417
6.01.01.02	Stock options expenses	(275)	560
6.01.01.03	Unrealized interest and finance charges, net	9,913	13,940
6.01.01.04	Depreciation and amortization	8,301	7,640
6.01.01.05	Write-off of property and equipment, net	533	2,161
6.01.01.06	Provision for legal claims	1,709	12,682
6.01.01.07	Warranty provision	9,698	3,504
6.01.01.08	Provision for profit-sharing	9,625	6,218
6.01.01.09	Allowance for doubtful accounts	12,776	24,993
6.01.01.10	Provision for realization of non-financial assets - properties for sale	259	(10,919)
6.01.01.11	Provision for penalties due to delay in construction works	(495)	741
6.01.01.12	Income from equity method investments	375	932
6.01.01.13	Provision for cancelled contracts payable	3,496	(1,328)
6.01.01.16	Other operating income and expenses	881	-
6.01.01.17	Deferred taxes	(6,123)	-
6.01.01.18	Present value adjustments	9,498	-
6.01.02	Variation in assets and liabilities	35,593	(7,055)
6.01.02.01	Trade accounts receivable	(19,627)	(15,737)
6.01.02.02	Properties for sale	(22,809)	32,027
6.01.02.03	Other accounts receivable	5,741	(2,923)
6.01.02.04	Transactions with related parties	34,786	(10,285)
6.01.02.05	Suppliers	(2,806)	21,149
6.01.02.06	Obligations for purchase of properties and adv. from customers	26,802	(4,093)
6.01.02.07	Labor and tax obligations	21,605	(13,261)
6.01.02.08	Other accounts payable	3,845	(7,448)
6.01.02.09	Income tax and social contribution paid	(11,944)	(6,484)
6.02	Net cash from investing activities	(88,830)	5,871
6.02.01	Purchase of property and equipment and intangible assets	(16,224)	(11,201)
6.02.02	Redemption of short-term investments	(919,105)	1,059,595
6.02.03	Short-term investments	846,499	(1,044,645)
6.02.04	Increase investments	-	2,122
6.03	Net cash from financing activities	3,381	10,537
6.03.01	Increase of loans and financing	199,639	132,506
6.03.02	Payment of loans and financing	(164,595)	(128,431)
6.03.03	Loan transactions with related parties	(31,663)	6,462
6.05	Net increase (decrease) of cash and cash equivalents	56,065	94,894
6.05.01	Cash and cash equivalents at the beginning of the period	28,414	21,653
6.05.02	Cash and cash equivalents at the end of the period	84,479	116,547

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2017 TO 06/30/2017 (in thousands of Brazilian reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Shareholders equity	Non Controlling interest	Total equity Consolidated
5.01	Opening Balances	1,094,000	100,725	-	(145,599)	-	1,049,126	26,496	1,075,622
5.03	Opening Balances Adjusted	1,094,000	100,725	-	(145,599)	-	1,049,126	26,496	1,075,622
5.04	Capital transactions with shareholders	-	(275)	-	-	-	(275)	(19,397)	(19,672)
5.04.03	Stock option plan	-	(275)	-	-	-	(275)	-	(275)
5.04.08	Acquisition of control	-	-	-	-	-	-	6,906	6,906
5.04.09	Acquisition of non-controlling	-	-	-	-	-	-	(6,906)	(6,906)
5.04.10	Loss of control	-	-	-	-	-	-	(19,397)	(19,397)
5.05	Total Comprehensive Result	-	-	-	39,747	-	39,747	(1,052)	38,695
5.05.01	Net profit for the period	-	-	-	39,747	-	39,747	(1,052)	38,695
5.07	Final Balances	1,094,000	100,450	-	(105,852)	-	1,088,598	6,047	1,094,645

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2016 TO 06/30/2016 (in thousands of Brazilian reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Shareholders equity	Non Controlling interest	Total equity Consolidated
5.01	Opening Balances	1,194,000	66,979	-	(170,043)	-	1,090,936	35,878	1,126,814
5.03	Opening Balances Adjusted	1,194,000	66,979	-	(170,043)	-	1,090,936	35,878	1,126,814
5.04	Capital transactions with shareholders	-	560	-	-	-	560	-	560
5.04.03	Stock option plan	-	560	-	-	-	560	-	560
5.05	Total of comprehensive income (loss)	-	-	-	13,416	-	13,416	852	14,268
5.05.01	Net income (loss) for the period	-	-	-	13,416	-	13,416	852	14,268
5.07	Closing balance	1,194,000	67,539	-	(156,627)	-	1,104,912	36,730	1,141,642

CONSOLIDATED STATEMENT OF VALUE ADDED (in thousands of Brazilian Reais)

CODE	DESCRIPTION	YEAR TO DATE	YEAR TO DATE
		01/01/2017 to 06/30/2017	FROM PREVIOUS YEAR 01/01/2016 to 06/30/2016
7.01	Revenues	675,873	538,032
7.01.01	Real estate development, sales and services	677,674	552,945
7.01.04	Allowance for doubtful accounts	(1,801)	(14,913)
7.02	Inputs acquired from third parties	(484,045)	(384,852)
7.02.01	Cost of Sales and/or Services	(416,174)	(348,085)
7.02.02	Materials, Energy, Servs. of third parties and Other	(67,871)	(36,767)
7.03	Gross Added Value	191,828	153,180
7.04	Retentions	(8,834)	(6,230)
7.04.01	Depreciation and amortization	(8,834)	(6,230)
7.05	Net value added produced by the Company	182,994	146,950
7.06	Added value received on transfer	13,464	16,463
7.06.01	Income from equity method investments	(375)	(932)
7.06.02	Financial Income	13,839	17,395
7.07	Value added total to be distributed	196,458	163,413
7.08	Value added distribution	196,458	163,413
7.08.01	Personnel and payroll charges	76,566	55,451
7.08.01.01	Direct Remuneration	76,566	55,451
7.08.02	Taxes and contributions	57,165	62,893
7.08.02.01	Federal	57,165	62,893
7.08.03	Compensation – Interest	24,032	30,801
7.08.03.01	Interest	24,032	30,801
7.08.04	Compensation – Company capital	38,695	14,268
7.08.04.03	Net income (Retained losses)	39,747	13,416
7.08.04.04	Part. No Controllers in retained earnings	(1,052)	852

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

2Q17 and 1H17 OPERATING AND FINANCIAL RESULTS

Record quarter in terms of landbank, launches and gross sales under the New Business Model. Net Income of R\$20.8 million in 2Q17, up 141.3% y-o-y.

FOR IMMEDIATE RELEASE - São Paulo, August 10, 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 second quarter of 2017.

HIGHLIGHTS

- Growth to R\$5.1 billion in landbank with R\$1.0 billion in acquisitions distributed in 36 phases/projects.
- Record launches under the New Business Model totaling R\$446 million, up 7.6% year-on-year.
- Record gross sales under the New Business Model reaching R\$463 million, up 20.9% year-on-year.
- Sales over Supply ("Net SoS") of 26.2% in 2Q17 and 40.0% in 1H17.
- Growth of 36.9% in transferred units compared to the same period last year, reinforcing the efficiency of the New Business Model.
- In 1H17, Adjusted EBITDA finished at R\$62.4 million, an increase of 40.0% against 1H16.
- Net income in 1H17 expanded 196.3% to R\$39.7 million year-on-year with 3.5 p.p. (percentage point) increment in net margin during the same period, evidencing the consistency of our improved results.

CONFERENCE CALL AND WEBCAST

August 11, 2017 - Friday

3:00 p.m. (BRT)

2:00 p.m. (NY)

Dial-in:

+55 (11) 3127-4971

+1 (516) 300 1066

Code: Tenda

Webcast: [Click here](#)

MESSAGE FROM MANAGEMENT

Tenda posted another period of solid results in the second quarter of 2017, obtaining its quarterly gross sales record under the New Business Model, with a 20.9% year-on-year growth. Such performance is justified by the good sales performance of projects included in level 1.5 as well as for the better distribution of products in the regions where we operate.

Besides record sales, Tenda posted record launches under the New Business Model. In 2Q17, the volume of launches grew up 7.6% year-on-year and rose by 47.8% quarter-on-quarter. Net SoS under the New Business Model reached 29.3%, reinforcing the quality of projects and sales efficiency.

Tenda also recorded a 36.9% increase in transferred units compared to 2Q16, impacting directly in the strong cash generation, which totaled R\$62.8 million in this quarter.

We also highlight in this quarter the 13.0% increase in landbank totaling R\$5.1 billion in PSV, the highest level of landbank since the implementation of the New Business Model. Tenda acquired 36 phases/projects distributed around the regions where the Company operates, representing potential launches of R\$1.0 billion in PSV. Such performance was possible due to reinforced regional structure focused on land acquisition, without altering our internal profitability metrics to approve acquisitions.

Our projects are well distributed within the regions where we operate and we will seek to maintain such healthy balance to expand even more the launches volume.

The ratio of cancellations to gross sales in 2Q17 finished at 16.4%, a 3.8 p.p. decrease compared to 1Q17. As already disclosed since 3Q16, the temporary increase of cancellations volume is a result of review of unilateral cancellation process executed by Tenda, for sales not transferred for a period exceeding three months. We expect a return to a stable level of operations, with cancellations ratio lower than 15%, as of the second half this year.

Financially speaking, Tenda's main indicators have been evolving. Net revenues climbed 20.7% year-on-year, adjusted EBITDA grew 40.4% and net income jumped 141.3% to R\$20.8 million in 2Q17. Adjusted gross margin reached 34.6%, an increase of 6.6p.p. year-on-year, benefited by construction cost-savings.

The strong cash generation in 2Q17 allowed Tenda to maintain a solid cash position of R\$352.2 million at the end of the period, a 12.1% increase from 2Q16, adequate to cover its total debt, which totaled R\$178.6 million. We point out that Tenda is maintaining a net cash position, even considering the capital reduction commitment with Gafisa, since the adjusted net debt/shareholders' equity ratio which totaled a negative 6.6%, ranked Tenda one of the most unleveraged company in the real estate market.

We would also like to highlight the migration of Tenda's shares to the special segment of B3 *Novo Mercado* on June 28, 2017, attesting Tenda's commitment to the best governance and transparency practices.

Lastly, we would like to inform the departure of Mr. Felipe David Cohen, the Company's Chief Financial and Investor Relations Officer, effective as of September 1st, 2017, to pursue other professional challenges. The Company's Chief Executive Officer, Mr. Rodrigo Osmo, will, in addition to his current role, temporarily assume the position of Chief Financial and Investor Relations Officer. This transition has been going on for some time. Mr. Felipe concluded a successful three-year cycle, initiated in June 2014 and completed with the corporate separation from Gafisa and the Company's listing on the stock exchange under the Novo Mercado segment. The Board has already initiated the process of replacement for the Chief Financial Officer position, thanking Mr. Felipe for his dedication and contribution to the Company during the time when he exercised his position and wishes him success in his future endeavors.

Tenda keeps its vision of becoming Brazil's low-income segment company which delivers the best return to its shareholders.

The Management

OPERATING AND FINANCIAL HIGHLIGHTS

Operational and Financial Highlights	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Operational Highlights								
Launches	446.4	302.1	47.8% ↑	414.7	7.6% ↑	748.5	643.2	16.4% ↑
Net pre-sales	387.0	338.9	14.2% ↑	325.0	19.1% ↑	725.9	591.5	22.7% ↑
Sales over Supply (SoS)	26.2%	24.3%	1.9 p.p. ↑	26.4%	(0.2 p.p.) ↓	40.0%	39.5%	0.5 p.p. ↑
Delivered projects (Units)	2,136	2,647	(19.3%) ↓	1,895	12.7% ↑	4,783	2,359	102.8% ↑
Financial Highlights								
Net Revenue	314.6	324.7	(3.1%) ↓	260.7	20.7% ↑	639.3	495.3	29.1% ↑
Adjusted Gross Profit ¹	108.8	112.3	(3.1%) ↓	73.0	49.2% ↑	221.1	147.2	50.2% ↑
Adjusted Gross Margin ¹	34.6%	34.6%	0.0 p.p. ↑	28.0%	6.6 p.p. ↑	34.6%	29.7%	4.9 p.p. ↑
Adjusted EBITDA ²	30.696	31.740	(3.3%) ↓	21.9	40.4% ↑	62.4	44.6	40.0% ↑
Adjusted EBITDA Margin ²	9.8%	9.8%	(0.0 p.p.) ↓	8.4%	1.4 p.p. ↑	9.8%	9.0%	0.8 p.p. ↑
Net Financial Result	0.7	(0.7)	(210.7%) ↓	(0.4)	(263.1%) ↓	0.1	(2.3)	(103.0%) ↓
Net Income (Loss) ³	20.8	18.9	9.9% ↑	8.6	141.3% ↑	39.7	13.4	196.3% ↑
Backlog Revenues	287.4	243.2	18.2% ↑	301.0	(4.5%) ↓	287.4	301.0	(4.5%) ↓
Backlog Results ⁴	141.0	106.2	32.8% ↑	125.9	12.0% ↑	141.0	125.9	12.0% ↑
Backlog Margin ⁴	49.1%	43.7%	5.4 p.p. ↑	41.8%	7.2 p.p. ↑	49.1%	41.8%	7.2 p.p. ↑
Cash and cash equivalents ⁵	352.2	284.3	23.9% ↑	314.2	12.1% ↑	352.2	314.2	12.1% ↑
Net Debt	(173.6)	(110.9)	56.6% ↑	(47.9)	262.6% ↑	(173.6)	(47.9)	262.6% ↑
Adjusted Net Debt ⁶	(72.0)	(10.9)	563.4% ↑	(47.9)	50.4% ↑	(72.0)	(47.9)	50.4% ↑
Shareholders' Equity + minority shareholders	1,094.6	1,100.9	(0.6%) ↓	1,141.6	(4.1%) ↓	1,094.6	1,141.6	(4.1%) ↓
Net Debt / (SE + Minority)	(15.9%)	(10.1%)	(5.8 p.p.) ↓	(4.2%)	(11.7 p.p.) ↓	(15.9%)	(4.2%)	(11.7 p.p.) ↓
Adjusted Net Debt ⁶ / (SE + Minority)	(6.6%)	(1.0%)	(5.6 p.p.) ↓	(4.2%)	(2.4 p.p.) ↓	(6.6%)	(4.2%)	(2.4 p.p.) ↓
Net Income (Loss) (last 12 months)	71.7	60.2	19.0% ↑	14.9	380.6% ↑	71.7	14.9	380.6% ↑
NOPAT (last 12 months) ⁷	116.6	106.5	9.4% ↑	36.8	217.2% ↑	116.6	36.8	217.2% ↑
Adjusted Capital Employed ⁸	1,022.7	1,090.0	(6.2%) ↓	1,093.8	(6.5%) ↓	2,112.7	2,184.0	(3.3%) ↓
ROE (last 12 months) ⁹	6.4%	5.4%	1.0 p.p. ↑	1.3%	5.1 p.p. ↑	6.4%	1.3%	5.1 p.p. ↑
ROCE (last 12 months) ¹⁰	11.0%	9.8%	1.2 p.p. ↑	3.3%	7.7 p.p. ↑	11.0%	3.3%	7.7 p.p. ↑

1) Adjusted by capitalized interests.

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

3) Adjusted by minority shareholders.

4) 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.

5) Cash and cash equivalents and securities.

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

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

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

9) 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.

10) 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.

Monetary amounts adjusted to Tenda's equity interest.

LAUNCHES

Launches volume went up 7.6% in 2Q17 compared to the same period last year, and climbed 47.8% quarter-on-quarter. In 1H17, launches volume rose by 16.4% year-on-year, sustained by market resilience.

Launches ¹	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Number of Launches	12	8	50.0% ↑	12.0	0.0% ↑	20	21	(4.8%) ↓
PSV (in R\$ million)	446.4	302.1	47.8% ↑	414.7	7.6% ↑	748.5	643.2	16.4% ↑
Number of units	3,052	2,060	48.2% ↑	2,838	7.5% ↑	5,112	4,562	12.1% ↑
Average price per unit (in R\$ thousand)	146.3	146.6	(0.3%) ↓	146.1	0.1% ↑	146.4	141.0	3.8% ↑
Average size of launches (in units)	254	258	(1.2%) ↓	237	7.5% ↑	256	217	17.7% ↑

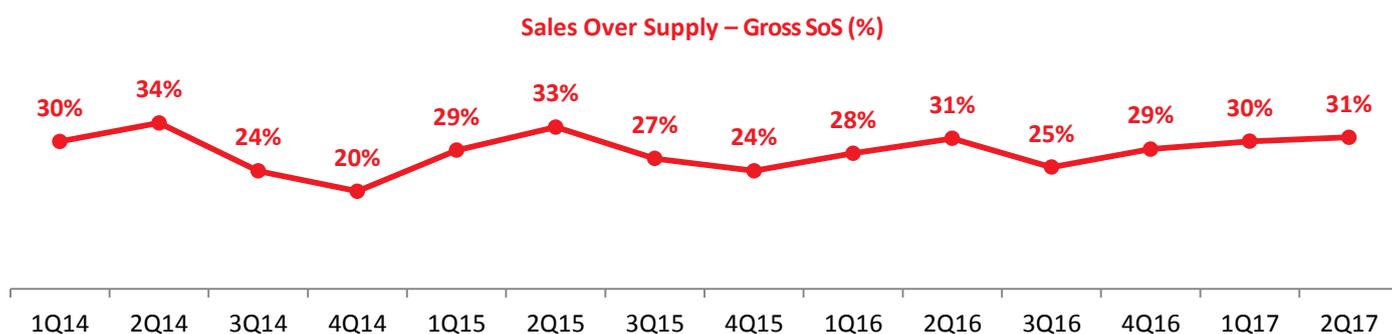
1) The projects launched under the New Business Model have Tenda's 100% equity interest.

GROSS SALES

Again, the Company set another record quarterly gross sales under the New Business Model, up 20.9% year-on-year, reflecting good performance of the projects listed as level 1.5 and sales made at “Feirões da Caixa” due to better distribution of products in the regions where we operate. In 1H17, gross sales climbed 27.6% year-on-year, evidencing the Company's successful business strategy.

Sales velocity (measured by “sales over supply” indicator or “SoS”) reached 31% in 2Q17 and 48.9% in 1H17, driven by sales under the New Business Model.

Gross Sales	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
PSV (in R\$ million)	462.8	424.6	9.0% ↑	382.9	20.9% ↑	887.4	695.7	27.6% ↑
Number of units	3,255	3,034	7.3% ↑	2,782	17.0% ↑	6,289	4,958	26.8% ↑
Average price per unit (in R\$ thousand)	142.2	140.0	1.6% ↑	137.6	3.3% ↑	141.1	140.3	0.6% ↑
Gross SoS	31.3%	30.5%	0.8 p.p. ↑	31.1%	0.2 p.p. ↑	48.9%	46.4%	2.4 p.p. ↑
New Business Model	34.0%	33.1%	0.9 p.p. ↑	32.2%	1.8 p.p. ↑	51.7%	47.0%	4.8 p.p. ↑
Legacy	9.0%	9.8%	(0.8 p.p.) ↓	25.0%	(16.0 p.p.) ↓	18.6%	43.1%	(24.5 p.p.) ↓



CANCELLATIONS AND NET PRE-SALES

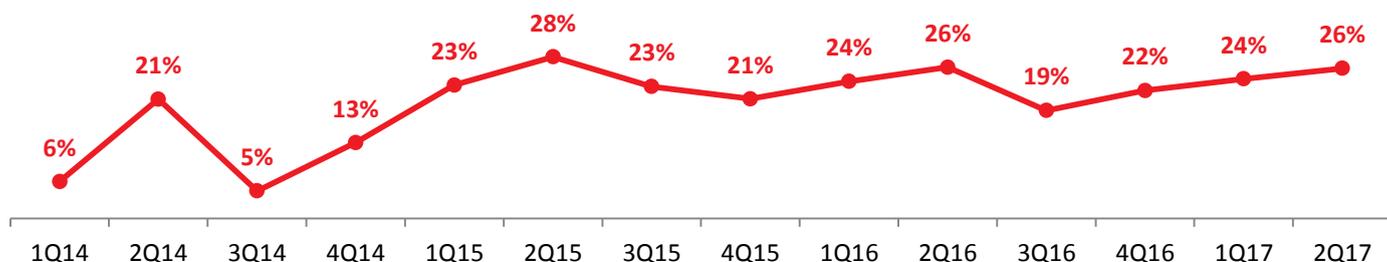
Cancellations to gross sales ratio in 2Q17 ended at 16.4%, down 3.8p.p. from 1Q17. As already disclosed since 3Q16, the temporary increase of cancellations volume is a result of review of unilateral cancellation process executed by Tenda, for sales not transferred for a period exceeding three months. We expect return to a stable level of operations as of the second half this year.

(in R\$ million)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Gross Sales	462.8	424.6	9.0% ↑	382.9	20.9% ↑	887.4	695.7	27.6% ↑
New Business Model	448.6	409.3	9.6% ↑	337.3	33.0% ↑	857.9	607.5	41.2% ↑
Legacy	14.2	15.4	(7.6%) ↓	45.6	(68.9%) ↓	29.5	88.1	(66.5%) ↓
Cancellations	75.8	85.8	(11.6%) ↓	57.9	30.8% ↑	161.6	104.2	55.1% ↑
New Business Model	62.3	71.6	(13.0%) ↓	33.9	83.7% ↑	133.9	59.6	124.5% ↑
Legacy	13.5	14.2	(4.6%) ↓	24.0	(43.8%) ↓	27.7	44.5	(37.8%) ↓
Net Pre-Sales	387.0	338.9	14.2% ↑	325.0	19.1% ↑	725.9	591.5	22.7% ↑
% Launch ¹	38.6%	16.1%	22.4 p.p. ↑	39.8%	(1.2 p.p.) ↓	28.1%	25.6%	2.5 p.p. ↑
% Inventory	61.4%	83.9%	(22.4 p.p.) ↓	60.2%	1.2 p.p. ↑	71.9%	74.4%	(2.5 p.p.) ↓
Cancellations / Gross Sales	16.4%	20.2%	(3.8 p.p.) ↓	15.1%	1.3 p.p. ↑	18.2%	15.0%	3.2 p.p. ↑
Net SoS	26.2%	24.3%	1.9 p.p. ↑	26.4%	(0.2 p.p.) ↓	40.0%	39.5%	0.5 p.p. ↑
New Business Model	29.3%	27.3%	1.9 p.p. ↑	28.9%	0.3 p.p. ↑	43.7%	42.4%	1.3 p.p. ↑
Legacy	0.4%	0.8%	(0.3 p.p.) ↓	11.9%	(11.4 p.p.) ↓	1.2%	21.3%	(20.2 p.p.) ↓

(in units)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Gross Units Sold	3,255	3,034	7.3% ↑	2,782	17.0% ↑	6,289	4,958	26.8% ↑
Cancelled Units	554	621	(10.8%) ↓	392	41.3% ↑	1,175	706	66.4% ↑
Net Units Sold	2,701	2,413	11.9% ↑	2,390	13.0% ↑	5,114	4,252	20.3% ↑
Cancellations / Gross Sales	17.0%	20.5%	(3.4 p.p.) ↓	14.1%	2.9 p.p. ↑	18.7%	14.2%	4.4 p.p. ↑

1) Launches of current year.

Sales Over Supply – Net SoS (%)



UNITS TRANSFERRED, DELIVERED AND CONSTRUCTION SITES

Tenda managed to increase the volume of transferred units against 1Q17 and 2Q16, supported by higher sales volume in previous periods. It is worth mentioning that we ended 2Q17 with 34 construction sites, all of them on schedule.

Transfers, Deliveries and Construction Sites	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
PSV Transferred (in R\$ million)	354.1	320.3	10.6% ↑	261.6	35.4% ↑	674.4	528.4	27.6% ↑
New Business Model	344.0	300.2	14.6% ↑	205.4	67.5% ↑	644.2	441.5	45.9% ↑
Legacy	10.1	20.1	(49.5%) ↓	56.2	(82.0%) ↓	30.2	86.8	(65.2%) ↓
Transferred Units	2,807	2,577	8.9% ↑	2,050	36.9% ↑	5,384	4,087	31.7% ↑
New Business Model	2,731	2,427	12.5% ↑	1,637	66.8% ↑	5,158	3,452	49.4% ↑
Legacy	76	150	(49.3%) ↓	413	(81.6%) ↓	226	635	(64.4%) ↓
Delivered Units	2,136	2,647	(19.3%) ↓	1,895	12.7% ↑	4,783	2,359	102.8% ↑
Construction Sites	34	33	3.0% ↑	34	0.0% ↑	34	34	0.0% ↑

INVENTORY AT MARKET VALUE

The growth of launches volume and gains of operating scale of the Company in 2017 increased Tenda's inventory to R\$1.1 billion, justifying the 20.3% increase year-on-year. The inventory turnover¹ is currently at 10.3 months.

Inventory at Market Value	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
PSV (in R\$ million)	1,090.4	1,053.7	3.5% ↑	906.3	20.3% ↑	1,090.4	906.3	20.3% ↑
Number of Units	7,412.0	7,109.0	4.3% ↑	6,230.0	19.0% ↑	7,412	6,230.0	19.0% ↑
Average price per unit (in R\$ thousand)	147.1	148.2	(0.7%) ↓	145.5	1.1% ↑	147.1	145.5	1.1% ↑

Status of Construction	2Q17	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished units
PSV (in R\$ million)	1,090.4	322.7	211.2	302.8	142.6	111.1
New Business Model MCMV	933.8	322.7	211.2	233.7	142.6	23.5
Legacy MCMV	140.3	0.0	0.0	69.1	0.0	71.2
Legacy non-MCMV	16.4	0.0	0.0	0.0	0.0	16.4

1) (Inventory PSV at current market value/ PSV of net sales in the last 12 months) x 12 months.
 Monetary amounts adjusted to Tenda's equity interest.

LANDBANK

In 2Q17, Tenda's landbank rose by 13% quarter-on-quarter, reaching its highest level under the New Business Model, with the acquisitions of 36 phases/projects distributed within the regions where the Company operates, representing a potential launch of R\$1.0 billion in PSV. We reinforce that all projects of our landbank target the income level 2 and in few cases, may be classified into income level 1.5 of "Minha Casa, Minha Vida" program.

Landbank ¹	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Number of Projects	163	139	17.3% ↑	130	25.4% ↑	163	130	25.4% ↑
PSV (in R\$ million)	5,105.6	4,516.7	13.0% ↑	4,450.5	14.7% ↑	5,105.6	4,450.5	14.7% ↑
Acquisitions / Adjustments (in R\$ million)	1,035.3	357.1	189.9% ↑	231	348.6% ↑	1,392.4	360.8	285.9% ↑
Number of Units	36,575	32,827	11.4% ↑	33,024	10.8% ↑	36,575	33,024	10.8% ↑
Average price per unit (in R\$ thousands)	139.6	137.6	1.5% ↑	134.8	3.6% ↑	139.6	134.8	3.6% ↑
% Swap Total	22.6%	14.8%	7.8 p.p. ↑	14.3%	8.3 p.p. ↑	18.9%	13.5%	5.4 p.p. ↑
% Swap Units	15.0%	7.5%	7.6 p.p. ↑	8.6%	6.4 p.p. ↑	11.4%	8.9%	2.5 p.p. ↑
% Swap Financial	7.6%	7.4%	0.2 p.p. ↑	5.7%	1.9 p.p. ↑	7.5%	4.6%	2.9 p.p. ↑

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

NEW BUSINESS MODEL UPDATE

Currently, the Company operates in six metropolitan regions: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife, with a total of 112 projects/phases and launched PSV of R\$4.1 billion since 2013. We point out that all the projects released until 2015 have already been delivered, reinforcing Tenda's business consistency and agility within the New Model.

New Business Model Update	2013	2014	2015	2016	YTD 2017
Number of Projects	7	14	30	41	20
Units launched	2,460	4,315	7,711	9,819	5,112
Total PSV (R\$ 000)	313.9	613.3	1,088.9	1,342.5	748.5
Units Sold	2,442	4,233	7,506	7,175	1,307
% Sold	99.3%	98.1%	97.3%	73.1%	25.6%
Avg SoS (Month)	8.6%	6.5%	8.3%	6.6%	11.0%
Units transferred	2,433	4,202	7,362	6,075	717
% Units transferred	98.9%	97.4%	95.5%	61.9%	14.0%
% Construction	100.0%	100.0%	100.0%	75.9%	20.6%

NET OPERATING REVENUE

Net operating revenue increased 20.7% compared to 2Q16, sustained by a 19.1% growth in net PSV during same period. In 1H17, net operating revenue climbed 29.1% year-on-year.

In 2Q17, the Company recorded an impact of R\$17 million in provision for doubtful accounts, with a R\$ 6 million recurring impact and R\$11 million non-recurring impact related to the review of the metrics of such provisions. Such change was implemented to better keep up with market's tendencies.

(in R\$ million)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Gross Operating Revenues	330.5	347.2	(4.8%) ↓	290.5	13.8% ↑	677.7	552.9	22.6% ↑
Provision for doubtful accounts and cancellations	(0.1)	(1.7)	(93.2%) ↓	(6.1)	(98.1%) ↓	(1.8)	(14.9)	(87.9%) ↓
Taxes on sales of properties and services	(15.8)	(20.8)	(24.2%) ↓	(23.6)	(33.3%) ↓	(36.5)	(42.7)	(14.5%) ↓
Net Operating Revenue	314.6	324.7	(3.1%) ↓	261	20.7% ↑	639.3	495.3	29.1% ↑

GROSS PROFIT

Gross profit climbed 49.2% year-on-year due to gains of operating scale under the New Business Model and market resilience.

The adjusted gross margin came in line with 1Q17 and up 6.6 p.p. compared to 2Q16, driven by relevant construction cost-savings.

(in R\$ Million)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Net Revenue	314.6	324.7	(3.1%) ↓	260.7	20.7% ↑	639.3	495.3	29.1% ↑
Gross Profit	103.5	107.3	(3.5%) ↓	67.4	53.6% ↑	210.8	136.2	54.8% ↑
Gross Margin	32.9%	33.1%	(0.2 p.p.) ↓	25.9%	7.0 p.p. ↑	33.0%	27.5%	5.5 p.p. ↑
(-) Financial Costs	5.3	4.9	7.5% ↑	5.5	(4.1%) ↓	10.3	11.1	(7.2%) ↓
Adjusted Gross Profit¹	108.8	112.3	(3.1%) ↓	73.0	49.2% ↑	221.1	147.2	50.2% ↑
Adjusted Gross Margin	34.6%	34.6%	0.0 p.p. ↑	28.0%	6.6 p.p. ↑	34.6%	29.7%	4.9 p.p. ↑

1) Adjusted by capitalized interest rates.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

Selling expenses increased 13.7% q-o-q and 57.4% y-o-y, due to record gross sales of R\$462.8 million and 47.8% increase of launches in the period. Selling expenses over gross sales increased by 1.4p.p. in the comparison between semesters, due to higher credit restrictions.

General and administrative expenses (“G&A”) fell 5.1% q-o-q and went up 2.8% y-o-y, lower than the accumulated inflation of the period of 3.0%. On the other hand, the G&A expenses over launches ratio went down 0.2p.p. compared to the same period last year.

(in R\$ Million)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Selling Expenses	(33.5)	(29.5)	13.7% ↑	(21.3)	57.4% ↑	(62.9)	(39.5)	59.2% ↑
General & Admin Expenses	(21.8)	(22.9)	(5.1%) ↓	(21.2)	2.8% ↑	(44.7)	(40.2)	11.2% ↑
Total SG&A Expenses	(55.2)	(52.4)	5.5% ↑	(42.4)	30.2% ↑	(107.6)	(79.7)	35.0% ↑
Gross Sales	462.8	424.6	9.0% ↑	382.9	20.9% ↑	887.4	695.7	27.6% ↑
Launches	446.4	302.1	47.8% ↑	414.7	7.6% ↑	748.5	643.2	16.4% ↑
Selling Expenses / Gross Sales	(7.2%)	(6.9%)	(0.3 p.p.) ↓	(5.6%)	(1.7 p.p.) ↓	(7.1%)	(5.7%)	(1.4 p.p.) ↓
G&A Expenses / Launches	(4.9%)	(7.6%)	2.7 p.p. ↑	(5.1%)	0.2 p.p. ↑	(6.0%)	(6.2%)	0.3 p.p. ↑

OTHER OPERATING REVENUES/EXPENSES

Other operating revenues/expenses decreased 24.6% q-o-q, chiefly due to lower litigation expenses. When comparing 1H17 vs 1H16, it was up by 124.0%, due to the end of an arbitrage process related to legacy projects of 1Q17, coupled with increase in litigation costs and expenses.

(in R\$ Million)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Other Operating Revenues and Expenses	(21.7)	(28.7)	(24.6%) ↓	(7.3)	197.8% ↑	(50.4)	(22.5)	124.0% ↑
Litigation Expenses	(6.6)	(12.1)	(45.7%) ↓	(5.6)	17.5% ↑	(18.7)	(12.7)	47.4% ↑
Other	(15.1)	(16.6)	(9.2%) ↓	(1.7)	801.6% ↑	(31.7)	(9.8)	223.0% ↑
Equity Income	(0.5)	0.1	(621.3%) ↓	(1.4)	(66.9%) ↓	(0.4)	(0.9)	(59.8%) ↓

ADJUSTED EBITDA

The adjusted EBITDA climbed 40.4% year-on-year, sustained by the Company's growth. Adjusted EBITDA margin of 9.8% increased 1.4p.p. from 2Q16.

(in R\$ Million)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Net Income	20.8	18.9	9.9% ↑	8.6	141.3% ↑	39.7	13.4	196.3% ↑
(+) Financial result	(0.7)	0.7	(210.7%) ↓	0.4	(263.1%) ↓	(0.1)	2.3	(103.0%) ↓
(+) Income taxes and social contribution	2.5	4.5	(44.4%) ↓	3.4	(25.7%) ↓	7.1	10.1	(30.5%) ↓
(+) Depreciation and amortization	3.5	3.3	6.9% ↑	3.0	15.0% ↑	6.8	6.2	8.7% ↑
(+) Capitalized interests	5.3	4.9	7.5% ↑	5.5	(4.1%) ↓	10.3	11.1	(7.2%) ↓
(+) Expenses with Stock Option Plan	(0.8)	0.5	(256.2%) ↓	0.0	(2,929.6%) ↓	(0.3)	0.6	(149.1%) ↓
(+) Minority Shareholders	0.1	(1.1)	(104.6%) ↓	0.8	(93.5%) ↓	(1.1)	0.9	(223.5%) ↓
Adjusted EBITDA¹	30.7	31.7	(3.3%) ↓	21.9	40.4% ↑	62.4	44.6	40.0% ↑
Net Revenue	314.6	324.7	(3.1%) ↓	260.7	20.7% ↑	639.3	495.3	29.1% ↑
Adjusted EBITDA Margin¹	9.8%	9.8%	(0.0 p.p.) ↓	8.4%	1.4 p.p. ↑	9.8%	9.0%	0.8 p.p. ↑

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

FINANCIAL RESULTS

The financial results in 2Q17 recovered when compared to 2Q16, reflecting the maintenance of a higher cash level resulted from the Company's positive cash generation, and the reduction of financial expenses due to the settlement of the FGTS debenture last year. In 1H17, financial income decreased 20.4% vs 1H16, due to the interest rate drop in Brazil, offset by lower financial expenses due to the settlement of the FGTS debenture.

(in R\$ Million)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Financial Income	8.2	5.6	45.2% ↑	8.6	(4.6%) ↓	13.8	17.4	(20.4%) ↓
Financial Expenses	(7.5)	(6.3)	18.3% ↑	(9.0)	(17.4%) ↓	(13.8)	(19.7)	(30.3%) ↓
Financial Results	0.7	(0.7)	(210.7%) ↓	(0.4)	(263.1%) ↓	0.1	(2.3)	(103.0%) ↓

NET INCOME

The net income and net margin increased year-on-year, due to higher contribution from the New Business Model and market resilience. In 1H17, the net income tripled to R\$39.7 million.

(in R\$ million)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Net Income after Income Tax and Social Contribution	20.9	17.8	16.9% ↑	9.4	121.8% ↑	38.7	14.3	171.2% ↑
(-) Minority shareholders	(0.1)	1.1	(104.6%) ↓	(0.8)	(93.5%) ↓	1.1	(0.9)	(223.5%) ↓
Net Income	20.8	18.9	9.9% ↑	8.6	141.3% ↑	39.7	13.4	196.3% ↑
Net Margin	6.6%	5.8%	0.8 p.p. ↑	3.3%	3.3 p.p. ↑	6.2%	2.7%	3.5 p.p. ↑

BACKLOG RESULTS

The Backlog margin remains at healthy levels, above 40%, indicating the quality of New Business Model projects and construction cost-savings.

(in R\$ million)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)
Backlog Revenues	287.4	243.2	18.2% ↑	301.0	(4.5%) ↓
Backlog Costs (units sold)	(146.4)	(137.0)	6.9% ↑	(175.1)	(16.4%) ↓
Backlog Results¹	141.0	106.2	32.8% ↑	125.9	12.0% ↑
Backlog Margin	49.1%	43.7%	5.4 p.p. ↑	41.8%	7.2 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

Total cash and cash equivalents improved in both q-o-q and y-o-y comparisons, due to an increase in sales volume and transfers.

(in R\$ million)	June 17	March 17	QoQ (%)	June 16	YoY (%)
Cash & Cash Equivalents	84.5	45.5	85.6% ↑	116.5	(27.5%) ↓
Short term investments	267.7	238.8	12.1% ↑	197.7	35.4% ↑
Total Cash Position	352.2	284.3	23.9% ↑	314.2	12.1% ↑

ACCOUNTS RECEIVABLE FROM DEVELOPMENT AND SERVICES RENDERED

Accounts receivables in 2Q17 decreased compared to 1Q17 and 2Q16, due to a strong cash generation that contributed to the management of employed capital.

Increased Tenda receivables compared to previous quarter and 2Q16 is backed by record sales volume since the implementation of the New Business Model.

(in R\$ million)	June 17	March 17	QoQ (%)	June 16	YoY (%)
Up to 2017 ¹	214.7	411.8	(47.8%) ↓	532.6	(59.7%) ↓
2018	257.8	80.1	221.7% ↑	26.4	878.3% ↑
2019	31.3	70.8	(55.7%) ↓	10.4	202.7% ↑
2020 and beyond	71.1	40.5	75.5% ↑	15.9	347.1% ↑
Total Accounts Receivable	575.0	603.2	(4.7%) ↓	585.2	(1.7%) ↓
(-) Present value adjustment	(12.4)	(8.7)	42.4% ↑	(1.9)	552.6% ↑
(-) Provision for doubtful accounts and cancellations	(127.2)	(127.0)	0.1% ↑	(103.1)	23.4% ↑
Accounts Receivable	435.5	467.5	(6.8%) ↓	480.2	(9.3%) ↓

1) Overdue and falling due.

Accounts Receivable Tenda ² (in R\$ million)	June 17	March 17	QoQ (%)	June 16	YoY (%)
Before delivery to buyer (Pro-Soluto)	18.8	17.6	6.8% ↑	17.9	4.9% ↑
After delivery to buyer (TCD)	118.0	101.5	16.3% ↑	68.6	72.1% ↑
Tenda Receivables	136.8	119.1	14.9% ↑	86.5	58.2% ↑
Total accounts receivable	435.5	467.5	(6.8%) ↓	480.2	(9.3%) ↓
Backlog Revenues	287.4	243.2	18.2% ↑	301.0	(4.5%) ↓
Tenda Receivables/(Total accounts receivable + Backlog Revenues)	18.9%	16.8%	2.2 p.p. ↑	11.1%	7.9 p.p. ↑

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 second quarter of 2017 with a total debt of R\$178.6 million, duration of 18.2 months and weighted average cost of debt of 10.74% p.a. Total debt, adding the capital reduction commitment with Gafisa, ended the 2Q17 at R\$280.2 million. We point out that Tenda's cash of R\$352.2 million at the end of June is adequate to cover its debt.

Debt Maturity Schedule (in R\$ million)	Project Finance	Corporate Debt	Total
2017	0.9	54.5	55.5
2018	19.3	15.0	34.2
2019	50.2	1.1	51.3
2020	36.4	0.0	36.4
2021 onwards	1.1	0.0	1.1
Total Debt	108.0	70.6	178.6
Duration (in months)			18.2

Debt Breakdown (in R\$ million)	Maturity	Charges (p.a)	Balance Due June 17	Balance Due March 17
Project Finance			108.0	103.1
SFH	until 08/2021	TR + 8,3% a 9,5%	108.0	103.1
Corporate Debt			70.6	70.3
Working Capital	until 06/2019	CDI + 2.3% to 4.25% INCC-DI Variation	70.6	70.3

Weighted Average Cost of Debt (in R\$ million)	Balance Due June 17	Balance Due / Total Debt	Average Cost (p.a)
CDI	65.8	36.9%	CDI + 3.3%
TR	108.0	60.5%	TR + 8.3%
INCC	4.7	2.7%	INCC + 0%
Total	178.6	100%	10.74%

NET DEBT

Net debt decreased 56.6% q-o-q. Net debt adjusted by payment obligations from the capital reduction to Gafisa ended the quarter negative at R\$72.0 million.

It is worth mentioning that, with an adjusted net debt/shareholders' equity ratio of negative 6.6%, Tenda stayed as one of one the most unleveraged company in the real estate market.

(in R\$ millions)	June 17	March 17	QoQ (%)	June 16	YoY (%)
Gross Debt	178.6	173.4	3.0% ↑	266.3	(33.0%) ↓
(-) Cash and cash equivalents and financial investments	(352.2)	(284.3)	23.9% ↑	(314.2)	12.1% ↑
Net Debt	(173.6)	(110.9)	56.6% ↑	(47.9)	262.6% ↑
(+) Capital Reduction	101.6	100.0	1.6% ↑	0.0	0.0% ↑
Adjusted Net Debt¹	(72.0)	(10.9)	563.4% ↑	(47.9)	50.4% ↑
Shareholders' Equity + Minority Shareholders	1,094.6	1,100.9	(0.6%) ↓	1,141.6	(4.1%) ↓
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(15.9%)	(10.1%)	(5.8 p.p.) ↓	(4.2%)	(11.7 p.p.) ↓
Adjusted Net Debt/ (Shareholders' Equity + Minority Shareholders)	(6.6%)	(1.0%)	(5.6 p.p.) ↓	(4.2%)	(2.4 p.p.) ↓
Adjusted EBITDA (Last 12 months)	148.0	139.2	6.4% ↑	70.5	110.0% ↑
Adjusted Net Debt/Adjusted EBITDA (last 12 months)	(48.6%)	(7.8%)	(40.8 p.p.) ↓	(67.9%)	19.3 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.

INCOME STATEMENT

(in R\$ millions)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Net Revenue	314.6	324.7	(3.1%) ↓	260.7	20.7% ↑	639.3	495.3	29.1% ↑
Operating Costs	(211.1)	(217.4)	(2.9%) ↓	(193.3)	9.2% ↑	(428.5)	(359.1)	19.3% ↑
Gross Profit	103.5	107.3	(3.5%) ↓	67.4	53.6% ↑	210.8	136.2	54.8% ↑
<i>Gross Margin</i>	<i>32.9%</i>	<i>33.1%</i>	<i>(0.2 p.p.) ↓</i>	<i>25.9%</i>	<i>7.0 p.p. ↑</i>	<i>33.0%</i>	<i>27.5%</i>	<i>5.5 p.p. ↑</i>
Operating Expenses	(80.9)	(84.3)	(4.1%) ↓	(54.2)	49.3% ↑	(165.1)	(109.4)	51.0% ↑
Selling Expenses	(33.5)	(29.5)	13.7% ↑	(21.3)	57.4% ↑	(62.9)	(39.5)	59.2% ↑
General and Administrative Expenses	(21.8)	(22.9)	(5.1%) ↓	(21.2)	2.8% ↑	(44.7)	(40.2)	11.2% ↑
Other Operating Revenue/Expenses	(21.7)	(28.7)	(24.6%) ↓	(7.3)	197.8% ↑	(50.4)	(22.5)	124.0% ↑
Depreciation and Amortization	(3.5)	(3.3)	6.9% ↑	(3.0)	15.0% ↑	(6.8)	(6.2)	8.7% ↑
Equity Income	(0.5)	0.1	(621.3%) ↓	(1.4)	(66.9%) ↓	(0.4)	(0.9)	(59.8%) ↓
Operational Result	22.6	23.0	(1.7%) ↓	13.2	71.0% ↑	45.7	26.8	70.7% ↑
Financial Income	8.2	5.6	45.2% ↑	8.6	(4.6%) ↓	13.8	17.4	(20.4%) ↓
Financial Expenses	(7.5)	(6.3)	18.3% ↑	(9.0)	(17.4%) ↓	(13.8)	(19.7)	(30.3%) ↓
Net Income Before Taxes on Income	23.4	22.4	4.5% ↑	12.8	82.7% ↑	45.8	24.4	87.4% ↑
Deferred income tax and social contribution	7.9	(2.0)	(489.2%) ↓	(0.2)	(4,761.5%) ↓	5.9	(3.7)	(259.7%) ↓
Current Income Tax and Social Contribution	(10.4)	(2.5)	314.5% ↑	(3.2)	222.5% ↑	(12.9)	(6.5)	99.1% ↑
Net Income After Taxes on Income	20.9	17.8	16.9% ↑	9.4	121.8% ↑	38.7	14.3	171.2% ↑
(-) Minority Shareholders	(0.1)	1.1	(104.6%) ↓	(0.8)	(93.5%) ↓	1.1	(0.9)	(223.5%) ↓
Net Income	20.8	18.9	9.9% ↑	8.6	141.3% ↑	39.7	13.4	196.3% ↑

BALANCE SHEET

(in R\$ millions)	June 17	March 17	QoQ (%)	June 16	YoY (%)
Current Assets	1,289.8	1,286.5	0.3% ↑	1,418.4	(9.1%) ↓
Cash and cash equivalents	84.5	45.5	85.6% ↑	116.5	(27.5%) ↓
Short term investments	267.7	238.8	12.1% ↑	197.7	35.4% ↑
Receivables from clients	256.9	286.9	(10.5%) ↓	412.7	(37.8%) ↓
Properties for sale	548.9	526.3	4.3% ↑	503.4	9.0% ↑
Other accounts receivable	53.2	111.0	(52.0%) ↓	104.1	(48.9%) ↓
Land for sale	78.7	78.0	0.9% ↑	84.1	(6.4%) ↓
Non-Current Assets	503.5	488.3	3.1% ↑	333.1	51.2% ↑
Receivables from clients	178.6	180.5	(1.1%) ↓	67.5	164.5% ↑
Properties for sale	265.8	250.5	6.1% ↑	216.9	22.6% ↑
Other	59.1	57.3	3.2% ↑	48.6	21.5% ↑
Intangible, Property and Equipment	55.4	50.6	9.6% ↑	44.5	24.4% ↑
Investments	71.5	63.5	12.7% ↑	160.3	(55.4%) ↓
Total Assets	1,920.3	1,888.8	1.7% ↑	1,956.3	(1.8%) ↓
Current Liabilities	363.6	342.1	6.3% ↑	490.0	(25.8%) ↓
Loans and financing	73.5	66.8	10.0% ↑	11.2	553.7% ↑
Debentures	0.0	0.0	0.0% ↑	174.5	(100.0%) ↓
Obligations for purchase of land and advances from customers	145.0	134.6	7.7% ↑	138.7	4.5% ↑
Material and service suppliers	28.9	21.0	37.7% ↑	34.8	(17.1%) ↓
Taxes and contributions	26.7	32.1	(16.7%) ↓	36.4	(26.6%) ↓
Other	89.6	87.6	2.2% ↑	94.4	(5.1%) ↓
Non-current liabilities	462.1	445.8	3.6% ↑	324.7	42.3% ↑
Loans and financing	105.1	106.7	(1.5%) ↓	80.6	30.3% ↑
Debentures	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Obligations for purchase of land and advances from customers	148.7	106.8	39.3% ↑	97.9	52.0% ↑
Deferred taxes	5.7	13.4	(57.3%) ↓	10.2	(43.9%) ↓
Provision for contingencies	46.7	45.8	1.9% ↑	52.8	(11.5%) ↓
Other creditors	101.6	100.0	1.6% ↑	0.0	0.0% ↑
Other	54.2	73.2	(26.0%) ↓	83.2	(34.9%) ↓
Shareholders' Equity	1,094.6	1,100.9	(0.6%) ↓	1,141.6	(4.1%) ↓
Shareholders' Equity	1,088.6	1,068.6	1.9% ↑	1,104.9	(1.5%) ↓
Minority Shareholders	6.0	32.3	(81.3%) ↓	36.7	(83.5%) ↓
Total Liabilities and Shareholders' Equity	1,920.3	1,888.8	1.7% ↑	1,956.3	(1.8%) ↓

CASH FLOW

(in R\$ millions)	2Q17	1Q17	QoQ (%)	2Q16	YoY (%)	1S17	1S16	YoY (%)
Cash Used in Operating Activities	108.1	33.5	223.0% ↑	13.5	698.8% ↑	141.5	78.5	80.3% ↑
Net Income (loss) before taxes	23.4	22.4	4.5% ↑	12.8	82.7% ↑	45.8	24.4	87.4% ↑
Depreciation and amortization	4.0	4.3	(5.6%) ↓	3.8	7.0% ↑	8.3	7.6	8.7% ↑
Impairment	2.9	(2.6)	(209.8%) ↓	(10.9)	(126.5%) ↓	0.3	(10.9)	(102.4%) ↓
Stock option plan expenses	(0.8)	0.5	(256.2%) ↓	0.0	(2,929.6%) ↓	(0.3)	0.6	(149.1%) ↓
Penalty fee over delayed projects	(0.2)	(0.3)	(27.5%) ↓	1.2	(116.7%) ↓	(0.5)	0.7	(166.8%) ↓
Unrealized interest and charges, net	5.7	4.2	33.9% ↑	7.0	(19.5%) ↓	9.9	13.9	(28.9%) ↓
Equity income	0.5	(0.1)	(621.3%) ↓	1.4	(66.9%) ↓	0.4	0.9	(59.8%) ↓
Disposal of fixed asset	0.0	0.5	(97.7%) ↓	0.1	(76.5%) ↓	0.5	2.2	(75.3%) ↓
Warranty provision	7.4	2.3	225.7% ↑	2.5	200.4% ↑	9.7	3.5	176.8% ↑
Provision for contingencies	0.9	0.8	12.6% ↑	5.6	(83.8%) ↓	1.7	12.7	(86.5%) ↓
Profit sharing provision	4.9	4.7	3.3% ↑	4.1	18.5% ↑	9.6	6.2	54.8% ↑
Provision (reversal) for doubtful accounts and cancellations	9.7	3.0	219.8% ↑	12.8	(23.9%) ↓	12.8	25.0	(48.9%) ↓
Provision for cancellations and cancellations payable	(2.4)	5.9	(140.6%) ↓	(1.0)	147.8% ↑	3.5	(1.3)	(363.3%) ↓
Clients	18.2	(37.8)	(148.1%) ↓	(12.5)	(245.2%) ↓	(19.6)	(15.7)	24.7% ↑
Properties for sale	(30.1)	7.3	(514.5%) ↓	25.0	(220.0%) ↓	(22.8)	32.0	(171.2%) ↓
Other receivables	12.0	(6.3)	(291.6%) ↓	(3.4)	(458.0%) ↓	5.7	(2.9)	(296.4%) ↓
Obligations for purchase of real properties	19.7	7.1	178.0% ↑	(7.7)	(354.7%) ↓	26.8	(4.1)	(754.8%) ↓
Taxes and contributions	18.9	0.8	2,370.8% ↑	(1.3)	(1,518.7%) ↓	19.7	(3.9)	(600.8%) ↓
Accounts payable	7.9	(10.7)	(173.8%) ↓	5.0	57.9% ↑	(2.8)	21.1	(113.3%) ↓
Salaries, payroll charges and bonus provision	0.2	1.7	(89.2%) ↓	(10.8)	(101.7%) ↓	1.9	(9.3)	(120.5%) ↓
Other accounts payable	22.2	(18.4)	(220.9%) ↓	(6.9)	(420.6%) ↓	3.8	(7.4)	(151.6%) ↓
Current account operations	3.2	31.6	(90.0%) ↓	(11.5)	(127.4%) ↓	34.8	(10.3)	(438.2%) ↓
Taxes paid	(6.0)	(6.0)	0.1% ↑	(3.2)	85.2% ↑	(11.9)	(6.5)	84.2% ↑
Present value adjustment	3.2	6.3	(48.7%) ↓	1.4	130.0% ↑	9.5	0.0	0.0% ↑
Other operating revenue/expenses	(11.3)	12.2	(192.8%) ↓	0.0	0.0% ↑	0.9	0.0	0.0% ↑
Deferred income tax and social contribution	(6.1)	0.0	0.0% ↑	0.0	0.0% ↑	(6.1)	0.0	0.0% ↑
Cash used in investment activities	(37.8)	(51.0)	(26.0%) ↓	30.0	(226.1%) ↓	(88.8)	5.9	(1,613.0%) ↓
Purchase of property and equipment	(8.9)	(7.3)	20.8% ↑	(6.8)	29.9% ↑	(16.2)	(11.2)	44.8% ↑
Redemption of securities, sureties and credits	(1,284.1)	365.0	(451.8%) ↓	573.6	(323.9%) ↓	(919.1)	1,059.6	(186.7%) ↓
Investments in marketable securities and restricted credits	1,255.2	(408.7)	(407.1%) ↓	(538.9)	(332.9%) ↓	846.5	(1,044.6)	(181.0%) ↓
Investments increase	0.0	0.0	0.0% ↑	2.1	(100.0%) ↓	0.0	2.1	(100.0%) ↓
Cash provided by financing activities	(31.3)	34.7	(190.3%) ↓	(29.5)	6.1% ↑	3.4	10.5	(67.9%) ↓
Increase in loans and financing	93.6	106.1	(11.8%) ↓	58.1	61.0% ↑	199.6	132.5	50.7% ↑
Amortization of loans and financing	(92.7)	(71.9)	29.1% ↑	(91.8)	1.0% ↑	(164.6)	(128.4)	28.2% ↑
Loan operations	(32.2)	0.5	(6,661.8%) ↓	4.2	(872.2%) ↓	(31.7)	6.5	(590.0%) ↓
Net increase (decrease) in cash and cash equivalents	39.0	17.1	127.8% ↑	14.0	178.8% ↑	56.1	94.9	(40.9%) ↓
At the beginning of the period	45.5	28.4	60.2% ↑	102.6	(55.6%) ↓	28.4	21.7	31.2% ↑
At the end of the period	84.5	45.5	85.6% ↑	116.5	(27.5%) ↓	84.5	116.5	(27.5%) ↓

Monetary amounts adjusted to Tenda's equity interest.

INVESTOR RELATIONS

Felipe David Cohen
CFO and Investor Relations Officer

Eduardo Muller Simas
Investor Relations and Treasury Manager

Álvaro Kauê Rodrigues de Souza
Investor Relations and Treasury Coordinator

Investor Relations

Phone: +55 (11) 3111-2711

E-mail: ri@tenda.com

Website: ri.tenda.com

MEDIA RELATIONS

Máquina Cohn & Wolfe

Fernando Antonialli

Reinaldo Adri

Phone: +55 (11) 3147-7903

E-mail: tenda@maquinacohnwolfe.com

About Tenda

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.

(A free translation from the original in Portuguese into English)

Construtora Tenda S.A.

Notes to individual and consolidated quarterly financial information

June 30, 2017

(In thousands of Brazilian Reais – R\$, except as otherwise stated)

1. Operations

Construtora Tenda S.A. (“Company” or “Tenda”) is a publicly-traded company with registered office at Rua Álvares Penteado, 61, in the city and state of São Paulo, and registered with the São Paulo Stock Exchange (BMF&BOVESPA) under the ticker symbol “TEND3”.

The operations of Tenda and its subsidiaries comprise the carry out of civil construction works, real estate development, real estate purchase and sales, civil construction administration services, intermediation of consortia shares sales, and holding of interests in other companies.

The Company enters into real estate development projects with third parties through specific purpose partnerships (“Sociedades de Propósito Específico” or “SPEs”). Controlled entities substantially share the structures and the corresponding corporate, managerial and operating costs with the Company. The SPEs operate solely in the real estate industry and are linked to specific ventures.

On April 24, 2017, the Company disclosed a notice to the market informing that its shares will start to be traded in the basic segment of B3 – Brasil, Bolsa, Balcão (former BM&FBOVESPA), as approved at the Extraordinary Shareholders’ Meeting of the Company held on February 20, 2017. On May 4, 2017, Tenda started to be traded at B3- Brasil, Bolsa e Balcão.

As of June 28, 2017, the Company disclosed a notice to the market that its shares started to be traded in the special listing segment of B3 (former BM&FBOVESPA) called Novo Mercado.

2. Presentation of quarterly information and summary of significant accounting policies

2.1. Basis of presentation and preparation of individual and consolidated quarterly information

On August 10, 2017, the Board of Directors of the Company approved the individual and consolidated quarterly information of the Company and authorized its disclosure.

The individual (Company) and consolidated quarterly information has been prepared and is being presented based on the technical pronouncement CPC 21(R1) – Interim Financial Reporting, using the same accounting practices, judgments, estimates and assumptions adopted in the presentation and preparation of the financial statements for the year ended December 31, 2016. Therefore, the corresponding quarterly information shall be read together with the financial statements as of December 31, 2016.

The individual quarterly information, identified as “Company”, has been prepared and is being presented according to the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities and Exchange Commission (CVM) and is disclosed together with the consolidated quarterly information.

(A free translation from the original in Portuguese into English)

Construtora Tenda S.A.

Notes to individual and consolidated quarterly financial information

June 30, 2017

(In thousands of Brazilian Reais – R\$, except as otherwise stated)

2. Presentation of quarterly information and summary of significant accounting policies - Continued

2.1. Basis of presentation and preparation of individual and consolidated quarterly information - Continued

The consolidated quarterly information of the Company has been prepared and is being presented according to the accounting practices adopted in Brazil, including the pronouncements issued by the CPC, approved by the CVM, and according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), applicable to real estate development entities in Brazil, including the Guideline OCPC 04 - Application of the Technical Interpretation ICPC 02 to the Brazilian Real Estate Development Entities, in relation to the treatment of the recognition of revenue from this sector and involves certain matters related to application of the continuous transfer of the risks, rewards and control over the real estate units sold.

The individual quarterly information of the Company is not considered in compliance with the IFRS, once it considers the capitalization of interest on qualifying assets of investees in the separate quarterly information of the Company. In view of the fact that there is no difference between the Company's and the consolidated equity and profit or loss, the Company opted for presenting the accompanying individual and consolidated information in only one set.

The quarterly information has been prepared on a going concern basis. Management makes an assessment of the Company's ability to continue as going concern when preparing the quarterly information.

All material information that is proper to quarterly information, and only it, has been evidenced and correspond to those used by Management in its administration.

All amounts disclosed in the accompanying quarterly information are in thousands of Reais, except as otherwise stated.

The other explanations related to this note were not subject to material changes in relation to the disclosures in Note 2.1 to the individual and consolidated financial statements as of December 31, 2016.

2.1.1. Consolidated quarterly information

The accounting practices have been applied consistently by all subsidiaries included in the consolidated quarterly information, and the fiscal year of these entities is the same as the Company's. See further details in Note 9.

The other explanations related to this note were not subject to material changes in relation to the disclosures in Note 2.1.1 to the individual and consolidated financial statements as of December 31, 2016.

(A free translation from the original in Portuguese into English)

Construtora Tenda S.A.

Notes to individual and consolidated quarterly financial information

June 30, 2017

(In thousands of Brazilian Reais – R\$, except as otherwise stated)

3. New standards, changes and interpretation of standards issued and not yet adopted

There is no standard, change to standards or interpretation issued and not yet adopted that could, on the Management's opinion, have significant impact arising from its adoption on its quarterly information, besides those already disclosed in Note 3 to the individual and consolidated financial statements as of December 31, 2016.

The other explanations related to this note were not subject to material changes in relation to the disclosures in Note 3 to the individual and consolidated financial statements as of December 31, 2016.

4. Cash and cash equivalents and short-term investments

4.1. Cash and cash equivalents

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Cash and banks	7,746	12,093	45,189	27,835
Securities purchased under resale agreements (a)	10,340	31	39,290	579
Cash and cash equivalents (Note 22.b.i)	18,086	12,124	84,479	28,414

- (a) Securities purchased under resale agreements are securities issued by banks with security repurchase agreement guaranteed by the issuer and security resale agreement guaranteed by the customer, at agreed-upon rates and terms, backed by corporate or government securities depending on the bank's cash and registered with CETIP. As of June 30, 2017, the securities purchased under resale agreements include interest earned through the statement of financial position's reporting date of 50% of Interbank Deposit Certificates-CDI (from 75% to 100% of CDI as of December 31, 2016).

4.2. Short-term investments

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Fixed-income funds	37,061	36,325	83,739	37,647
Government bonds (LFT)	-	4,043	-	4,091
Corporate securities	-	21,327	-	21,579
Securities purchased under resale agreements	32	1,061	32	1,068
Bank certificates of deposit (a)	16,414	10,844	22,212	27,996
Restricted cash in guarantee to loans	-	33	-	33
Restricted credits (b)	49,330	27,584	161,696	102,659
Total short-term investments (Note 22.b.i)	102,837	101,217	267,679	195,073

- (a) As of June 30, 2017, the Bank Certificates of Deposit (CDBs) include interest earned through the statement of financial position's reporting date, ranging from 91% to 101.5% (from 85% to 104.5% as of December 31, 2016) of Interbank Deposit Certificates (CDI).
- (b) Restricted credits are represented by onlending of the funds from associate credit ("*crédito associativo*"), a type of government real estate financing, which are in process of approval at the Caixa Econômica Federal (a Federally owned Brazilian bank used for real estate financing purpose). These approvals are made to the extent the contracts signed with customers at the financial institutions are regularized, which the Company expect to occur in up to 90 days.

(A free translation from the original in Portuguese into English)

Construtora Tenda S.A.

Notes to individual and consolidated quarterly financial information

June 30, 2017

(In thousands of Brazilian Reais – R\$, except as otherwise stated)

5. Trade accounts receivable from real estate development and services

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Real estate development and sales	159,913	170,830	547,073	532,176
(-) Allowance for doubtful accounts and cancelled contracts	(79,699)	(103,865)	(127,159)	(125,358)
(-) Present value adjustments	(3,602)	(1,460)	(12,399)	(2,901)
Receivables for land and services	22,471	24,109	27,960	23,230
	99,083	89,614	435,475	427,147
Current portion	52,920	51,674	256,881	250,474
Non-current portion	46,163	37,940	178,594	176,673

The current and non-current portions have the following maturities:

Maturity	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Overdue				
Up to 90 days	1,567	1,680	5,222	53,779
From 91 to 180 days	4,841	4,153	14,144	17,371
Over 180 days (a)	64,061	97,041	108,665	170,336
Subtotal – Overdue	70,469	102,874	128,031	241,486
Falling due				
2017	21,968	52,834	86,714	121,965
2018	54,476	18,704	257,841	96,543
2019	9,095	9,893	31,333	63,211
2020	18,252	3,217	43,109	15,306
2021 onwards	8,124	7,417	28,005	16,895
Subtotal – Falling due	111,915	92,065	447,002	313,920
(-) Present value adjustment	(3,602)	(1,460)	(12,399)	(2,901)
(-) Allowance for doubtful account and cancelled contracts	(79,699)	(103,865)	(127,159)	(125,358)
	99,083	89,614	435,475	427,147

(a) Of the amount more than 180 days overdue, the amounts in process of transfer to financial institutions amount to R\$15,150 in the Company's balance and R\$43,536 in the consolidated balance (R\$25,433 in the Company's balance and R\$55,492 in the consolidated balance as of December 31, 2016).

The change in the allowance for doubtful accounts and cancelled contracts for the period ended June 30, 2017 is as follows:

	Company			Consolidated		
	Receivables	Properties for sale (Note 6)	Net balance	Receivables	Properties for sale (Note 6)	Net balance
Balance at December 31, 2016	(103,865)	34,514	(69,351)	(125,358)	36,357	(89,001)
Additions	(12,729)	3,603	(9,126)	(54,876)	22,133	(32,743)
Reversal	36,895	(24,112)	12,783	53,075	(33,108)	19,967
Balance at June 30, 2017	(79,699)	14,005	(65,694)	(127,159)	25,382	(101,777)

	Company			Consolidated		
	Receivables	Properties for sale (Note 6)	Net balance	Receivables	Properties for sale (Note 6)	Net balance
Balance at December 31, 2015	(59,497)	14,793	(44,704)	(88,165)	21,764	(66,401)
Additions and Reversal	(16,504)	(6,004)	(22,508)	(14,913)	(10,080)	(24,993)
Balance at June 30, 2016	(76,001)	8,789	(67,212)	(103,078)	11,684	(91,394)

The total amount of adjustment to present value recognized in revenue from real estate development for the period ended June 30, 2017 was R\$2,142 (R\$ 37 in June 2016) in the Company's balance, and R\$9,498 (R\$ 1,247 in June 2016) in the consolidated balance.

(A free translation from the original in Portuguese into English)

Construtora Tenda S.A.

Notes to individual and consolidated quarterly financial information

June 30, 2017

(In thousands of Brazilian Reais – R\$, except as otherwise stated)

6. Properties for sale

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Land	83,211	95,374	499,150	454,183
Property under construction	76,533	72,886	250,766	227,940
Real estate cost in the recognition of the provision for cancelled contracts (Note 5)	14,005	34,514	25,382	36,357
Completed units	32,821	34,557	61,613	74,407
(-)Present value adjustment in purchase of land	(2,138)	(2,132)	(16,239)	(14,637)
(-)Impairment of properties for sale	(5,164)	(2,267)	(5,950)	(2,963)
	199,268	232,932	814,722	775,287
Current portion	146,534	177,838	548,894	563,576
Non-current portion	52,734	55,094	265,828	211,711

The Company has construction agreements on bartered units, related to the acquisition of land, recorded based on the fair value of bartered units at the acquisition date. As of June 30, 2017, the balance of obligations for land acquired by means of barter totals R\$1,992 (R\$2,505 in 2016) in the Company's balance, and R\$76,390 (R\$42,802 in 2016) in the consolidated balance (Note 15).

7. Related parties

7.1 Balances with related parties

The balances with related parties, assets and liabilities are as follows:

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Assets				
Subsidiaries				
Related parties - Current account (b)	237,440	160,660	-	-
Loan receivable (d)	9,299	9,299	-	-
Total Subsidiaries	246,739	169,959	-	-
Associates and other				
Related parties - Current account (b)	12,946	55,733	12,946	55,733
Loan receivable (d)	33,447	37,745	33,447	37,745
Total associates and other	46,393	93,478	46,393	93,478
Total assets	293,132	263,437	46,393	93,478
Current portion	250,386	216,393	12,946	55,733
Non-current portion	42,746	47,044	33,447	37,745
	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Liabilities				
Subsidiaries				
Related parties - Current account (c)	544,709	823,684	-	-
Total Subsidiaries	544,709	823,684	-	-
Associates and other				
Related parties - Current account (c)	38,190	54,118	38,190	54,118
Loan payable (d)	14,638	50,599	14,638	50,599
Payables to Shareholders (a)	-	100,000	-	100,000
Total associates and other	52,828	204,717	52,828	204,717
Total Liabilities	597,537	1,028,401	52,828	204,717
Current portion	582,899	877,802	34,329	49,665
Non-current portion	14,638	150,599	18,499	155,052

(A free translation from the original in Portuguese into English)

Construtora Tenda S.A.

Notes to individual and consolidated quarterly financial information

June 30, 2017

(In thousands of Brazilian Reais – R\$, except as otherwise stated)

7. Related parties-continued

7.1 Balances with related parties -Continued

(a) On May 4, 2017 the Company reclassified the amounts into "Other Creditors", see Note 16, in view of the completion of the spin-off of the Gafisa/Tenda trademarks;

b) The Company participates in the development of real estate ventures with other partners either directly or indirectly by means of related parties. The management structure of such ventures and cash management are centralized in the leading company of the venture, which manages the construction development and budget. Therefore, the venture leader assures that the investments of the required funds are made and allocated as planned. The sources and investment of funds of the ventures are reflected in these balances, observing the respective interest percentage of each investor, and are not subject to the adjustment or financial charges or each investor, and do not have fixed maturity. Such operations aim at streamlining the business relationships that demand joint management of amounts reciprocally owed by the involved parties, and, according, the control over the change in the amounts reciprocally granted, which offset each other at the closing of the current account. The average term of development and completion of the ventures in which the funds are invested ranges from 18 to 24 months;

c) Amount related to the funds transferred between the companies of the group that will be written-off by capital increase or reduction;

d) The loans of the Company and its subsidiaries, shown below, are taken out due to the cash needs of such subsidiaries for carrying out their respective activities, being subject to the financial charges described in agreements. The businesses and transactions with related parties are made at arm's length, and adjusted to protect the interests of the both parties involved in the transaction.

The composition, nature and conditions of loan balance receivable and payable of the Company are shown below. Loans have maturities according to the period of the respective ventures.

	Company		Consolidated		Nature	Interest rate
	06/30/2017	12/31/2016	06/30/2017	12/31/2016		
Subsidiaries						
Fit 09 SPE Empr. Imob. Ltda. (c)	9,299	9,299	-	-	Construction	120% to 126.5% p.a. of CDI
Loans receivable - Subsidiaries	9,299	9,299	-	-		
Associates and other						
Atua Construtora e Incorporadora S.A. (a)	12,167	12,167	12,167	12,167	Construction	112% of 113.5% of CDI
Interativa Empre. & Part. Ltda. (b)	-	4,548	-	4,548	Construction	12% p.a.
Fit 19 SPE Empr. Imobiliários Ltda. (c)	17,129	17,002	17,130	17,002	Construction	100% of CDI
Acedio SPE Empr. Imobiliários Ltda. (c)	4,151	4,028	4,150	4,028	Construction	100% of CDI
Loans receivable - associates and other	33,447	37,745	33,447	37,745		
Loans receivable	42,746	47,044	33,447	37,745		

(a) Amount related to the loan of the company with the company Atua Construtora e Incorporadora S.A., which is being disputed in arbitration, at the Center for Arbitration and Mediation of the Chamber of Commerce Brazil-Canada (CAM/CCBC). The amount is no longer adjusted by agreed-upon financial charges in view of the arbitration.

(c) Loan with the company Interativa Empreendimentos & Participações Ltda that was received on March 29, 2017.

(d) Amounts receivable among the SPEs that are adjusted through August 2014 (date of last request in arbitration) with the financial charges agreed upon in the terms of contracts. These amounts are being disputed in arbitration, at the Center for Arbitration and Mediation of the Chamber of Commerce Brazil-Canada (CAM/CCBC). The loan with the company Fit 09 SPE Empr. Imob. Ltda. was eliminated for purposes of the consolidated financial statements.

	Company		Consolidated		Nature	Interest rate
	06/30/2017	12/31/2016	06/30/2017	12/31/2016		
Associates						
Parque dos Pássaros (d)	7,315	5,765	7,315	5,765	Construction	6% p.a.
Fit 11 SPE Empr. Imob.Ltda. (e)	-	6,285	-	6,285	Construction	6% p.a.
Fit 31 SPE Empr. Imob. Ltda. (e)	-	1,381	-	1,381	Construction	6% p.a.
Fit 34 SPE Empr. Imob. Ltda. (e)	-	23,318	-	23,318	Construction	6% p.a.
Fit 03 SPE Empr. Imob. Ltda. (e)	-	8,412	-	8,412	Construction	6% p.a.
Araçagy (Franere Gafisa 08) (d)	7,323	5,438	7,323	5,438	Construction	6% p.a.
Loans payable	14,638	50,599	14,638	50,599		

(e) Loans with subsidiaries that will be adjusted for inflation at 6% p.a. plus IOF levied on the transaction, until its settlement.

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7. Related parties - Continued

7.1 Balances with related parties -Continued

- (f) Loan settled through the acquisition of subsidiaries: 30% of Fit 11 SPE Empreendimentos Imobiliários Ltda; 30% of Fit 31 SPE Empreendimentos Imobiliários Ltda.; 30% of Fit 34 SPE Empreendimentos Imobiliários Ltda; and 20% of Fit 03 SPE Empreendimentos Imobiliários Ltda.

In the period ended June 30, 2017 financial income from loan interests was recognized in the amount of R\$116 in the Company's balance and R\$132 in the consolidated balance (Note 25).

In the period ended June 30, 2017 financial expenses from loan interests payable were recognized in the amount of R\$1,777 (R\$469 as of June 30, 2016) in the Company's and consolidated balances (Note 25).

7.2 Endorsements, guarantees and sureties

The financial transactions of the Tenda group are guaranteed by the endorsement or surety in proportion to the interest of the Company in the capital stock of such companies, in the amount of R\$432,295 as of June 30, 2017 (R\$346,250 as of December 31, 2016).

7.3 Transactions with Related Parties of the same group

The transactions between the Company and its subsidiaries amounted to R\$ 27,752 as of June 30, 2017 related to management and construction management services (R\$ 33,362 in June 2016), which were fully eliminated from the financial statements.

8. Non-current assets held for sale

8.1 Land for sale

The Company, in line with its adopted strategic direction, opted for putting for sale the land not included in the business plan approved for the year 2017. Similarly, it formulated a specific plan for selling such land. The carrying amount of such land, adjusted to market value, when applicable, after tests for impairment, is as follows:

	Company			Consolidated		
	Cost	Provision for impairment	Net balance	Cost	Provision for impairment	Net balance
Balance at December 31, 2016	53,705	(10,218)	43,487	87,270	(12,043)	75,227
Additions	752	-	752	10,960	-	10,960
Reversal / write-offs	(10,082)	2,728	(7,354)	(10,245)	2,728	(7,517)
Balance as of June 30, 2017	44,375	(7,490)	36,885	87,985	(9,315)	78,670

	Company			Consolidated		
	Cost	Provision for impairment	Net balance	Cost	Provision for impairment	Net balance
Balance at December 31, 2015	94,642	(25,371)	69,271	128,216	(26,726)	101,490
Additions	1,246	-	1,246	1,794	-	1,794
Reversal / write-offs	(28,005)	10,919	(17,086)	(30,143)	10,919	(19,224)
Balance as of June 30, 2016	67,883	(14,452)	53,431	99,867	(15,807)	84,060

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9. Investments in ownership interests

(i) Ownership interests:

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Subsidiaries				
Wholly-owned	1,025,080	1,223,901	-	-
By managing significant operations	17,899	28,156	-	-
Capitalized interests	9,567	9,781	-	-
Amount in excess of carrying amount on purchase	-	12	-	-
	1,052,546	1,261,850	-	-
Non-subsidiaries				
Not managing significant operations	71,546	147,831	71,546	147,831
	71,546	147,831	71,546	147,831
	1,124,092	1,409,681	71,546	147,831

Change in investments

	Company	Consolidated
Balance at December 31, 2016	1,409,681	147,831
Income from equity method investments	69,148	(375)
Capital contribution	30,240	-
Capital decrease (d)	(393,045)	(7,927)
Acquisition (sale) of interest	11,757	-
Acquisition of Control/ Loss of Control(a, b, c)	-	(67,103)
Provision for net capital deficiency of equity accounted investees	783	-
Other	(4,472)	(880)
Balance at June 30, 2017	1,124,092	71,546

	Company	Consolidated
Balance at December 31, 2015	1,432,302	163,349
Income from equity method investments	55,029	(932)
Capital decrease	(90,702)	(6,614)
Contribution of advance for future capital increase	91,408	3,694
Other	1,380	796
Transfer of balance	3,468	2
Balance at June 30, 2016	1,492,885	160,295

- In May 2017, in view of the spin-off of the Gafisa/Tenda trademarks, the Company no longer holds the control over the following SPES: FIT 13 SPE Empreendimentos Imobiliários Ltda and Cipesa Projeto 02 Empreendimento Imobiliario Spe Ltda;
- In March 2017, the Company obtained the control over the companies Fit 03 SPE Empreendimentos Imobiliários Ltda, Fit 11 SPE Empreendimentos Imobiliários Ltda, Fit 31 SPE Empreendimentos Imobiliários Ltda, and Fit 34 SPE Empreendimentos Imobiliários Ltda, in relation to which it recorded in profit or loss a provision for net capital deficiency of equity accounted investees in the amount of R\$11,309 (Note 24); a portion of the involved amounts were settled by offsetting loans (Note 7.1) previously signed between the related parties, while the remaining portion was settled in cash; and
- In March 2017, ownership interests in the companies Maria Inês SPE Empreendimentos Imobiliários Ltda and Fit SPE 02 Empreendimentos Imobiliários Ltda were acquired by matching the current accounts of related parties.
- Most of the decrease in the capital of investees was settled with related parties: Cita Itapoan; FIT 31 SPE Emp. Imob; AC Participações LTDA; FIT 32 SPE Emp. Imob; FIT 22 SPE Emp. Imob; FGM Incorporações S.A; FIT 24 SPE Emp. Imob; FIT 07 SPE Emp. Imob.; FIT SPE 05 Emp. Imob.; FIT SPE 01 Emp. Imob.; Tenda SP Jardim São Luiz; SPE Tenda SP Vila Park; Salvador Dali Emp. Imob; Guaianazes Life Emp. Imob.; SPE Tenda SP Osasco; and SPE Tenda SP Itaqueira.

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9. Investments in ownership interests - continued

Breakdown of investments as of June 30, 2017

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Ownership interests	Income from equity method investments	Investment balance
Subsidiaries									
AC PART. LTDA	1,731	59	401	271	1,118	(1,735)	100%	(1,735)	1,118
ASPLENIUM EMP.IMOB.LTDA	31,546	3,342	305	515	34,068	(1,212)	100%	(1,212)	34,068
COTIA 1 EMP.IMOB.LTDA	151,973	789	265	-	152,497	(1,401)	100%	(1,401)	152,497
EVP PART. S.A.	102	-	5	-	97	-	100%	-	97
FGM INCORP. S/A	314	-	183	-	131	(267)	100%	(267)	131
FIT 01 SPE EMP.IMOB.LTDA	2,076	367	326	-	2,117	166	100%	166	2,117
FIT 02 SPE EMP.IMOB.LTDA	12,256	-	-	-	12,256	(44)	100%	(44)	12,256
FIT 03 SPE EMP.IMOB.LTDA	11,342	129	196	-	11,275	(106)	100%	(106)	11,275
FIT 05 SPE EMP.IMOB.LTDA	1,023	-	391	-	632	(578)	100%	(578)	632
FIT 06 SPE EMP.IMOB.LTDA	7,723	-	537	-	7,186	(1)	100%	(1)	7,186
FIT 07 SPE EMP.IMOB.LTDA	489	17	262	-	244	(135)	100%	(135)	244
FIT 10 SPE EMP.IMOB.LTDA	6,647	496	470	-	6,673	(832)	100%	(832)	6,673
FIT 11 SPE EMP.IMOB.LTDA	29,016	8	101	59	28,864	(91)	100%	(91)	28,864
FIT 16 SPE EMP.IMOB.LTDA	28,487	457	410	5	28,529	(1,465)	100%	(1,465)	28,529
FIT 24 SPE EMP.IMOB.LTDA	(23)	88	32	-	33	4	100%	4	33
FIT 25 SPE EMP.IMOB.LTDA	5,932	-	2,441	-	3,491	(613)	100%	(613)	3,491
FIT 31 SPE EMP.IMOB.LTDA	14,987	95	621	-	14,461	41	100%	41	14,461
FIT 32 SPE EMP.IMOB.LTDA	1,958	1,470	539	3	2,886	(205)	100%	(205)	2,886
FIT 34 SPE EMP.IMOB.LTDA	34,628	225	631	-	34,222	(165)	100%	(165)	34,222
FIT 35 SPE EMP.IMOB.LTDA	146	561	53	-	654	(101)	100%	(101)	654
FIT 37 SPE EMP.IMOB.LTDA	7	516	82	-	441	(84)	100%	(84)	441
CITTÀ VILLE SPE EMP.IMOB.LTDA	17,227	-	2,877	-	14,350	(1,982)	50%	(991)	7,175
TENDA 25 SPE EMP.IMOB.LTDA	15,319	-	-	-	15,319	(60)	70%	(42)	10,723
FIT 38 SPE EMP.IMOB.LTDA	208	-	49	-	159	(28)	100%	(28)	159
FIT 39 SPE EMP.IMOB.LTDA	65	39	78	-	26	(41)	100%	(41)	26
FIT 40 SPE EMP.IMOB.LTDA	24,176	334	124	120	24,266	37	100%	37	24,266
FIT 42 SPE EMP.IMOB.LTDA	107	114	74	-	147	55	100%	55	147
FIT PALLADIUM SPE EMP.IMOB.LTDA	198	57	25	-	230	(24)	100%	(24)	230
FIT ROLAND GARROS EMP.IMOB.LTDA	344	4	84	-	264	(10)	100%	(10)	264
JD. SÃO LUIZ SPE INCORP. LTDA	69,818	5,089	526	700	73,681	(1,383)	100%	(1,383)	73,681
MARIA INÊS SPE EMP.IMOB.LTDA	20,955	-	29	-	20,926	(92)	100%	(92)	20,926
SPE TENDA SP GUAIANAZES LIFE EMP.IMOB.LTDA	15	67	17	-	65	16	100%	16	65
SPE TENDA SP ITAQUERA LIFE EMP.IMOB.LTDA	674	-	31	-	643	255	100%	255	643
SPE TENDA SP JD. SÃO LUIZ LIFE EMP.IMOB.LTDA	1,015	49	62	-	1,002	139	100%	139	1,002
SPE TENDA SP OSASCO LIFE EMP.IMOB.LTDA	1,436	33	18	-	1,451	988	100%	988	1,451
SPE TENDA SP SALVADOR DALI EMP.IMOB.LTDA	40	135	58	-	117	1,009	100%	1,009	117
SPE TENDA SP VALÊNCIA EMP.IMOB.LTDA	454	75	43	-	486	177	100%	177	486
SPE TENDA SP VILA PARK EMP.IMOB.LTDA	716	106	325	-	497	(201)	100%	(201)	497
TENDA NEG. IMOB. S/A	1,023,136	268,228	506,265	231,949	553,150	78,840	100%	78,840	553,151
TENDA SPE 19 EMP.IMOB.LTDA	6,087	8	-	-	6,095	(214)	100%	(214)	6,095
Capitalized interests	-	-	-	-	-	-	-	(214)	9,567
Total Subsidiaries	1,524,350	282,957	518,936	233,622	1,054,749	68,657		69,452	1,052,546
Non-subsidiaries									
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Ownership interests	Income from equity method investments	Investment balance
ACEDIO SPE EMP.IMOB.LTDA	5,534	-	4,174	-	1,360	(1)	55%	(1)	748
CIPESA PROJ. 02 EMP. IMOB. SPE LTDA	18,360	199	109	-	18,450	(638)	50%	(319)	9,225
CITTÀ IPITANGA SPE EMP. IMOB.S LTDA	1,270	10,946	476	714	11,026	(56)	50%	(25)	5,513
CITTÀ ITAPUÁ EMP. IMOB.S SPE LTDA	3,204	9	819	2,014	380	(160)	50%	(77)	190
FIT 13 SPE EMP.IMOB.LTDA	17,979	3,492	653	-	20,818	(74)	50%	(37)	10,409
FIT JD. BOTÂNICO SPE EMP.IMOB.LTDA	8,654	-	275	-	8,379	(197)	55%	(108)	4,608
GRAND PARK PQ. PÁSSAROS EMP.IMOB.LTDA	9,260	23,740	622	1,852	30,526	302	50%	152	15,263
IMBUI I SPE EMP.IMOB.LTDA	1,212	7,526	52	464	8,222	(48)	50%	(21)	4,111
SPE FRANERE GAFISA 08 EMP.IMOB.LTDA	27,177	21,205	1,844	3,580	42,958	122	50%	61	21,479
Consolidated	92,650	67,117	9,024	8,624	142,119	(750)		(375)	71,546
Total Company	1,617,000	350,074	527,960	242,246	1,196,868	67,907		69,077	1,124,092

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9. Investments in ownership interests - continued

Breakdown of investments as of December 31, 2016

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Ownership interests	Income from equity method investments	Investment balance
Subsidiaries									
AC PARTICIPAÇÕES LTDA	20,683	53	859	-	19,877	(811)	100%	(811)	19,877
ASPLENIUM EMP.IMOB.LTDA	32,585	4,136	1,398	42	35,281	20,579	100%	20,579	35,281
COTIA 1 EMP.IMOB.LTDA	153,367	792	261	-	153,898	(3,266)	100%	(3,266)	153,898
FGM INCORP. S/A	50,776	-	39	-	50,737	51	100%	51	50,737
FIT 01 SPE EMP.IMOB.LTDA	38,070	302	291	-	38,081	(392)	100%	(392)	38,081
FIT 05 SPE EMP.IMOB.LTDA	96,386	-	147	-	96,239	(1,203)	100%	(1,203)	96,239
FIT 06 SPE EMP.IMOB.LTDA	7,536	-	349	-	7,187	115	100%	115	7,187
FIT 07 SPE EMP.IMOB.LTDA	47,242	-	64	-	47,178	(172)	100%	(172)	47,178
FIT 10 SPE EMP.IMOB.LTDA	7,614	576	685	-	7,505	(1,097)	100%	(1,097)	7,505
FIT 16 SPE EMP.IMOB.LTDA	30,145	589	735	5	29,994	345	100%	345	29,994
FIT 22 SPE EMP.IMOB.LTDA	10,504	-	4	-	10,500	(3)	100%	(3)	10,500
FIT 24 SPE EMP.IMOB.LTDA	31,538	88	81	-	31,545	(273)	100%	(273)	31,545
FIT 32 SPE EMP.IMOB.LTDA	12,106	1,806	601	-	13,311	2,645	100%	2,645	13,311
FIT 40 SPE EMP.IMOB.LTDA	24,068	438	276	-	24,230	187	100%	187	24,230
JD. SÃO LUIZ SPE INCORP. LTDA	70,124	6,486	1,536	10	75,064	25,766	100%	25,766	75,064
SPE TENDA SP GUANAZES LIFE EMP.IMOB.LTDA	20,348	67	31	-	20,384	(46)	100%	(46)	20,384
SPE TENDA SP ITAQUERA LIFE EMP.IMOB.LTDA	10,337	-	32	-	10,305	80	100%	80	10,305
SPE TENDA SP JD. SÃO LUIZ LIFE EMP.IMOB.LTDA	18,023	15	112	-	15,926	127	100%	127	15,926
SPE TENDA SP OSASCO LIFE EMP.IMOB.LTDA	18,259	39	22	-	18,276	(26)	100%	(26)	18,276
SPE TENDA SP VILA PARK EMP.IMOB.LTDA	19,244	134	175	-	19,203	(687)	100%	(687)	19,203
TENDA 25 SPE EMP.IMOB.LTDA	15,379	-	-	-	15,379	474	70%	332	10,765
TENDA NEG. IMOB. S/A	956,027	132,791	413,873	200,635	474,310	71,383	100%	71,383	474,310
TENDA SPE 19 EMP.IMOB.LTDA	6,430	9	130	-	6,309	85	100%	85	6,309
By management of significant operations									
CIPESA PROJ. 02 EMP. IMOB. SPE LTDA	19,034	205	149	-	19,090	862	50%	431	9,545
CITTA VILLE SPE EMP.IMOB.LTDA	18,363	-	2,031	-	16,332	(5,862)	50%	(2,931)	8,166
FIT 13 SPE EMP.IMOB.LTDA	21,545	-	653	-	20,892	(13,596)	50%	(6,798)	10,446
Capitalized interests	-	-	-	-	-	-	-	(1,357)	9,781
Other (*)	12,144	2,477	3,248	-	11,373	(5,898)	-	(5,980)	7,807
Total Subsidiaries	1,765,877	151,003	427,782	200,692	1,288,406	89,367		97,084	1,261,850
Non-subsiaries									
CITTA IPITANGA SPE EMP. IMOB. S. LTDA	2,409	9,946	535	202	11,618	(142)	50%	(71)	5,809
CITTA ITAPUA EMP. IMOB. S. SPE. LTDA	4,303	14,777	750	976	17,354	(662)	50%	(331)	8,677
FIT 02 SPE EMP.IMOB.LTDA	13,635	-	1	1,333	12,301	2,715	60%	1,629	7,381
FIT 03 SPE EMP.IMOB.LTDA	906	10,785	310	-	11,381	(24)	80%	(19)	9,105
FIT 11 SPE EMP.IMOB.LTDA	24,248	9,091	4,383	-	28,956	(526)	70%	(368)	20,269
FIT 31 SPE EMP.IMOB.LTDA	13,012	2,062	654	-	14,420	(1,869)	70%	(1,308)	10,094
FIT 34 SPE EMP.IMOB.LTDA	1,729	33,989	1,331	-	34,387	768	70%	538	24,071
GRAND PARK-PQ. DOS PASSAROS EMP.IMOB.LTDA	10,678	22,437	705	2,188	30,222	(5,020)	50%	(2,510)	15,111
MARIA INES SPE EMP.IMOB.LTDA	21,058	-	41	-	21,017	(10)	60%	(6)	12,610
SPE FRANERE GAFISA 08 EMP.IMOB.LTDA	29,652	18,210	1,731	3,297	42,834	(5,470)	50%	(2,735)	21,417
Other (*)	15,480	7,526	4,312	243	18,451	(1,047)	-	(273)	13,287
Consolidated	137,110	128,823	14,753	8,239	242,941	(11,287)		(5,454)	147,831
Amount in excess of the carrying amount upon purchase									
Total Company	1,902,987	279,826	442,535	208,931	1,531,347	78,080		91,630	1,409,693

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9. Investments in ownership interests - Continued

(ii) Ownership interests – net capital deficiency

Breakdown of the Provision for net capital deficiency of equity accounted investees as of June 30, 2017

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Ownership interests	Income from equity method investments	Provision balance
Subsidiaries									
MÁRIO COVAS SPE EMP.IMOB.LTDA.	29	382	548	-	(137)	(628)	100%	(628)	(137)
FIT BILD 09 SPE EMP.IMOB.LTDA.	2,881	37	10,375	-	(7,457)	(169)	75%	(127)	(5,593)
FIT 12 SPE EMP.IMOB.LTDA.	(354)	559	457	-	(252)	(414)	100%	(414)	(252)
FIT 22 SPE EMP.IMOB.LTDA.	2	-	8	-	(6)	(57)	100%	(57)	(6)
TENDA 24 SPE PART. S.A.	-	-	1	-	(1)	(1)	100%	(1)	(1)
TENDA 30 SPE EMP.IMOB.LTDA.	13	-	113	-	(100)	(17)	100%	(17)	(100)
TND NEG. IMOB. LTDA.	1,644	-	9,956	-	(8,312)	1,068	100%	1,068	(8,312)
TENDA 35 SPE PART. S/A	-	-	35	-	(35)	(4)	100%	(4)	(35)
TDA NEG. IMOB. LTDA.	178	-	2,395	-	(2,217)	252	100%	252	(2,217)
	4,393	978	23,885	-	(18,514)	30		72	(16,653)
Non-subsidiaries									
FIT CAMPOLIM SPE EMP.IMOB.LTDA	7,336	-	17,149	-	(9,813)	(1)	55%	(1)	(5,397)
	7,336	-	17,146	-	(9,810)	(1)		(1)	(5,397)
Total Provision for net capital deficiency of equity	11,729	978	41,031	-	(28,324)	29		71	(22,050)

Breakdown of the Provision for net capital deficiency of equity accounted investees as of December 31, 2016

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Ownership interests	Income from equity method investments	Provision balance
Subsidiaries									
FIT BILD 09 SPE EMP.IMOB.LTDA.	3,141	37	10,466	-	(7,288)	(895)	75%	(671)	(5,466)
TDA NEG. IMOB. LTDA.	117	-	2,586	-	(2,469)	(1,402)	100%	(1,402)	(2,469)
TENDA 30 SPE EMP.IMOB.LTDA.	2	-	85	-	(83)	(22)	100%	(22)	(83)
TENDA 35 SPE PARTICIPAÇÕES S/A	1	-	32	-	(31)	(7)	100%	(7)	(31)
TND NEG. IMOB. LTDA.	1,310	-	10,690	-	(9,380)	(11,381)	100%	(11,381)	(9,380)
	4,571	37	23,856	-	(19,248)	(13,706)		(13,483)	(17,429)
Non-subsidiaries									
FIT CAMPOLIM SPE EMP.IMOB.LTDA	7,200	-	17,009	-	(9,809)	(4)	55%	(2)	(5,395)
	7,200	-	17,009	-	(9,809)	(4)		(2)	(5,395)
Total Provision for capital deficiency of equity	11,771	37	40,865	-	(29,057)	(13,710)		(13,485)	(22,824)

10. Property and equipment

Type	Company			
	12/31/2016	Addition	(-) 100% depreciated items	06/30/2017
Cost				
Hardware	18,662	3,998	(1,249)	21,411
Leasehold improvements and installations	9,338	959	(2,121)	8,176
Furniture and fixtures	4,171	216	(482)	3,905
Machinery and equipment	1,450	94	(14)	1,530
Molds	18,681	3,289	-	21,970
	52,302	8,556	(3,866)	56,992
Accumulated depreciation				
Hardware	(7,384)	(1,933)	1,249	(8,068)
Leasehold improvements and installations	(4,621)	(777)	2,121	(3,277)
Furniture and fixtures	(3,264)	(216)	482	(2,998)
Machinery and equipment	(694)	(78)	14	(758)
Molds (a)	(6,232)	(2,063)	-	(8,295)
	(22,195)	(5,067)	3,866	(23,396)
	30,107	3,489	-	33,596

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10. Property and equipment - Continued

Type	Company				06/30/2016
	12/31/2015	Addition	Write-off	(-) 100% depreciated items	
Cost					
Hardware	13,582	3,853	(455)	(1,527)	15,453
Leasehold improvements and installations	8,020	1,269	-	(33)	9,256
Furniture and fixtures	4,247	-	-	-	4,247
Machinery and equipment	1,400	-	-	(1)	1,399
Molds	13,067	1,638	-	-	14,705
Sales stands	1,483	-	-	(772)	711
	41,799	6,760	(455)	(2,333)	45,771
Accumulated depreciation					
Hardware	(5,886)	(1,368)	-	1,527	(5,727)
Leasehold improvements and installations	(3,375)	(636)	-	33	(3,978)
Furniture and fixtures	(2,926)	(217)	-	-	(3,143)
Machinery and equipment	(554)	(71)	-	1	(624)
Molds (a)	(3,074)	(1,411)	-	-	(4,485)
Sales stands	(1,398)	(85)	-	772	(711)
	(17,213)	(3,788)	-	2,333	(18,668)
	24,586	2,972	(455)	-	27,103

Type	Consolidated			
	12/31/2016	Addition	(-) 100% depreciated items	06/30/2017
Cost				
Hardware	18,662	3,998	(1,249)	21,411
Leasehold improvements and installations	9,338	959	(2,121)	8,176
Furniture and fixtures	4,239	224	(482)	3,981
Machinery and equipment	1,450	94	(14)	1,530
Molds	18,681	3,289	-	21,970
	52,370	8,564	(3,866)	57,068
Accumulated depreciation				
Hardware	(7,384)	(1,933)	1,249	(8,068)
Leasehold improvements and installations	(4,315)	(777)	2,121	(2,971)
Furniture and fixtures	(3,297)	(220)	482	(3,035)
Machinery and equipment	(694)	(78)	14	(758)
Molds (a)	(6,537)	(2,063)	-	(8,600)
	(22,227)	(5,071)	3,866	(23,432)
	30,143	3,493	-	33,636

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10. Property and equipment - Continued

Consolidated					
Type	12/31/2015	Addition	Write-off	(-) 100% depreciated items	06/30/2016
Cost					
Hardware	13,582	3,853	(455)	(1,527)	15,453
Leasehold improvements and installations	8,020	1,269	-	(33)	9,256
Furniture and fixtures	4,315	-	-	-	4,315
Machinery and equipment	1,400	-	-	(1)	1,399
Molds	13,067	1,638	-	-	14,705
Sales stands	1,599	-	-	(772)	827
	41,983	6,760	(455)	(2,333)	45,955
Accumulated depreciation					
Hardware	(5,886)	(1,368)	-	1,527	(5,727)
Leasehold improvements and installations	(3,069)	(636)	-	33	(3,672)
Furniture and fixtures	(2,952)	(219)	-	-	(3,171)
Machinery and equipment	(554)	(71)	-	1	(624)
Molds (a)	(3,379)	(1,411)	-	-	(4,790)
Sales stands	(1,514)	(85)	-	772	(827)
	(17,354)	(3,790)	-	2,333	(18,811)
	24,629	2,970	(455)	-	27,144

(a) The expenses of depreciation of molds have been recorded in line item "Construction Cost".

The residual value, useful life and depreciation methods were reviewed in the closing of the year 2016, and there was no change to the information for the period.

Property and equipment are submitted to analyses of recoverable value (impairment).

As of December 31, 2016 there was no indication of impairment of property and equipment.

11. Intangible assets

	Company/Consolidated				06/30/2017
	12/31/2016				
	Balance	Addition	Write-off / amortization	100% amortized items	Balance
Software – Cost	29,165	7,551	-	(3,273)	33,443
Software – Amortization	(11,865)	-	(3,230)	3,273	(11,822)
Other	565	109	(533)	-	141
	17,865	7,660	(3,763)	-	21,762
	Company/Consolidated				06/30/2016
	12/31/2015				
	Balance	Addition	Write-off / amortization	100% amortized items	Balance
Software – Cost	34,774	4,441	(1,716)	(12,180)	25,319
Software – Amortization	(17,915)	-	(3,309)	12,180	(9,044)
Other	1,628	-	(531)	-	1,097
	18,487	4,441	(5,556)	-	17,372

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11. Intangible assets - Continued

These refer to expenditures on acquisition and implementation of information systems and software licenses, amortized over a five-year period (20% per year).

For intangible assets with finite lives, the Company makes the amortization over their useful economic life, which are assessed for impairment whenever there is indication of asset impairment. The amortization period and method of an intangible asset with finite life are reviewed at least at the end of each fiscal year.

12. Loans and financing

Type	Maturity	Annual interest rate	Company		Consolidated	
			06/30/2017	12/31/2016	06/30/2017	12/31/2016
National Housing System - SFH /SFI	10/2017 to 08/2021	TR + 8.30% p.a. to 9.50 % p.a.	16,992	11,254	107,974	82,974
Certificate of Bank Credit - CCB	12/2017 to 2019	CDI + 2.30% p.a. to 4.25 % p.a. INCC-DI Variation	57,462	33,652	65,844	46,234
			-	-	4,734	5,786
Total			74,454	44,906	178,552	134,994
Current portion			58,443	28,690	73,450	41,333
Non-current portion			16,011	16,216	105,102	93,661

The current and non-current portions mature as follows:

Maturity	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
2017	49,248	28,690	55,461	41,333
2018	11,653	10,371	34,248	37,242
2019	7,939	4,636	51,303	38,446
2020	5,574	1,209	36,407	17,111
2021 onwards	40	-	1,133	862
	74,454	44,906	178,552	134,994

The Company has loan and financing contracts with restrictive covenants that require the fulfillment of certain economic and financial ratios. The non-compliance with such covenants may imply debt acceleration.

As of June 30, 2017, the ratio required by this restrictive covenant is shown in the table below:

	06/30/2017
Net leverage ratio of total net financial debt to equity, which shall not exceed 15%. (Note 22.c)	-15.86%

The financial expenses of loans and financing are capitalized at cost of each venture construction and land, according to the use of funds, and appropriated to profit or loss for the year in proportion to the units sold, as shown below. The capitalization rate used for determining the amount of the costs of loan eligible to capitalization ranged from 8.30% to 9.50% as of June 30, 2017 (8.30% to 9.50% as of December 31, 2016).

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12. Loans and financing - Continued

The following table shows the summary of financial expenses and charges and the capitalized portion in the line item "properties for sale".

	Company		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Total financial charges for the period	4,273	13,026	10,554	18,446
Capitalized financial charges	412	(904)	(6,334)	(6,324)
Financial expenses (Note 25)	4,685	12,122	4,220	12,122
Financial charges included in "Properties for sale":				
Opening balance	12,845	23,523	42,802	54,902
Capitalized financial charges	(412)	904	6,334	6,324
Charges recognized in profit or loss (Note 23)	(173)	(3,691)	(10,262)	(11,059)
Closing balance	12,260	20,736	38,874	50,167

13. Salaries, payroll charges and profit sharing

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Salaries and payroll charges	2,184	2,392	5,842	6,154
Provisions for labor claims	2,385	2,522	16,890	11,218
Profit sharing (a)	-	80	8,779	12,226
	4,569	4,994	31,511	29,598

(a) The Company has a variable compensation program that entitles its employees and management members and those of its subsidiaries to share the profits of the Company. This program is tied to the fulfillment of specific goals, which are set, agreed-upon and approved by the Board of Directors in the beginning of each year.

14. Taxes and contributions

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Deferred PIS and COFINS (a)	4,058	4,037	9,730	11,776
Current PIS and COFINS	3,367	2,202	4,555	3,454
Other tax obligations	4,751	6,827	12,457	15,280
	12,176	13,066	26,742	30,510

(a) The Company records long-term deferred PIS and COFINS in the line item "Other payables and other" in the amount of R\$3,540 in the Company's balance and R\$7,316 in the consolidated balance (R\$2,964 in the Company's balance and R\$7,849 in the consolidated balance as of December 31, 2016)

15. Payables for purchase of properties and advances from customers

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Payables for purchase of properties	14,526	17,568	217,110	190,308
Development and services	119	2,216	228	2,513
Barter transaction – Land	1,992	2,505	76,390	42,802
	16,637	22,289	293,728	235,623
Current portion	5,512	9,256	144,981	131,280
Non-current portion	11,125	13,033	148,747	104,343

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15. Payables for purchase of properties and advances from customers - Continued

The current and non-current portions have the following maturities:

Maturity	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
2017	3,708	9,256	96,411	131,280
2018	5,455	5,649	92,862	55,236
2019	5,346	5,264	51,364	26,897
2020	2,128	2,120	15,804	19,282
2021 onwards	-	-	37,287	2,928
	16,637	22,289	293,728	235,623

16. Other Creditors

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Other payables – Gafisa(a)	101,619	-	101,619	-
	101,619	-	101,619	-
Current portion	-	-	-	-
Non-current portion	101,619	-	101,619	-

- a) On December 14, 2016, the Extraordinary Shareholders' Meeting approved the decrease in the Company's capital, with no cancellation of shares and with refund to Gafisa, in the amount of R\$100 million, adjusted by the country's interest rate (Selic) from May 4, 2017, date on which the Company ceased to be a wholly-owned subsidiary of Gafisa. Of this total amount, R\$50 million, plus adjustment for inflation, shall be paid until December 31, 2018, and the remaining balance, until December 31, 2019, which can be paid in advance in case certain favorable conditions are met.

17. Income tax and social contribution

(a) Current income tax and social contribution

The reconciliation of the effective tax rate for the periods ended June 30, 2017 and 2016, is as follows:

	Company		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Profit (loss) before income tax and social contribution, and statutory interest	39,747	13,416	45,750	24,417
Income tax calculated at the applicable rate - 34 %	(13,514)	(4,562)	(15,555)	(8,302)
Net effect of subsidiaries taxed by presumed profit /RET	-	-	16,140	14,083
Charges on payables to venture partners	62	(4)	62	(4)
Tax losses (loss carryforwards used)	-	-	-	(2,208)
Stock option plan	-	(191)	-	(191)
Other permanent differences	(1,614)	(3,888)	(1,666)	(3,888)
Tax credits recognized (not recognized)	(8,444)	(10,065)	(5,909)	(9,322)
Income from equity method investments	23,510	18,710	(127)	(317)
Expenses (income) from Income tax and social contribution	-	-	(7,055)	(10,149)
Tax expenses (income) – current	-	-	(12,909)	(6,484)
Tax expenses (income) – deferred	-	-	5,854	(3,665)

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17. Income tax and social contribution - Continued

(b) Deferred income tax and social contribution

As of June 30, 2017 and December 31, 2016, deferred income tax and social contribution are from the following sources:

Description	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Assets				
Income tax and social contribution loss carryforwards	236,789	228,567	236,789	234,837
Temporary differences – CPC adjustment	1,648	1,008	3,585	2,758
Temporary differences – deferred PIS and COFINS	2,583	2,380	4,375	5,708
Provisions for legal claims	10,080	9,746	15,067	14,568
Provisions for losses of accounts receivable	22,188	20,802	24,637	22,468
Provisions for realization of non-financial assets	4,303	4,245	3,826	4,017
Other provisions	11,908	19,223	16,113	24,408
Tax credits not recognized	(268,915)	(265,560)	(268,915)	(271,830)
Subtotal	20,584	20,411	35,477	36,934
Liabilities				
Deferred income tax and social contribution (detached assets)	-	-	(4,977)	(2,482)
Differences between income taxed on cash basis and recorded on an accrual basis	(20,584)	(20,411)	(36,235)	(45,889)
Subtotal	(20,584)	(20,411)	(41,212)	(48,371)
Total	-	-	(5,735)	(11,437)

The Company has income tax loss and social contribution loss carryforwards not recorded for offset against 30% of annual taxable profits, without expiration date, in the following amounts:

Description	Company					
	06/30/2017			12/31/2016		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Balance of income tax and contribution loss carryforwards	696,438	696,438	-	672,257	672,257	-
Deferred tax asset (25%/9%)	174,110	62,679	236,789	168,064	60,503	228,567
Recognized deferred tax asset	-	-	-	-	-	-
Unrecognized deferred tax asset	174,110	62,679	236,789	168,064	60,503	228,567
Consolidated						
Description	06/30/2017			12/31/2016		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
	Balance of income tax and contribution loss carryforwards	696,438	696,438	-	690,697	690,697
Deferred tax asset (25%/9%)	174,110	62,679	236,789	172,674	62,123	234,837
Recognized deferred tax asset	-	-	-	-	-	-
Unrecognized deferred tax asset	174,110	62,679	236,789	172,674	62,123	234,837

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18. Provisions for legal claims and commitments

In the period ended June 30, 2017 and 2016, the changes in the provision for legal claims are summarized as follows:

	Company			
	Civil lawsuits	Labor claims	Tax proceedings	Total
Balance at December 31, 2016	19,168	9,465	32	28,665
Additions (Note 24)	6,195	3,894	2	10,091
Write-offs (Note 24)	(5,855)	(3,249)	(6)	(9,110)
Balance at June 30, 2017	19,508	10,110	28	29,646

	Company					Total
	Civil lawsuits	Labor claims	Tax proceedings	Environmental proceedings	Administrative proceedings	
Balance at December 31, 2015	19,227	17,497	180	195	172	32,271
Additions (Note 24)	5,737	7,957	-	-	-	13,694
Write-offs (Note 24)	(1,645)	(13,651)	(178)	(23)	(172)	(15,669)
Balance at June 30, 2016	23,319	11,803	2	172	-	35,296

	Consolidated				Total
	Civil lawsuits	Labor claims	Tax proceedings	Environmental proceedings	
Balance at December 31, 2016	30,341	14,303	48	258	44,950
Additions (Note 24)	9,868	5,821	3	-	15,692
Write-offs (Note 24)	(8,961)	(5,011)	(11)	-	(13,983)
Acquisition of control of investees	(20)	55	-	-	35
Balance at June 30, 2017	31,228	15,168	40	258	46,694

	Consolidated					Total
	Civil lawsuits	Labor claims	Tax proceedings	Environmental proceedings	Administrative proceedings	
Balance at December 31, 2015	29,619	25,554	180	195	168	55,716
Additions (Note 24)	7,570	5,112	-	-	-	12,682
Write-offs / Transfers (Note 24)	(2,334)	(13,022)	(177)	63	(168)	(15,638)
Balance at June 30, 2016	34,855	17,644	3	258	-	52,760

As of June 30, 2017, the Company and its subsidiaries have deposited in court the amount of R\$27,791 (R\$25,232 as of December 31, 2016) in the Company's balance, and R\$27,901 (R\$25,351 as of December 31, 2016) in the consolidated balance.

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Civil lawsuits	19,110	16,125	19,186	16,202
Environmental proceedings	89	87	89	87
Tax proceedings	3,467	2,790	3,481	2,803
Labor claims	5,125	6,230	5,145	6,259
	27,791	25,232	27,901	25,351
Current	2,136	2,426	2,246	2,545
Non-current	25,655	22,806	25,655	22,806

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18. Provisions for legal claims and commitments - Continued

Lawsuits in which likelihood of loss is rated as possible

As of June 30, 2017, the Company and its subsidiaries are aware of other claims and civil, labor and tax risks. Based on the history of probable lawsuits and the specific analysis of the main claims, the measurement of the claims with likelihood of loss considered possible amounted to R\$475,399 (R\$474,544 as of December 31, 2016), based on average past outcomes adjusted to current estimates, for which the Company's Management believes it is not necessary to recognize a provision for occasional losses. The change in the period was caused by the review of the involved amounts.

The Company had received a tax deficiency notice served by the Federal Revenue Service of Brazil, in which it challenges the tax bases of IRPJ, CSLL, PIS and COFINS for the fiscal year 2010. A motion to deny was filed within the established period, which was partially accepted on March 30, 2017 by the administrative trial court, for reduction of the ex-officio fine and rebate of the amounts paid as COFINS and PIS contribution. In relation to such decision, the Company filed an administrative appeal, which is pending the analysis by the Administrative Council of Tax Appeals (CARF). The likelihoods of favorable outcome in such disputes were considered "possible" and "remote" by the attorneys handling them, and, accordingly, no provision was recognized in the financial statements.

	Company/Consolidated	
	06/30/2017	12/31/2016
Civil lawsuits	246,235	241,486
Tax proceedings	206,739	209,557
Labor claims	19,957	19,964
Environmental proceedings	2,408	3,537
	475,339	474,544

Commitments

In addition to the commitments mentioned in Notes 6 and 12, the Company has the following commitments:

- (i) The Company has contracts related to the rental of 41 properties where its facilities are located, at a monthly cost of R\$538 adjusted by the IGP-M/FGV variation. The rental term is from one to five years, and there is a fine in case of contract termination corresponding to three-month rent or in proportion to the time to contract expiration. The estimate of minimum future payments for commercial property rentals (cancellable leases) totals R\$ 7,367 (R\$7,690 as of December 31, 2016), as follows.

	Consolidated	
Payment estimate	06/30/2017	12/31/2016
2017	2,633	4,359
2018	3,217	2,613
2019	1,070	683
2020	447	35
	7,367	7,690

- (ii) As of June 30, 2017, the Company have long-term liabilities in the total amount of R\$9,404 (R\$3,723 as of December 31, 2016), related to the pledges of service providers used for developing real estate ventures.

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19. Equity

19.1 Capital

As of June 30, 2017 and December 31, 2016, the Company's authorized and paid-in capital amounts to R\$1,094,000, represented by 54,000,000 registered common shares, with no par value.

19.2 Stock option plan

The Company has a total of two stock option plans for common shares, created in 2014 and 2017 that follow the rules set out in the Stock Option Plan of the Company.

The granted options entitle their holders (management members and employees appointed by the executive management and approved by the board of directors) to purchase common shares of the Company's capital, after periods that vary from three to ten years of employment in the Company (essential condition to exercise the option), and expire 10 years after the grant date.

The fair value of options is determined on the grant date, considering that it is recognized as expense in profit or loss (as contra-entry to equity), during the grace period of the program, to the extent services are provided by employees and management members.

The changes in options outstanding in the period ended June 30, 2017 and year ended December 31, 2016, which include their respective weighted average exercise prices, are as follows:

	06/30/2017		12/31/2016	
	Number of options	Weighted average exercise price (Reais)	Number of options	Weighted average exercise price (Reais)
Options outstanding at the beginning of the year	5,489,848	6.53	5,421,000	6.52
Options forfeited	-	-	(141,152)	6.52
Options granted	93,000	8.13	210,000	6.83
Options outstanding at the end of the period	5,582,848	5.04	5,489,848	6.53

The fair value of the options granted in 2014 and 2017 totaled R\$6,591, estimated based on the Black & Scholes pricing model, according to the following assumptions:

Plan	Grant date	Exercise price	Weighted average	Expected volatility (%) (*)	Expected option life (years)	Risk-free interest rate (%) (**)
1	08/11/2014	6.63	6.52	31.02%	1.79 year	11.66% to 11.81%
1	11/12/2014	6.63	6.53	31.30%	1.80 year	12.77% to 12.84%
2	05/09/2016	6.86	6.83	26.70%	3.76 years	12.67% to 12.77%
3	04/10/2017	8.13	8.13	26.65%	5.07 years	9.69% to 10.07%

(*)The volatility was determined based on the history of the BM&FBOVESPA Real Estate Index (IMOBX).

(**)The market risk-free interest rate for the option term at the grant moment.

The options outstanding and exercisable as of June 30, 2017, are as follows:

Options outstanding			Options exercisable	
Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price (Reais)	Number of options	Weighted average exercise price (Reais)
5,715,918	1.66 year	5.04	74,118	4.78

(*) As of 06/30/2017 no option had been exercised.

The total amount of expenses (income) recorded in the period ended June 30, 2017 was R\$275 (R\$560 as of June 30, 2016) and is disclosed in Note 24.

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20. Insurance

The Tenda Group maintain insurance policies against engineering risk, barter guarantee, guarantee for the completion of construction work and civil liability related to unintentional personal damages caused to third parties and material damages to tangible assets, as well as against fire hazards, lightning strikes, electrical damages, natural losses and gas explosion. The contracted coverage is considered sufficient by Management to cover possible risks involving its assets and/or responsibilities.

The liabilities covered by insurance and the respective amounts as of June 30, 2017 are as follows:

Insurance type	Coverage - R\$ thousand
Engineering risks and guarantee for completion of construction work	1,304,584
Civil liability (Directors and Officers – D&O) - (*)	50,000
	<u>1,354,584</u>

(*)The effective period of the civil liability policy is from February 28, 2017, renewed until February 28, 2018 by the Company.

21. Earnings per share

Basic and diluted earnings per share are calculated as follows.

	<u>06/30/2017</u>	<u>06/30/2016</u>
Basic numerator		
Undistributed earnings	<u>39,747</u>	13,416
Undistributed earnings, available to the holders of common shares	<u>39,747</u>	<u>13,416</u>
Basic denominator (in thousand shares)		
Weighted average number of shares (*)	<u>54,000</u>	54,000
Basic earnings per share in Reais	<u>0.7361</u>	<u>0.2485</u>
Diluted numerator		
Undistributed earnings	<u>39,747</u>	13,416
Undistributed earnings, available to the holders of common shares	<u>39,747</u>	<u>13,416</u>
Diluted denominator (in thousands of shares)		
Weighted average number of shares (*)	<u>54,000</u>	54,000
Stock options (*)	<u>3,756</u>	<u>2,003</u>
	<u>57,756</u>	<u>56,003</u>
Diluted earnings per share in Reais	<u>0.6882</u>	<u>0.2396</u>

(*)On November 14, 2016 the reverse split of shares was carried out at the ratio of 11.72292224 shares to one share of capital after reverse split, with no capital decrease.

Reconciliation – Retrospective Adjustment 06/30/2016:

	<u>Basic</u>	<u>Diluted</u>
Undistributed earnings	13,416	13,416
Basic denominator (in thousand shares)	633,037	633,037
Weighted average number of shares	633,037	633,037
Stock options	-	23,484
Basic/Diluted earnings per share in Reais	<u>0.0212</u>	<u>0.0204</u>
Reverse split 11.792292224 x	<u>11.7922</u>	<u>11.7922</u>
Restated amount	<u>0.2485</u>	<u>0.2396</u>

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22. Financial instruments

The Company and its subsidiaries engage in operations involving financial instruments. These instruments are managed through operational strategies and internal controls aimed to provide liquidity, return and safety. The use of financial instruments with the objective of hedging is achieved through a periodical analysis of exposure to the risk that the Management intends to cover (exchange, interest rate, etc.) which is submitted to the corresponding Management bodies for approval and subsequent implementation of the proposed strategy. The control policy consists of continuously monitoring the contracted conditions in relation to the prevailing market conditions. The Company and its subsidiaries do not invest in derivatives or any other risky assets for speculative purposes. The results from these operations are consistent with the policies and strategies devised by the Company's Management. The Company and its subsidiaries operations are subject to the following risk factors:

(a) Risk considerations

(i) Credit risk

The Company and its subsidiaries restrict their exposure to credit risks associated with cash and cash equivalents, investing only in short-term securities of top tier financial institutions.

With regards to accounts receivable, the Company restricts its exposure to credit risks through sales to a broad base of customers and ongoing credit analysis. Additionally, there is no relevant history of losses due to the existence of guarantee, represented by real estate unit, for the recovery of its products in the cases of default during the construction period. As of June 30, 2017 and December 31, 2016, there was no significant credit risk concentration associated with customers.

(ii) Derivative financial instruments

As of June 30, 2017, the Company does not have transactions with derivative financial instruments.

(iii) Interest rate risk

Interest rate risk arises from the possibility that the Company and its subsidiaries may experience gains or losses because of fluctuations in the interest rates of its financial assets and liabilities. Aiming to mitigate this risk type, the Company and its subsidiaries seek to diversify funding in terms of fixed or floating rates. The interest rates on loans, financing and debentures are mentioned in Note 12. The interest rates contracted on financial investments are mentioned in Note 4. In the accounts receivable from real estate development, the National Civil Construction Index (INCC) and General Market Price Index (IGP-M) are adopted.

(iv) Liquidity risk

Liquidity risk refers to the possibility that the Company and its subsidiaries do not have sufficient funds to meet their commitments because of the settlement terms of their rights and obligations.

To mitigate liquidity risks, and to optimize the weighted average cost of capital, the Company and its subsidiaries monitor on an on-going basis the debt levels according to the market standards and the fulfillment of covenants provided for in loan, financing and debenture agreements, in order to guarantee that the operating-cash generation and the advance funding, when necessary, are sufficient to meet the schedule of commitments, not giving rise to liquidity risk to the Company and its subsidiaries (Note 12).

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22. Financial instruments - Continued

Most of the Company's financing is carried out with Caixa Econômica Federal by means of associate credit ("crédito associativo"), a type of government real estate financing, under the "Minha Casa, Minha Vida" program and transfer at the end of the construction work.

The maturities of financial instruments of loans, financing, suppliers and debentures are as follows:

Period ended June 30, 2017	Company				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Loans and financing (Note 12)	58,443	13,985	2,026	-	74,454
Suppliers	8,666	1,414	-	-	10,080
Payables for purchase of properties and advances from customers (Note 15)	5,512	10,122	1,003	-	16,637
Other Creditors	-	101,619	-	-	101,619
Loans payable (Note 7.1)	-	-	-	14,638	14,638
	72,621	127,140	3,029	14,638	217,428

Period ended December 31, 2016	Company				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Loans and financing (Note 12)	28,690	15,007	1,209	-	44,906
Suppliers	7,827	-	-	-	7,827
Payables for purchase of properties and advances from customers (Note 15)	9,256	10,913	2,120	-	22,289
Loans payable (Note 7.1)	-	-	-	50,599	50,599
	45,773	25,920	3,329	50,599	125,621

Period ended June 30, 2017	Consolidated				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Loans and financing (Note 12)	73,450	90,661	14,441	-	178,552
Suppliers	19,452	9,406	-	-	28,858
Payables for purchase of properties and advances from customers (Note 15)	144,981	134,367	7,260	7,120	293,728
Other Creditors	-	101,619	-	-	101,619
Loans payable (Note 7.1)	-	-	-	14,638	14,638
	237,883	336,053	21,701	21,758	617,395

Period ended December 31, 2016	Consolidated				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Loans and financing (Note 12)	41,333	75,688	17,973	-	134,994
Suppliers	31,664	-	-	-	31,664
Payables for purchase of properties and advances from customers (Note 15)	131,280	82,133	22,210	-	235,623
Loans payable (Note 7.1)	-	-	-	50,599	50,599
	204,277	157,821	40,183	50,599	452,880

(v) Fair value classification

The Company uses the following classification to determine and disclose the fair value of financial instruments by the valuation technique:

Level 1: quoted prices (without adjustments) in active markets for identical assets or liabilities;

Level 2: input different from the quoted prices in active markets included in Level 1 which are observable for asset or liability, directly (as prices) or indirectly (prices derivate); and

Level 3: inputs to asset or liability not based on observable market data (unobservable inputs).

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22. Financial instruments - Continued

The most significant carrying values and fair values of financial assets and liabilities as of June 30, 2017 and December 31, 2016, classified into Level 2 of the fair value classification, are as follows:

	Company			
	06/30/2017		12/31/2016	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents (Note 4.1)	18,086	18,086	12,124	12,124
Short-term investments and Restricted cash in guarantee to loans (Note 4.2)	102,837	102,837	101,217	101,217
Trade accounts receivable (Note 5)	99,083	99,083	89,614	89,614
Loans receivable (Nota 7.1)	42,746	42,746	47,044	47,044
Financial liabilities				
Loans and financing (Note 12)	74,454	72,676	44,906	42,292
Suppliers	10,080	10,080	7,827	7,827
Payables for purchase of properties and advances from customers (Nota 15)	16,637	16,637	22,289	22,289
Other creditors (Note 16)	101,619	101,619	-	-
Loans payable (Note 7.1)	14,638	14,638	50,599	50,599
	Consolidated			
	06/30/2017		12/31/2016	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents (Note 4.1)	84,479	84,479	28,414	28,414
Short-term investments and Restricted cash in guarantee to loans (Note 4.2)	267,679	267,679	195,073	195,073
Trade accounts receivable (Note 5)	435,475	435,475	427,147	427,147
Loans receivable (Note 7.1)	33,447	33,447	37,745	37,745
Financial liabilities				
Loans and financing (Note 12)	178,552	173,950	134,994	126,781
Suppliers	28,858	28,858	31,664	31,664
Payables for purchase of properties and advances from customers (Nota 15)	293,728	293,728	235,623	235,623
Other creditors (Note 16)	101,619	101,619	-	-
Loans payable (Note 7.1)	14,638	14,638	50,599	50,599

(ii) Risk of debt acceleration

As of June 30, 2017, the Company has loans and financing, with restrictive covenants related to cash generation, debt ratios and other. These restrictive covenants have been complied with by the Company and do not limit its ability to continue as going concern.

(c) Capital management

The objective of the Company's capital management is to guarantee that a strong credit rating is maintained in institutions and an optimum capital ratio, in order to support the Company's business and maximize value to shareholders.

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22. Financial instruments - Continued

The Company controls its capital structure by making adjustments and adapting to current economic conditions. In order to maintain its structure adjusted, the Company may pay dividends, return on capital to shareholders, take out new loans and issue debentures.

The Company includes in its net debt structure: loans and financing less cash and banks (cash and cash equivalents, short-term investments and restricted cash in guarantee to loans):

	Company		Consolidated	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Loans and financing (Note 12)	74,454	44,906	178,552	134,994
(-) Cash and cash equivalents and short-term investments (Note 4.1 and 4.2)	(120,923)	(113,341)	(352,158)	(223,487)
Net debt	(46,469)	(68,435)	(173,606)	(88,493)
Equity	1,088,598	1,049,126	1,094,645	1,075,622
Equity and net debt	1,042,129	980,691	921,039	987,129

(d) Sensitivity analysis

The sensitivity analysis of financial instruments for the period ended June 30, 2017 describes the risks that may cause material changes in the Company's profit or loss, as provided for by CVM, through Instruction No. 475/08, in order to show 10%, 25% and 50% increase/decrease in the risk variable considered.

As of June 30, 2017, the Company has the following financial instruments:

- Short-term investments, loans and financing linked to Interbank Deposit Certificates (CDI);
- Loans and financing linked to the Referential Rate (TR);
- Accounts receivable and loans and financing linked to the National Civil Construction Index (INCC) and General Market Price Index (IGP-M).

For the sensitivity analysis in the period ended June 30, 2017, the Company considered the interest rates of investments, loans and accounts receivables, the CDI rate at 10.14%, Referential Rate (TR) at 0.75%, National Civil Construction Index (INCC) at 5.73% , General Market Price Index (IGP-M) at 4.80%, and the country's base rate (SELIC) at 8%.

The scenarios considered were as follows:

Scenario I - Probable: 10% increase / decrease in the variables used for pricing;

Scenario II - Possible: 25% increase / decrease in risk variables used for pricing;

Scenario III - Remote: 50% increase / decrease in risk variables used for pricing.

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22. Financial instruments - Continued

As of June 30, 2017:

Instrument	Risk	Scenario					
		I	II	III	III	II	I
		Increase 10%	Increase 25%	Increase 50%	Decrease 50%	Decrease 25%	Decrease 10%
Short-term investments	Increase/Decrease of CDI	1,421	3,552	7,104	(7,104)	(3,553)	(1,421)
Certificate of Bank Credit (CCB)	Increase/Decrease of CDI	(606)	(1,515)	(3,031)	3,031	1,515	606
Net effect of CDI variation		815	2,037	4,073	(4,073)	(2,037)	(815)
National Housing System (SFH)	Increase/Decrease of TR	(80)	(201)	(402)	402	201	80
Net effect of TR variation		(80)	(201)	(402)	402	201	80
Other Creditors	Increase/Decrease of SELIC	753	1,882	3,764	(3,764)	(1,882)	(753)
Net effect of SELIC variation		753	1,882	3,764	(3,764)	(1,882)	(753)
Trade accounts receivable	Increase/Decrease of INCC	1,653	4,132	8,264	(8,264)	(4,132)	(1,653)
Certificate of Bank Credit (CCB)	Increase/Decrease of INCC	(21)	(53)	(106)	106	53	21
Net effect of INCC variation		1,632	4,079	8,158	(8,158)	(4,079)	(1,632)
Trade accounts receivable	Increase/Decrease of IGP-M	307	768	1,537	(1,537)	(768)	(307)
Net effect of IGP-M variation		307	768	1,537	(1,537)	(768)	(307)

23. Net operating revenue

	Company		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Gross operating revenue				
Real estate development, sale, barter transactions and construction services	127,986	89,565	677,673	552,945
(Recognition) Reversal of allowance for doubtful accounts and provision for cancelled contracts (Note 5)	24,166	(16,504)	(1,801)	(14,913)
Taxes on sale of real estate and services	(15,913)	(6,696)	(36,549)	(42,737)
Net operating revenue	136,239	66,365	639,323	495,295

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24. Costs and expenses by nature

These are represented by the following:

	Company		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Cost of real estate development and sale:				
Construction cost	(33,927)	(41,693)	(284,400)	(255,039)
Land cost	(15,991)	4,098	(81,069)	(45,740)
Development cost	(7,739)	(9,654)	(35,583)	(33,721)
Capitalized financial charges (Note 12)	(173)	(3,691)	(10,262)	(11,059)
Maintenance / warranty	(4,531)	(3,026)	(6,212)	(3,504)
Real estate cost in the recognition of the provision for cancelled contracts (Note 6)	(20,509)	(6,004)	(10,975)	(10,080)
	(82,870)	(59,970)	(428,501)	(359,143)
Selling expenses:				
Product marketing expenses	(4,312)	(5,095)	(24,715)	(15,973)
Brokerage and sale commission expenses:	(6,147)	(7,307)	(35,230)	(22,906)
Selling	(3,809)	(5,558)	(21,833)	(17,422)
Onlending	(901)	(190)	(5,163)	(594)
Registration	(270)	(265)	(1,546)	(831)
Brokerage	(1,167)	(1,294)	(6,688)	(4,059)
Customer Relationship Management (CRM) expenses	(134)	(139)	(767)	(435)
Other	(390)	(73)	(2,233)	(228)
	(10,983)	(12,614)	(62,945)	(39,542)
General and administrative expenses:				
Salaries and payroll charges	(4,142)	(7,008)	(21,296)	(18,994)
Employee benefits	(381)	(668)	(1,960)	(1,811)
Travel and utilities	(102)	(279)	(524)	(755)
Services	(1,519)	(2,461)	(7,813)	(6,670)
Rents and condominium fees	(447)	(943)	(2,299)	(2,555)
Information Technology	(564)	(179)	(2,897)	(486)
Stock option plan (Nota 19.2)	275	(560)	275	(560)
Provision for profit sharing (Nota 26.2)	(5,665)	(838)	(9,625)	(6,218)
Other	(174)	(793)	1,447	(2,148)
	(12,719)	(13,729)	(44,692)	(40,197)
Other income (expenses), net:				
Depreciation and amortization	(6,767)	(2,342)	(6,769)	(6,230)
Expenses with lawsuits	(15,826)	(24,882)	(16,983)	(24,883)
Provisions for legal claims (Nota 18)	(981)	11,188	(1,709)	12,201
Other income/(expenses) (a)	(32,808)	(10,718)	(31,670)	(9,805)
	(56,382)	(26,754)	(57,131)	(28,717)

(a) In March 2017, a provision for net capital deficiency of equity accounted investees was recognized in the amount of R\$11,309, see item (b) of Note 9 – Investments

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25. Financial income (expenses)

	Company		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Financial income				
Income from financial investments	3,883	13,135	6,333	13,832
Financial income on loan contract (Note 7.1)	116	-	132	-
Other financial income	4,113	1,608	7,474	3,563
	8,112	14,743	13,839	17,395
Financial expenses				
Interest on funding, net of capitalization (Note 12)	(4,685)	(12,122)	(4,220)	(12,122)
Financial expense on loan contract (Note 7.1)	(1,777)	(469)	(1,777)	(469)
Banking expenses	(387)	(212)	(1,649)	(842)
Transfer of financial expenses	-	6,361	-	-
Other financial expenses	(3,949)	(3,212)	(6,122)	(6,309)
	(10,798)	(9,654)	(13,768)	(19,742)
Financial income (expenses)	(2,686)	5,089	71	(2,347)

26. Transactions with management and employees

26.1 Management compensation

The amounts recorded in the account “general and administrative expenses” for the periods ended June 30, 2017 and 2016, related to the compensation of the Management members are as follows:

Management compensation				
Period ended June 30, 2017	Board of Directors	Executive Management	Total	
Number of members	5.00	10.00	15.00	
Fixed compensation for the period (in R\$)	600	3,539	4,139	
Salary / Fees	500	2,626	3,126	
Direct and indirect benefits	-	388	388	
Other (INSS)	100	525	625	
Monthly compensation (in R\$)	100	590	690	
Variable compensation for the period (in R\$)	-	4,547	4,547	
Profit sharing (Note 26.2)	-	4,547	4,547	
Total compensation for the period (in R\$)	600	8,086	8,686	

Management compensation				
Period ended June 30, 2016	Board of Directors	Executive Management	Total	Fiscal Council
Number of members	10	11	21	3
Fixed compensation for the period (in R\$)	161	2,938	3,099	30
Salary / Fees	161	2,576	2,737	30
Direct and indirect benefits	-	362	362	-
Other (INSS)	-	-	-	-
Monthly compensation (in R\$)	27	490	517	5
Variable compensation for the period (in R\$)	-	3,351	3,351	-
Profit sharing (Note 26.2)	-	2,832	2,832	-
Share-based payment	-	519	519	-
Total compensation for the period (in R\$)	161	6,289	6,450	30

The maximum aggregate compensation of the Company’s management members for the year 2017 was established at R\$18,956, as fixed and variable compensation, as approved at the Annual Shareholders’ Meeting held on April 18, 2017.

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26. Transactions with management and employees - Continued

26.2 Profit sharing

In the period ended June 30, 2017, the Company recorded a profit sharing expense amounting to R\$9,625 in the consolidated balance (R\$838 in the Company's balance and R\$6,218 in the consolidated balance as of June 30, 2016).

	Company		Consolidated	
	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Executive management	4,547	838	4,547	2,832
Other employees	1,118	-	4,945	3,386
Addition to (Reversal) of profit sharing	-	-	133	-
	<u>5,665</u>	<u>838</u>	<u>9,625</u>	<u>6,218</u>

27. Segment information

The Company's management analyses its internal managerial reports to make decisions on the consolidated financial statements, on the same basis that these statements are disclosed, that is, a single segment.

Therefore, as the Management does not use other information system other than the quarterly information used as of June 30, 2017 and the financial statements as of December 31, 2016, no specific disclosure will be presented, as defined in CPC 22.

As to the information on its main customers, in view of the residential real estate activity targeted at the economic segment, the Company does not have individual customer that represents 10% or more of its total consolidated revenue.

28. Real estate ventures under construction – information and commitments

In order to meet the provisions of paragraphs 20 and 21 of ICPC 02, the recognized revenue amounts and incurred costs are shown in the statement of profit or loss, and the advances received in the line item "Payables for purchase of property and advances from customer". The Company shows below information on the ventures under construction as of June 30, 2017:

1) Unappropriated revenue from ventures under construction:

	<u>Consolidated</u>
	<u>06/30/2017</u>
Unappropriated sales revenue of units sold (i)	299,711
Estimated cost of units sold to be incurred (ii)	(152,463)
Unappropriated revenue	<u>147,248</u>
(i) Unappropriated sales revenue of units sold	
Ventures under construction:	
Contracted sales revenue	832,227
Appropriated sales revenue	<u>(532,516)</u>
Unappropriated sales revenue (a)	<u>299,711</u>
(ii) Estimated cost of units sold to be incurred	
Ventures under construction:	
Estimated cost of units	(469,012)
Incurred cost of units	<u>316,549</u>
Estimated cost to be incurred (b)	<u>(152,463)</u>

- a) The unappropriated sales revenue of units sold are measured by the face value of contracts, plus the contract adjustments and deducted from cancellations, not considering related taxes and adjustment to present value, and do not include ventures that are subject to restriction due to a suspensive clause (legal period of 180 days over which the Company can cancel a development) and therefore is not appropriated to profit or loss.
- b) The estimated costs of units sold to be incurred do not include financial charges, which are appropriated to properties for sale and profit or loss (cost of real estate sold) in proportion to the real estate units sold to the extent they are incurred, and also the warranty provision, which is appropriated to real estate units as the construction work progresses.

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28. Real estate ventures under construction – information and commitments - Continued

2) Estimated cost to be incurred of units in inventory:

	<u>Consolidated</u> <u>06/30/2017</u>
Estimated cost of units	549,743
Incurred cost of units	<u>(248,161)</u>
Cost to be incurred	301,582

As of June 30, 2017, the percentage of consolidated assets in the quarterly information related to real estate ventures included in the asset segregation structure was 71.51%.

29. Transactions not affecting Cash and Cash Equivalents

The main investing and financing transactions that do not involve cash and cash equivalents (Company and Consolidated) considered for purposes of preparing the statement of cash flows were as follows:

	<u>Company</u>		<u>Consolidated</u>	
	<u>06/30/2017</u>	<u>06/30/2016</u>	<u>06/30/2017</u>	<u>06/30/2016</u>
Acquisition of control (Note 9)	-	-	(67,103)	-
Acquisition of ownership interests (Note 9)	11,757	-	-	-
Capital decrease (Note 9)	(393,045)	(90,702)	(7,927)	(6,614)
Capital contribution (Note 9)	30,240	91,408	-	3,694

(A free translation from the original in Portuguese into English)

Report on the review of quarterly information - ITR

The Board of Directors and Shareholders of
Construtora Tenda S.A.
São Paulo – SP

We have reviewed the accompanying individual and consolidated interim financial information of Construtora Tenda S.A. (“Company”), identified as Company and Consolidated, respectively, contained in the Quarterly Information (ITR) for the quarter ended June 30, 2017, which comprises the balance sheet as of June 30, 2017 and the respective statement of operations and statement of comprehensive income (loss) for the quarter and six-month period then ended, and the statement of changes in equity and statement of cash flows for the six-month period then ended, including explanatory notes.

The Company’s management is responsible for the preparation of individual interim financial information in accordance with the Technical Pronouncement of the Accounting Pronouncements Committee (CPC) 21 (R1) – Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) which considers the Technical Orientation - OCPC 04 - Application of the Technical Interpretation ICPC 02 to the Brazilian Real Estate Development Entities, edited by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Federal Accounting Council (CFC), as well as for the presentation of these information in compliance with the rules issued by the CVM, applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review according to the Brazilian and international review standards of interim financial information (NBC TR 2410 – Review of Interim Financial Information Performed by the Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of inquiries, mainly of the people responsible for the financial and accounting matters, and the application of analytical and other review procedures. The scope of a review is significantly narrower than that of an audit conducted in accordance with audit standards and, accordingly, it did not permit us to obtain assurance that we took notice of all significant matters that could have been raised in an audit. Therefore, we did not express an audit opinion.

Conclusion from the individual and consolidated interim financial information prepared in accordance with CPC 21(R1)

Based on our review, we are not aware of any fact that makes us believe that the individual and consolidated interim financial information included in the Quarterly Information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information (ITR), and presented in compliance with the rules issued by the CVM.

Conclusion from the consolidated interim information prepared in accordance with IAS 34, which considers the Technical Orientation - OCPC 04 – Application of the Technical Interpretation ICPC 02 to the Brazilian Real Estate Development Entities, edited by Accounting Pronouncements Committee (CPC) and approved

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by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Federal Accounting Council (CFC)

Based on our review, we are not aware of any fact that makes us believe that the consolidated interim financial information included in the Quarterly Information referred to above was not prepared, in all material respects, in accordance with IAS 34, issued by the IASB, which considers the Technical Orientation - OCPC 04 - Application of technical interpretation ICPC02 to the Brazilian Real Estate Development Entities, issued by the Accounting Pronouncements Committee (CPC), and approved by the CVM and the Brazilian Federal Accounting Council (CFC) applicable to the preparation of Quarterly Information (ITR), and presented in compliance with the rules issued by the CVM.

Emphasis of matter

As described in Note 2, the individual (Company) and consolidated interim financial information was prepared in accordance with accounting practices adopted in Brazil (CPC21 (R1)). The consolidated interim financial information were prepared in accordance with the IFRS applicable to the Brazilian Real Estate development entities IAS34 for interim financial information also considers the Technical Orientation OCPC04, edited by the Accounting Pronouncements Committee (CPC). This Technical Orientation refers to the revenue recognition of this sector and comprises other matters related to the meaning and adoption of the concept of continuous transfer of the risks, benefits and control over real estate unit sales, as further described in Note 2. Our conclusion is not modified in view of this matter.

Other matters

Statement of value added

The individual and consolidated interim financial statements related to the statements of value added (DVA) for the six-month period ended June 30, 2017, prepared under the responsibility of the Company's management, presented as supplementary information for the purposes of IAS 34, were submitted to review procedures performed together with the review of the quarterly information - ITR of the Company. For the purposes of forming our conclusion, we assess if these statements are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content were prepared according with Technical Pronouncement CPC 09 - Statement of value added. Based on our review, we are not aware of any fact that makes us believe that they were not prepared, in all material respects, consistent with the individual and consolidated interim financial statements taken as a whole.

São Paulo, August 10, 2017

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by

Giuseppe Masi

Accountant CRC 1SP176273/O-7

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Reports and statements \ Management statement of interim financial information

Management statement of interim financial information

STATEMENT

Construtora Tenda S.A. management, CNPJ 71.476.527/0001-35, located at street Alvares Penteado, 61, Downtown, São Paulo, states as per article 25 of CVM Instruction 480 issued in December 07, 2009:

i) Management has reviewed and agreed with the interim information for the period ended June 30, 2017.

São Paulo, August 10, 2017.

Construtora Tenda S.A.

Management

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Reports and Statements \ Management statement on the report on review of interim financial information

Management Statement on the Review Report

STATEMENT

Construtora Tenda S.A. management, CNPJ 71.476.527/0001-35, located at street Alvares Penteado, 61, Downtown, São Paulo, states as per article 25 of CVM Instruction 480 issued in December 07, 2009:

- i) Management has reviewed, discussed and agreed with the auditor's conclusion expressed on the report on review interim financial Information for the period ended June 30, 2017; and
- ii) Management has reviewed and agreed with the interim information for the period ended Jun 30, 2017.

São Paulo, August 10, 2017.

Construtora Tenda S.A.

Management