

**Construtora Tenda S.A.**

**Report on the Review of  
Quarterly Information - ITR  
September 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)

<b>Company data</b>	
Capital Composition	1
<b>Individual financial statements</b>	
Balance sheet - Assets	2
Balance sheet - Liabilities	3
Statement of profit or loss	4
Statement of comprehensive income	5
Statement of cash flows	6
<b>Statements of changes in Equity</b>	
01/01/2017 to 09/30/2017	7
01/01/2016 to 09/30/2016	8
Statement of value added	9
<b>Consolidated Financial Statements</b>	
Balance sheet - Assets	10
Balance sheet - Liabilities	11
Statement of profit or loss	12
Statement of comprehensive income (loss)	13
Statement of cash flows	14
<b>Statements of changes in Equity</b>	
01/01/2017 to 09/30/2017	15
01/01/2016 to 09/30/2016	16
Statement of value added	17
Comments on performance	18
Notes to interim financial information	37
<b>Reports and statements</b>	
Report on review of interim financial information	72
Management statement of interim financial information	74
Management statement on the report on review of interim financial information	75

**COMPANY DATA / CAPITAL COMPOSITION**

<b>Number of Shares</b>	<b>CURRENT QUARTER</b>
<b>(in thousands)</b>	<b>09/30/2017</b>
<b>Paid-in Capital</b>	
<b>Common</b>	54,000
<b>Preferred</b>	-
<b>Total</b>	54,000
<b>Treasury shares</b>	
<b>Common</b>	-
<b>Preferred</b>	-
<b>Total</b>	-

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>ACTUAL QUARTER 09/30/2017</b>	<b>PRIOR YEAR 12/31/2016</b>
1	Total Assets	1,993,807	2,257,878
1.01	Current Assets	641,786	637,341
1.01.01	Cash and cash equivalents	11,512	12,124
1.01.02	Short-term investments	199,358	101,217
1.01.02.01	Fair value of short-term investments	199,358	101,217
1.01.03	Accounts receivable	69,539	51,674
1.01.03.01	Trade accounts receivable	69,539	51,674
1.01.04	Inventories	139,234	177,838
1.01.04.01	Properties for sale	139,234	177,838
1.01.08	Other Current Assets	222,143	294,488
1.01.08.03	Other	222,143	294,488
1.01.08.03.01	Land available for sale	37,093	43,487
1.01.08.03.02	Receivables from related parties	159,257	216,393
1.01.08.03.03	Judicial deposits	1,650	2,426
1.01.08.03.04	Other assets	24,143	32,182
1.02	Non-Current Assets	1,352,021	1,620,537
1.02.01	Non-Current Assets	155,058	162,884
1.02.01.03	Accounts receivable	28,811	37,940
1.02.01.03.01	Receivables from clients of developments	28,811	37,940
1.02.01.04	Inventories	52,538	55,094
1.02.01.04.01	Properties for sale	52,538	55,094
1.02.01.06	Deferred Taxes	3,577	-
1.02.01.06.01	Deferred income tax and Social contribution	3,577	-
1.02.01.08	Receivables from related parties	42,872	47,044
1.02.01.09	Other Non-Current	27,260	22,806
1.02.01.09.03	Judicial Deposits	27,260	22,806
1.02.02	Investments	1,138,836	1,409,681
1.02.02.01	Interest in associates and affiliates	1,138,836	1,409,681
1.02.02.01.02	Interest in subsidiaries	1,073,040	1,261,850
1.02.02.01.03	Interests in jointly Controlled	65,796	147,831
1.02.03	Property and equipment	35,960	30,107
1.02.03.01	Operation property and equipment	35,960	30,107
1.02.04	Intangible assets	22,167	17,865
1.02.04.01	Intangible assets	22,167	17,865

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>ACTUAL QUARTER 09/30/2017</b>	<b>PRIOR YEAR 12/31/2016</b>
2	Total Liabilities	1,993,807	2,257,878
2.01	Current Liabilities	660,521	986,466
2.01.01	Social and labor obligations	8,472	4,994
2.01.01.02	Labor Obligations	8,472	4,994
2.01.01.02.01	Salaries, payroll charges and profit sharing	8,472	4,994
2.01.02	Suppliers	9,430	7,827
2.01.02.01	Local suppliers	9,430	7,827
2.01.03	Tax Obligations	17,627	13,066
2.01.04	Loans and financing	43,844	28,690
2.01.04.01	Loans and financing	43,844	28,690
2.01.04.01.01	In local currency	43,844	28,690
2.01.05	Other Obligations	556,671	906,624
2.01.05.01	Payables to related parties	545,051	877,802
2.01.05.01.02	Related parties	545,051	877,802
2.01.05.02	Other	11,620	28,822
2.01.05.02.04	Obligations for purchase of properties and advances from customers	5,330	9,256
2.01.05.02.05	Other payables	6,290	19,566
2.01.06	Provisions	24,477	25,265
2.01.06.02	Other Provisions	24,477	25,265
2.01.06.02.04	Provisions and cancelled contracts payable	3,292	2,441
2.01.06.02.05	Provision for net capital deficiency of equity accounted investees	21,185	22,824
2.02	Non current liabilities	212,263	222,286
2.02.01	Loans and financing	20,562	16,216
2.02.01.01	Loans and financing	20,562	16,216
2.02.01.01.01	In local currency	20,562	16,216
2.02.02	Other liabilities	143,094	177,405
2.02.02.01	Payables to related parties	15,759	150,599
2.02.02.02	Other	127,335	26,806
2.02.02.02.03	Obligations for purchase of properties and advances from customers	11,302	13,033
2.02.02.02.04	Other payables	12,114	13,773
2.02.02.02.05	Other creditors	103,919	-
2.02.04	Provisions	48,607	28,665
2.02.04.01	Tax, labor and civil lawsuits	48,607	28,665
2.02.04.01.01	Tax lawsuits	52	32
2.02.04.01.02	Tax and labor lawsuits	8,826	9,465
2.02.04.01.04	Civil lawsuits	39,729	19,168
2.03	Equity	1,121,023	1,049,126
2.03.01	Capital	1,094,000	1,094,000
2.03.02	Capital reserves	102,159	100,725
2.03.02.07	Reserve for expenditures with public offering	102,159	100,725
2.03.05	Retained earnings/accumulated losses	-75,136	-145,599

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>CURRENT QUARTER 07/01/2017 to 09/30/2017</b>	<b>YEAR TO DATE 01/01/2017 to 09/30/2017</b>	<b>SAME PREVIOUS QUARTER 07/01/2016 to 09/30/2016</b>	<b>YEAR TO DATE FROM PREVIOUS YEAR 01/01/2016 to 09/30/2016</b>
3.01	Gross Sales and/or Services	63,219	199,458	72,546	138,911
3.02	Cost of sales and/or services	-40,862	-123,732	-33,189	-93,159
3.03	Gross profit	22,357	75,726	39,357	45,752
3.04	Operating expenses/income	7,534	-3,402	-14,839	-12,907
3.04.01	Selling expenses	-5,744	-16,727	-7,853	-20,467
3.04.02	General and administrative expenses	-9,141	-21,860	-6,632	-20,361
3.04.05	Other operating expenses	-37,244	-93,626	-1,418	-28,172
3.04.06	Income from equity method investments	59,663	128,811	1,064	56,093
3.05	Income (loss) before financial results and income taxes	29,891	72,324	24,518	32,845
3.06	Financial	-2,752	-5,438	-1,473	3,616
3.06.01	Financial Income	4,466	12,578	5,177	19,920
3.06.02	Financial Expenses	-7,218	-18,016	-6,650	-16,304
3.07	Income before income taxes	27,139	66,886	23,045	36,461
3.08	Income tax and Social contribution on net income	3,577	3,577	-	-
3.08.02	Deferred charges	3,577	3,577	-	-
3.09	Income (loss) from continuing operation	30,716	70,463	23,045	36,461
3.11	Income (loss) for the period	30,716	70,463	23,045	36,461
3.99	Earnings per Share – (Reais / Share)	-	-	-	-
3.99.01	Basic Earnings per Share	-	-	-	-
3.99.01.01	On	0.56881	1.30490	0.42670	0.67520
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	On	0.53555	1.22860	0.41150	0.65110

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>CURRENT QUARTER 07/01/2017 to 09/30/2017</b>	<b>YEAR TO DATE 01/01/2017 to 09/30/2017</b>	<b>SAME PREVIOUS QUARTER 07/01/2016 to 09/30/2016</b>	<b>YEAR TO DATE FROM PREVIOUS YEAR 01/01/2016 to 09/30/2016</b>
4.01	Income (loss) for the period	30,716	70,463	23,045	36,461
4.03	Comprehensive income (loss) for the period	30,716	70,463	23,045	36,461

**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 09/30/2017	PREVIOUS YEAR 01/01/2016 to 09/30/2016
6.01	Net cash from operating activities	108,940	-4,337
6.01.01	Cash generated in the operations	-1,092	33,055
6.01.01.01	Income (loss) before income and social contribution taxes	66,886	36,461
6.01.01.02	Stock options expenses	1,434	1,049
6.01.01.03	Unrealized interest and finance charges, net	12,100	15,811
6.01.01.04	Depreciation and amortization	13,494	11,342
6.01.01.05	Write-off of property and equipment, net	1,083	2,352
6.01.01.06	Provision for legal claims	19,942	21,727
6.01.01.07	Warranty provision	-980	4,658
6.01.01.08	Provision for profit-sharing	9,559	817
6.01.01.09	Allowance for doubtful accounts	-3,574	8,559
6.01.01.10	Provision for realization of non-financial assets - properties for	-1,363	-12,994
6.01.01.11	Provision for penalties due to delay in construction works	-417	793
6.01.01.12	Income from equity method investments	-128,811	-56,093
6.01.01.13	Provisions and cancelled contracts payable	851	-1,427
6.01.01.16	Other operating income and expenses	4,334	-
6.01.01.17	Present value adjustments	2,646	-
6.01.01.18	Deferred taxes	1,724	-
6.01.02	Variation in assets and liabilities	110,032	-37,392
6.01.02.01	Trade accounts receivable	17,345	15,000
6.01.02.02	Properties for sale	23,470	7,225
6.01.02.03	Other accounts receivable	4,361	-5,011
6.01.02.04	Transactions with related parties	85,398	-38,717
6.01.02.05	Suppliers	1,603	2,492
6.01.02.06	Obligations for buying property and adv. customers	-5,363	2,522
6.01.02.07	Labor and tax obligations	-3,652	-3,105
6.01.02.08	Other accounts payable	-13,130	-17,798
6.02	Net cash from investing activities	-122,873	129,079
6.02.01	Purchase of property and equipment and intangible assets	-24,732	-16,876
6.02.02	Redemption of short-term investments	1,033,114	1,113,874
6.02.03	Short-term investments	-1,131,255	-1,062,543
6.02.04	Increase investments	-	-15,260
6.02.05	Dividends received	-	109,884
6.03	Net cash from financing activities	13,321	-91,865
6.03.01	Increase of loans and financing	76,350	44,558
6.03.02	Payment of loans and financing	-63,029	-137,504
6.03.03	Loan transactions with related parties	-	1,081
6.05	Net increase (decrease) of cash and cash equivalents	-612	32,877
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	11,512	39,125

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2017 TO 09/30/2017 (in thousands of Brazilian reais)**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Capital</b>	<b>Capital reserves, stock options and treasury shares</b>	<b>Profit reserves</b>	<b>Retained earnings</b>	<b>Other comprehensive income</b>	<b>Total Equity</b>
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	-	1,434	-	-	-	1,434
5.04.03	Stock option plan	-	1,434	-	-	-	1,434
5.05	Total of comprehensive income (loss)	-	-	-	70,463	-	70,463
5.05.01	Net income (loss) for the period	-	-	-	70,463	-	70,463
5.07	Closing balance	1,094,000	102,159	-	-75,136	-	1,121,023

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2016 TO 09/30/2016 (in thousands of Brazilian reais)**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Capital</b>	<b>Capital reserves, stock options and treasury shares</b>	<b>Profit reserves</b>	<b>Retained earnings</b>	<b>Other comprehensive income</b>	<b>Total Equity</b>
5.01	Opening balance	1,194,000	99,186	-	-202,250	-	1,090,936
5.03	Opening adjusted balance	1,194,000	99,186	-	-202,250	-	1,090,936
5.04	Capital transactions with shareholders	-	1,049	-	-	-	1,049
5.04.03	Stock option plan	-	1,049	-	-	-	1,049
5.05	Total of comprehensive income (loss)	-	-	-	36,461	-	36,461
5.05.01	Net income (loss) for the period	-	-	-	36,461	-	36,461
5.07	Closing balance	1,194,000	100,235	-	-165,789	-	1,128,446

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>YEAR TO DATE</b>	<b>YEAR TO DATE</b>
		<b>01/01/2017 to 09/30/2017</b>	<b>FROM PREVIOUS YEAR 01/01/2016 to 09/30/2016</b>
7.01	Revenues	226,470	156,851
7.01.01	Real estate development, sales and services	197,743	154,980
7.01.04	Allowance for doubtful accounts	28,727	1,871
7.02	Inputs acquired from third parties	-210,194	-94,223
7.02.01	Cost of Sales and/or Services	-116,279	-88,406
7.02.02	Materials, energy, outsourced labor and other	-93,915	-5,817
7.03	Gross Added Value	16,276	62,628
7.04	Retentions	-13,494	-3,278
7.04.01	Depreciation and amortization	-13,494	-3,278
7.05	Net value added produced by the Company	2,782	59,350
7.06	Added value received on transfer	141,995	76,013
7.06.01	Income from equity method investments	128,811	56,093
7.06.02	Financial Income	13,184	19,920
7.07	Value added total to be distributed	144,777	135,363
7.08	Value added distribution	144,777	135,363
7.08.01	Personnel and payroll charges	24,694	49,288
7.08.01.01	Direct Remuneration	24,694	49,288
7.08.02	Taxes and contributions	27,471	28,557
7.08.02.01	Federal	27,471	28,557
7.08.03	Compensation – Interest	22,149	21,057
7.08.03.01	Interest	22,149	21,057
7.08.04	Compensation – Company capital	70,463	36,461
7.08.04.03	Net income (Retained losses)	70,463	36,461

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>ACTUAL QUARTER 09/30/2017</b>	<b>PRIOR YEAR 12/31/2016</b>
1	Total Assets	2,034,103	1,862,149
1.01	Current Assets	1,378,548	1,217,370
1.01.01	Cash and cash equivalentes	36,677	28,414
1.01.02	Short-term investments	350,793	195,073
1.01.02.01	Fair Value of short-term investments	350,793	195,073
1.01.03	Accounts receivable	335,206	250,474
1.01.03.01	Trade accounts receivable	335,206	250,474
1.01.04	Inventories	528,235	563,576
1.01.04.01	Properties for sale	528,235	563,576
1.01.08	Other Current Assets	127,637	179,833
1.01.08.03	Others	127,637	179,833
1.01.08.03.01	Landbank for sales	79,063	75,227
1.01.08.03.02	Receivables from related parties	12,910	55,733
1.01.08.03.03	Judicial deposits	1,843	2,545
1.01.08.03.04	Other assets	33,821	46,328
1.02	Non current assets	655,555	644,779
1.02.01	Non current assets	531,593	448,940
1.02.01.03	Accounts receivable	94,666	176,673
1.02.01.03.01	Receivables from clients of developments	94,666	176,673
1.02.01.04	Inventories	366,914	211,711
1.02.01.04.01	Properties for sale	366,914	211,711
1.02.01.06	Deferred Taxes	8,814	
1.02.01.08	Receivables from related parties	33,573	37,745
1.02.01.09	Others non current	27,626	22,811
1.02.01.09.03	Judicial Deposits	27,617	22,806
1.02.01.09.04	Others accounts receivable	9	5
1.02.02	Investments	65,796	147,831
1.02.02.01	Interest in associates and affiliates	65,796	147,831
1.02.02.01.04	Interests in jointly Controlled	65,796	147,831
1.02.03	Property and equipment	35,999	30,143
1.02.03.01	Operation property and equipment	35,999	30,143
1.02.04	Intangible assets	22,167	17,865
1.02.04.01	Intangible assets	22,167	17,865

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>ACTUAL QUARTER 09/30/2017</b>	<b>PRIOR YEAR 12/31/2016</b>
2	Total Liabilities	2,034,103	1,862,149
2.01	Current Liabilities	376,621	353,538
2.01.01	Social and labor obligations	37,975	29,598
2.01.01.02	Labor Obligations	37,975	29,598
2.01.01.02.01	Salaries, payroll charges and profit sharing	37,975	29,598
2.01.02	Suppliers	31,645	31,664
2.01.02.01	Local suppliers	31,645	31,664
2.01.03	Tax Obligations	32,138	30,510
2.01.04	Loans and financing	58,548	41,333
2.01.04.01	Loans and financing	58,548	41,333
2.01.04.01.01	In local currency	58,548	41,333
2.01.05	Other Obligations	204,144	210,326
2.01.05.01	Payables to related parties	28,854	49,665
2.01.05.02	Others	175,290	160,661
2.01.05.02.04	Obligations for purchase of properties and advances from customers	166,158	131,280
2.01.05.02.05	Other payables	9,132	29,381
2.01.06	Provisions	12,171	10,107
2.01.06.02	Other Provisions	12,171	10,107
2.01.06.02.04	Provisions and cancelled contracts payable	6,724	4,711
2.01.06.02.05	Provision for net capital deficiency of equity accounted investees	5,447	5,396
2.02	Non current liabilities	530,693	432,989
2.02.01	Loans and financing	72,155	93,661
2.02.01.01	Loans and financing	72,155	93,661
2.02.01.01.01	In local currency	72,155	93,661
2.02.02	Other liabilities	385,028	282,941
2.02.02.01	Payables to related parties	19,698	155,052
2.02.02.02	Others	365,330	127,889
2.02.02.02.03	Obligations for purchase of properties and advances from customers	229,552	104,343
2.02.02.02.04	Others payables	31,859	23,546
2.02.02.02.05	Others creditors	103,919	-
2.02.03	Tax-deferred	5,768	11,437
2.02.03.01	Deferred income tax and social contribution	5,768	11,437
2.02.04	Provisions	67,742	44,950
2.02.04.01	Tax, labor and civil lawsuits	67,742	44,950
2.02.04.01.01	Tax lawsuits	77	48
2.02.04.01.02	Tax and labor lawsuits	13,239	14,303
2.02.04.01.04	Civil lawsuits	54,168	30,341
2.02.04.01.06	Environmental proceedings	258	258
2.03	Equity	1,126,789	1,075,622
2.03.01	Capital	1,094,000	1,094,000
2.03.02	Capital Reserves	102,159	100,725
2.03.02.07	Reserve for expenditures with public offering	102,159	100,725
2.03.05	Retained earnings/accumulated losses	-75,136	-145,599
2.03.09	Non-controlling interest	5,766	26,496

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>CURRENT QUARTER 07/01/2017 to 09/30/2017</b>	<b>YEAR TO DATE 01/01/2017 to 09/30/2017</b>	<b>SAME PREVIOUS QUARTER 07/01/2016 to 09/30/2016</b>	<b>YEAR TO DATE FROM PREVIOUS YEAR 01/01/2016 to 09/30/2016</b>
3.01	Gross Sales and/or Services	361,401	1,000,724	270,509	765,804
3.02	Cost of sales and/or services	-230,324	-658,825	-179,579	-538,722
3.03	Gross profit	131,077	341,899	90,930	227,082
3.04	Operating expenses/income	-100,156	-265,299	-59,936	-169,324
3.04.01	Selling expenses	-35,545	-98,490	-25,554	-65,096
3.04.02	General and administrative expenses	-24,849	-69,541	-21,928	-62,125
3.04.05	Other Operating expenses	-39,410	-96,541	-13,398	-42,115
3.04.06	Income (loss) from equity method investments	-352	-727	944	12
3.05	Income (loss) before financial results and income taxes	30,921	76,600	30,994	57,758
3.06	Financial	-795	-724	-12,173	-14,520
3.06.01	Financial Income	8,046	21,885	6,471	23,866
3.06.02	Financial Expenses	-8,841	-22,609	-18,644	-38,386
3.07	Income before income taxes	30,126	75,876	18,821	43,238
3.08	Income and social contribution taxes	311	-6,744	-2,885	-13,034
3.08.01	Current	-8,514	-21,423	-1,022	-7,506
3.08.02	Deferred	8,825	14,679	-1,863	-5,528
3.09	Income (loss) from continuing operation	30,437	69,132	15,936	30,204
3.11	Income (loss) for the period	30,437	69,132	15,936	30,204
3.11.01	Income (loss) attributable to the Company	30,716	70,463	23,045	36,461
3.11.02	Net income attributable to non-controlling interests	-279	-1,331	-7,109	-6,257
3.99	Earnings per share-(Reais/share)	-	-	-	-
3.99.01	Basic income per share	-	-	-	-
3.99.01.01	On	0.56880	1.30490	0.42670	0.67520
3.99.02	Diluted profit per share	-	-	-	-
3.99.02.01	On	0.53550	1.22860	0.41150	0.65110

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>CURRENT QUARTER 07/01/2017 to 09/30/2017</b>	<b>YEAR TO DATE 01/01/2017 to 09/30/2017</b>	<b>SAME PREVIOUS QUARTER 07/01/2016 to 09/30/2016</b>	<b>YEAR TO DATE FROM PREVIOUS YEAR 01/01/2016 to 09/30/2016</b>
4.01	Consolidated Income (loss) for the period	30,437	69,132	15,936	30,204
4.03	Consolidated comprehensive income (loss) for the period	30,437	69,132	15,936	30,204
4.03.01	Income (loss) attributable to the Company	30,716	70,463	23,045	36,461
4.03.02	Net income attributable to the noncontrolling interests	-279	-1,331	-7,109	-6,257

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

CODE	DESCRIPTION	YEAR TO DATE FROM	
		YEAR TO DATE 01/01/2017 to 09/30/2017	PREVIOUS YEAR 01/01/2016 to 09/30/2016
6.01	Net cash from operating activities	205,572	94,393
6.01.01	Cash generated in the operations	175,654	103,521
6.01.01.01	Income (loss) before income and social contribution taxes	75,876	43,238
6.01.01.02	Stock options expenses	1,434	1,049
6.01.01.03	Unrealized interest and finance charges, net	18,463	19,870
6.01.01.04	Depreciation and amortization	13,499	11,346
6.01.01.05	Write-off of property and equipment, net	1,083	2,352
6.01.01.06	Provision for legal claims	22,768	20,385
6.01.01.07	Warranty provision	-65	5,557
6.01.01.08	Provision for profit-sharing	13,826	10,321
6.01.01.09	Allowance for doubtful accounts	16,614	3,217
6.01.01.10	Provision for realization of non-financial assets - properties for sale	-1,476	-12,994
6.01.01.11	Provision for penalties due to delay in construction works	-513	451
6.01.01.12	Income from equity method investments	727	-12
6.01.01.13	Provision for cancelled contracts payable	2,013	-1,259
6.01.01.16	Other operating income and expenses	903	-
6.01.01.17	Deferred taxes	11,876	-
6.01.01.18	Present value adjustments	-1,374	-
6.01.02	Variation in assets and liabilities	29,918	-9,128
6.01.02.01	Trade accounts receivable	-12,382	16,929
6.01.02.02	Properties for sale	-97,379	22,714
6.01.02.03	Other accounts receivable	8,397	-4,812
6.01.02.04	Transactions with related parties	49,901	-1,884
6.01.02.05	Suppliers	-19	13,309
6.01.02.06	Obligations for purchase of properties and adv. from customers	116,411	-16,431
6.01.02.07	Labor and tax obligations	-6,742	-14,770
6.01.02.08	Other accounts payable	-7,589	-16,677
6.01.02.09	Income tax and social contribution paid	-20,680	-7,506
6.02	Net cash from investing activities	-180,460	12,076
6.02.01	Purchase of property and equipment and intangible assets	-24,740	-16,876
6.02.02	Redemption of short-term investments	1,205,014	1,324,189
6.02.03	Short-term investments	-1,360,734	-1,305,300
6.02.04	Increase investments	-	10,063
6.03	Net cash from financing activities	-16,849	-67,345
6.03.01	Increase of loans and financing	291,473	188,361
6.03.02	Payment of loans and financing	-308,322	-257,163
6.03.03	Loan transactions with related parties	-	1,457
6.05	Net increase (decrease) of cash and cash equivalents	8,263	39,124
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	36,677	60,777

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2017 TO 09/30/2017 (in thousands of Brazilian reais)**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Capital</b>	<b>Capital reserves, stock options and treasury shares</b>	<b>Profit reserves</b>	<b>Retained earnings</b>	<b>Other comprehensive income</b>	<b>Total Shareholders equity</b>	<b>Non Controlling interest</b>	<b>Total equity Consolidated</b>
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	-	1,434	-	-	-	1,434	-19,399	-17,965
5.04.03	Stock option plan	-	1,434	-	-	-	-	-	1,434
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	-	-	-	-	-	-	-19,399	-19,399
5.05	Total Comprehensive Result	-	-	-	70,463	-	70,463	-1,331	69,132
5.05.01	Net profit for the period	-	-	-	70,463	-	70,463	-1,331	69,132
5.07	Final Balances	1,094,000	102,159	-	-75,136	-	1,121,023	5,766	1,126,789

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2016 TO 09/30/2016 (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	99,186	-	-202,250	-	1,090,936	35,878	1,126,814
5.03	Opening Balances Adjusted	1,194,000	99,186	-	-202,250	-	1,090,936	35,878	1,126,814
5.04	Capital transactions with shareholders	-	1,049	-	-	-	1,049	-	1,049
5.04.03	Stock option plan	-	1,049	-	-	-	1,049	-	1,049
5.05	Total of comprehensive income (loss)	-	-	-	36,461	-	36,461	-6,257	30,204
5.05.01	Net income (loss) for the period	-	-	-	36,461	-	36,461	-6,257	30,204
5.07	Closing balance	1,194,000	100,235	-	-165,789	-	1,128,446	29,621	1,158,067

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>YEAR TO DATE</b>	
		<b>01/01/2017 to 09/30/2017</b>	<b>FROM PREVIOUS YEAR 01/01/2016 to 09/30/2016</b>
7.01	Revenues	1,055,551	824,649
7.01.01	Real estate development, sales and services	1,053,332	812,498
7.01.04	Allowance for doubtful accounts	2,219	12,151
7.02	Inputs acquired from third parties	-744,626	-582,966
7.02.01	Cost of Sales and/or Services	-632,632	-523,833
7.02.02	Materials, Energy, Servs. of third parties and Other	-111,994	-59,133
7.03	Gross Added Value	310,925	241,683
7.04	Retentions	-13,499	-9,119
7.04.01	Depreciation and amortization	-13,499	-9,119
7.05	Net value added produced by the Company	297,426	232,564
7.06	Added value received on transfer	22,116	23,878
7.06.01	Income from equity method investments	-727	12
7.06.02	Financial Income	22,843	23,866
7.07	Value added total to be distributed	319,542	256,442
7.08	Value added distribution	319,542	256,442
7.08.01	Personnel and payroll charges	121,057	85,304
7.08.01.01	Direct Remuneration	121,057	85,304
7.08.02	Taxes and contributions	83,871	87,659
7.08.02.01	Federal	83,871	87,659
7.08.03	Compensation – Interest	45,482	53,275
7.08.03.01	Interest	45,482	53,275
7.08.04	Compensation – Company capital	69,132	30,204
7.08.04.03	Net income (Retained losses)	70,463	36,461
7.08.04.04	Part. No Controllers in retained earnings	-1,331	-6,257

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

## Notice to the Market

### 3Q17 AND 9M17 OPERATING AND FINANCIAL RESULTS

**Record quarter in terms of landbank, launches under the New Business Model.  
Net Income of R\$31 million and cash generation of R\$83 million.**

**FOR IMMEDIATE RELEASE** - São Paulo, November 9, 2017 – 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 third quarter of 2017.

#### HIGHLIGHTS

- Landbank increased and reached launch potential of R\$6.3 billion in PSV after the acquisition of R\$1.7 billion in land distributed in 51 phases/projects.
- Launches totaled R\$488 million in 3Q17, up 50% year-on-year.
- Net pre-sales reached R\$385 million in 3Q17, up 61% year-on-year. Sales over supply (“Net SoS”) reached 24.7% in 3Q17.
- Unit transfers rose by 83% compared to 3Q16, underscoring the efficiency of the New Model and sustaining a cash generation of R\$83 million.
- Adjusted EBITDA of R\$111 million in 9M17, up 34% year-on-year.
- Net income of R\$70.5 million in 9M17, up 93% year-on-year. Net margin increased by 2.3 p.p., showing evidence of consistent improvement.

CONFERENCE CALL AND WEBCAST  
November 10, 2017 - Friday  
3:00 p.m. (BRT)  
2:00 p.m. (NY)

Dian-in:  
+55 (11) 3127-4971  
+1 (516) 300 1066  
Code: Tenda  
Webcast: [Click here](#)

## MESSAGE FROM MANAGEMENT

Tenda posted another period of solid results for the third quarter of 2017. All key metrics strengthened, highlighting launches, prospecting, profit and cash generation (the highest level in the Company's history).

The low-income residential segment, which has been resilient amid a recession that we have experienced over the last two years, continues to sustain strong demand in 2017, given its solid demographic predictability.

Net sales of R\$385 million in this quarter were in line with second quarter, when historically we record a strong sales result due to "Feirão da Caixa" (Caixa Fair). This good quarter performance was due to the quality of launches mix, in regions of high demand – such as São Paulo and Rio de Janeiro – in which we had a shortage in product availability, and a decrease in cancellations (13.1% of gross sales) to levels consistent with expectations. Out of total sales, 68% came from launches in 2017 and 32% from inventories. Sales over supply (net SoS) of 24.7% in 3Q17 also were in line sustained by a net SoS under the New Model of 27.2%, attesting the resilience of the low-income segment.

Tenda also recorded an 83% increase in transferred units compared to 3Q16, enabling high cash generation, which totaled R\$83.2 million this quarter.

In line with this combination of positive results and our expansion strategy, Tenda acquired land with launch potential of R\$1.7 billion this quarter, ending the period with a landbank well distributed across its focus regions and valued at R\$6.3 billion in PSV. These new acquisitions will enable us to launch over 50 new projects in the coming years. This performance was a result of more dedicated local teams focused on land acquisition, without any change in the approval parameters to new purchases.

Aiming at protecting us from eventual operational challenges related to Caixa Econômica Federal (the Brazilian Federal Savings Bank) and FGTS, we decided to speed up the third quarter launches, which reached the highest level under the New Business Model, R\$488 million, 50% higher than the same period last year. We are closely monitoring the discussions on Caixa Econômica Federal and FGTS, and although we understand these issues may bring certain operational vulnerability in the short term, we believe that these are healthy for the long-term sustainability of the institutions and for ensuring the perpetuity of the MCMV program, level 2.

Tenda's main financial indicators continue to strengthen. Net revenues climbed 33.6% year-on-year, adjusted EBITDA grew 27.4% and net income went up 33.3% to R\$30.7 million. Adjusted gross margin reached 39.8%, an increase of 4.7 p.p. year-on-year, driven by projects in higher profitability markets and return of provisions for doubtful accounts to recurring levels.

From the costs and expenses perspective, the litigation provision recorded a sharp increase of 330.5% compared to the previous quarter, totaling R\$28.3 million in 3Q17. This increase was due to higher expected losses in civil lawsuits related to legacy projects, reflecting a complete review on the litigation database. This non-recurring adjustment accounted for an extraordinary expense of R\$21 million.

Regarding indebtedness, Tenda continues to show negative net debt to shareholders' equity ratio, accounting for 14% of net cash, which make us one of the most unleveraged companies in the sector.

Regarding profitability, net income nearly doubled in 9M17 compared to 9M16. This comparison is even more striking over the last 12 months, from R\$18.7 million in 3Q16 to R\$86.2 million in 3Q17. However, we

understand that this profitability, as measured by the Return on Equity (ROE) of 7.5% in the last 12 months, is still below shareholders' expectations and we continue to pursue higher levels that justify Tenda's investment case.

Looking ahead, Tenda continues to focus on a sustainable growth strategy, excellence in execution, with our business model established in a segment with high barriers to entry, and aiming at superior results. As ever, Tenda upholds 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	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
<b>Operational Highlights</b>								
Launches	488.4	446.4	9.4% ↑	325.4	50.1% ↑	1,236.8	968.6	27.7% ↑
Net pre-sales	385.3	387.0	(0.4%) ↓	238.7	61.4% ↑	1,111.2	830.2	33.8% ↑
Sales over Supply (SoS)	24.7%	26.2%	(1.5 p.p.) ↓	18.8%	5.9 p.p. ↑	48.7%	44.7%	4.0 p.p. ↑
Delivered projects (Units)	1,672	2,136	(21.7%) ↓	1,811	(7.7%) ↓	6,455	4,170	54.8% ↑
<b>Financial Highlights</b>								
Net Revenue	361.4	314.6	14.9% ↑	270.5	33.6% ↑	1,000.7	765.8	30.7% ↑
Adjusted Gross Profit <sup>1</sup>	143.7	108.8	32.0% ↑	94.8	51.6% ↑	364.8	242.0	50.8% ↑
Adjusted Gross Margin <sup>1</sup>	39.8%	34.6%	5.2 p.p. ↑	35.0%	4.7 p.p. ↑	36.5%	31.6%	4.9 p.p. ↑
Adjusted EBITDA <sup>2</sup>	48.7	30.7	58.5% ↑	38.2	27.4% ↑	111.1	82.8	34.1% ↑
Adjusted EBITDA Margin <sup>2</sup>	13.5%	9.8%	3.7 p.p. ↑	14.1%	(0.7 p.p.) ↓	11.1%	10.8%	0.3 p.p. ↑
Net Financial Result	(0.8)	0.7	(208.3%) ↓	(12.2)	93.5% ↑	(0.7)	(14.5)	95.0% ↑
Net Income (Loss) <sup>3</sup>	30.7	20.8	47.6% ↑	23.0	33.3% ↑	70.5	36.5	93.3% ↑
Backlog Revenues	302.2	299.7	0.8% ↑	281.7	7.3% ↑	302.2	281.7	7.3% ↑
Backlog Results <sup>4</sup>	145.0	147.2	(1.5%) ↓	123.8	17.1% ↑	145.0	123.8	17.1% ↑
Backlog Margin <sup>4</sup>	48.0%	49.1%	(1.2 p.p.) ↓	43.9%	4.0 p.p. ↑	48.0%	43.9%	4.0 p.p. ↑
Cash and cash equivalents <sup>5</sup>	387.5	352.2	10.0% ↑	254.5	52.2% ↑	387.5	254.5	52.2% ↑
Net Debt	(256.8)	(173.6)	(47.9%) ↓	(55.1)	(365.9%) ↓	(256.8)	(55.1)	(365.9%) ↓
Adjusted Net Debt <sup>6</sup>	(152.9)	(72.0)	(112.3%) ↓	(55.1)	(177.4%) ↓	(152.9)	(55.1)	(177.4%) ↓
Shareholders' Equity + minority shareholders	1,126.8	1,094.6	2.9% ↑	1,158.1	(2.7%) ↓	1,126.8	1,158.1	(2.7%) ↓
Net Debt / (SE + Minority)	(22.8%)	(15.9%)	(6.9 p.p.) ↓	(4.8%)	(18.0 p.p.) ↓	(22.8%)	(4.8%)	(18.0 p.p.) ↓
Adjusted Net Debt <sup>6</sup> / (SE + Minority)	(13.6%)	(6.6%)	(7.0 p.p.) ↓	(4.8%)	(8.8 p.p.) ↓	(13.6%)	(4.8%)	(8.8 p.p.) ↓
Net Income (Loss) (last 12 months)	86.2	71.7	20.2% ↑	18.7	359.9% ↑	86.2	18.7	359.9% ↑
NOPAT (last 12 months) <sup>7</sup>	128.5	116.6	10.2% ↑	50.9	152.7% ↑	128.5	50.9	152.7% ↑
Adjusted Capital Employed <sup>8</sup>	973.9	1,022.7	(4.8%) ↓	1,103.0	(11.7%) ↓	973.9	1,103.0	(11.7%) ↓
ROE (last 12 months) <sup>9</sup>	7.5%	6.4%	1.1 p.p. ↑	1.6%	5.9 p.p. ↑	7.5%	1.6%	5.9 p.p. ↑
ROCE (last 12 months) <sup>10</sup>	12.4%	11.0%	1.4 p.p. ↑	4.5%	7.9 p.p. ↑	12.4%	4.5%	7.9 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 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 in 3Q17 reached its highest level since the implementation of the New Model, totaling R\$488 million, as a result of the growth strategy in the six metropolitan regions where the Company operates.

Launches <sup>1</sup>	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Number of Launches	13	12	8.3% ↑	9.0	44.4% ↑	33	30	10.0% ↑
PSV (in R\$ million)	488.4	446.4	9.4% ↑	325.4	50.1% ↑	1,236.8	968.6	27.7% ↑
Number of units	3,388	3,052	11.0% ↑	2,509	35.0% ↑	8,500	7,071	20.2% ↑
Average price per unit (in R\$ thousand)	144.1	146.3	(1.4%) ↓	129.7	11.1% ↑	145.5	137.0	6.2% ↑
Average size of launches (in units)	261	254	2.5% ↑	279	(6.5%) ↓	258	236	9.3% ↑

1) Tenda holds 100% equity interest in projects launched under the New Business Model.

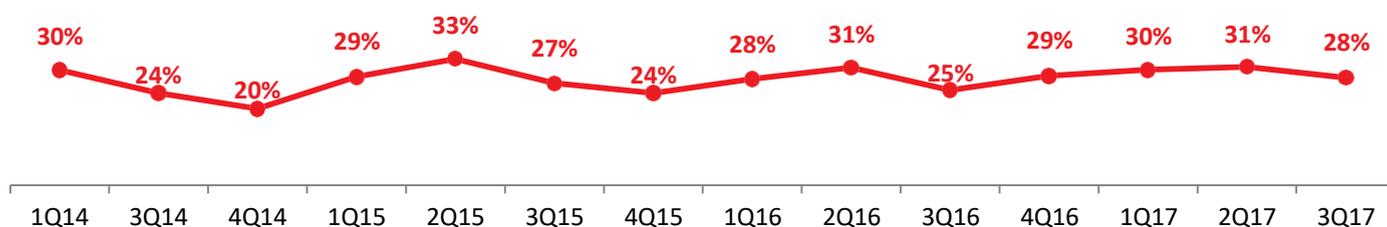
## GROSS SALES

Gross sales totaled R\$443 million in 3Q17, increase of 39% in the annual comparison due to the better availability of products in the areas of operation.

The sales over supply ("Gross SoS") of 28% represented a 3.3p.p. increase year-on-year, backed by market's resilience.

Gross Sales	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
PSV (in R\$ million)	443.1	462.8	(4.2%) ↓	318.7	39.1% ↑	1,330.6	1,014.3	31.2% ↑
Number of units	3,098	3,255	(4.8%) ↓	2,241	38.2% ↑	9,387	7,199	30.4% ↑
Average price per unit (in R\$ thousand)	143.0	142.2	0.6% ↑	142.2	0.6% ↑	141.7	140.9	0.6% ↑
Gross SoS	28.4%	31.3%	(2.9 p.p.) ↓	25.1%	3.3 p.p. ↑	58.3%	54.6%	3.7 p.p. ↑
New Business Model	30.7%	34.0%	(3.3 p.p.) ↓	26.5%	4.2 p.p. ↑	60.6%	54.5%	6.1 p.p. ↑
Legacy	7.9%	9.0%	(1.1 p.p.) ↓	16.0%	(8.1 p.p.) ↓	26.6%	54.9%	(28.3 p.p.) ↓

Sales over Supply – Gross SoS (%)



Monetary amounts adjusted to Tenda's equity interest.

## CANCELLATIONS AND NET PRE-SALES

Cancellations in the quarter comprised 13% of gross sales, down 12 p.p. year-on-year and 3.3 p.p. when compared to 2Q17, returning to stable operating levels, as we have been anticipating since 3Q16.

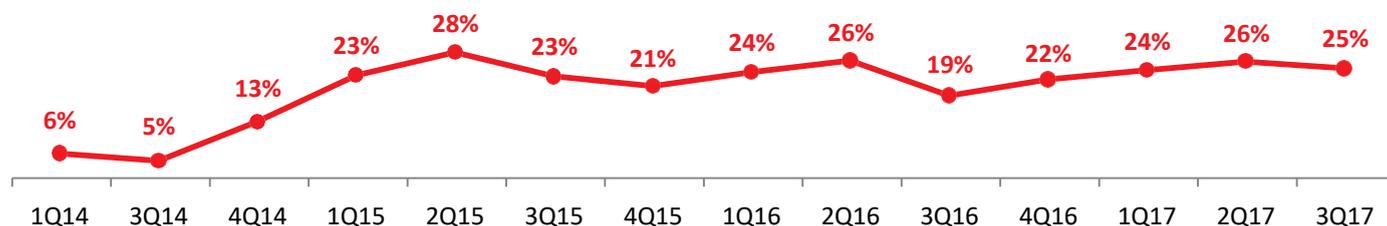
The sales over supply (“Net SoS”) reached 24.5%, an increase of 5.9 p.p. year-on-year.

(in R\$ million)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
<b>Gross Sales</b>	<b>443.1</b>	<b>462.8</b>	<b>(4.2%) ↓</b>	<b>318.7</b>	<b>39.1% ↑</b>	<b>1,330.6</b>	<b>1,014.3</b>	<b>31.2% ↑</b>
New Business Model	430.8	448.6	(4.0%) ↓	292.3	47.4% ↑	1,288.7	899.8	43.2% ↑
Legacy	12.3	14.2	(13.3%) ↓	26.4	(53.4%) ↓	41.8	114.5	(63.5%) ↓
<b>Cancellations</b>	<b>57.9</b>	<b>75.8</b>	<b>(23.7%) ↓</b>	<b>80.0</b>	<b>(27.7%) ↓</b>	<b>219.4</b>	<b>184.2</b>	<b>19.1% ↑</b>
New Business Model	48.7	62.3	(21.8%) ↓	58.8	(17.1%) ↓	182.6	118.4	54.2% ↑
Legacy	9.1	13.5	(32.5%) ↓	21.2	(56.9%) ↓	36.8	65.7	(44.0%) ↓
<b>Net Pre-Sales</b>	<b>385.3</b>	<b>387.0</b>	<b>(0.4%) ↓</b>	<b>238.7</b>	<b>61.4% ↑</b>	<b>1,111.2</b>	<b>830.2</b>	<b>33.8% ↑</b>
% Launch <sup>1</sup>	67.7%	38.6%	29.1 p.p. ↑	70.2%	(2.4 p.p.) ↓	41.8%	38.4%	3.4 p.p. ↑
% Inventory	32.3%	61.4%	(29.1 p.p.) ↓	29.8%	2.4 p.p. ↑	58.2%	61.6%	(3.4 p.p.) ↓
<b>Cancellations / Gross Sales</b>	<b>13.1%</b>	<b>16.4%</b>	<b>(3.3 p.p.) ↓</b>	<b>25.1%</b>	<b>(12.0 p.p.) ↓</b>	<b>16.5%</b>	<b>18.2%</b>	<b>(1.7 p.p.) ↓</b>
<b>Net SoS</b>	<b>24.7%</b>	<b>26.2%</b>	<b>(1.5 p.p.) ↓</b>	<b>18.8%</b>	<b>5.9 p.p. ↑</b>	<b>48.7%</b>	<b>44.7%</b>	<b>4.0 p.p. ↑</b>
New Business Model	27.2%	29.3%	(2.0 p.p.) ↓	21.2%	6.1 p.p. ↑	52.0%	47.4%	4.7 p.p. ↑
Legacy	2.0%	0.4%	1.6 p.p. ↑	3.2%	(1.1 p.p.) ↓	3.2%	23.4%	(20.2 p.p.) ↓

(in units)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Gross Units Sold	3,098	3,255	(4.8%) ↓	2,241	38.2% ↑	9,387	7,199	30.4% ↑
Cancelled Units	419	554	(24.4%) ↓	562	(25.4%) ↓	1,594	1,268	25.7% ↑
<b>Net Units Sold</b>	<b>2,679</b>	<b>2,701</b>	<b>(0.8%) ↓</b>	<b>1,679</b>	<b>59.6% ↑</b>	<b>7,793</b>	<b>5,931</b>	<b>31.4% ↑</b>
<b>Cancellations / Gross Sales</b>	<b>13.5%</b>	<b>17.0%</b>	<b>(3.5 p.p.) ↓</b>	<b>25.1%</b>	<b>(11.6 p.p.) ↓</b>	<b>17.0%</b>	<b>17.6%</b>	<b>(0.6 p.p.) ↓</b>

1) Launches of current year.

Sales over Supply – Net SoS (%)



## UNITS TRANSFERRED, DELIVERED AND CONSTRUCTION SITE

The Company was able to increase the volume of transferred units both q-o-q and y-o-y, supported by higher sales volume in previous periods. It is worth mentioning that we ended 3Q17 with 40 construction sites, all of them on schedule.

Transfers, Deliveries and Construction Sites	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
<b>PSV Transferred (in R\$ million)</b>	<b>381.8</b>	<b>354.1</b>	<b>7.8% ↑</b>	<b>208.8</b>	<b>82.8% ↑</b>	<b>1,056.2</b>	<b>737.2</b>	<b>43.3% ↑</b>
New Business Model	374.5	344.0	8.9% ↑	179.8	108.3% ↑	1,018.7	621.3	63.9% ↑
Legacy	7.3	10.1	(28.1%) ↓	29.0	(74.9%) ↓	37.5	115.8	(67.6%) ↓
<b>Transferred Units</b>	<b>2,986</b>	<b>2,807</b>	<b>6.4% ↑</b>	<b>1,632</b>	<b>83.0% ↑</b>	<b>8,370</b>	<b>5,719</b>	<b>46.4% ↑</b>
New Business Model	2,932	2,731	7.4% ↑	1,420	106.5% ↑	8,090	4,872	66.1% ↑
Legacy	54	76	(28.9%) ↓	212	(74.5%) ↓	280	847	(66.9%) ↓
<b>Delivered Units</b>	<b>1,672</b>	<b>2,136</b>	<b>(21.7%) ↓</b>	<b>1,811</b>	<b>(7.7%) ↓</b>	<b>6,455</b>	<b>4,170</b>	<b>54.8% ↑</b>
<b>Construction Sites</b>	<b>40</b>	<b>34</b>	<b>17.6% ↑</b>	<b>36</b>	<b>11.1% ↑</b>	<b>40</b>	<b>36</b>	<b>11.1% ↑</b>

## INVENTORY AT MARKET VALUE

The growth in Company's launches volume and gains of operating scale in 2017 increased Tenda's inventory to R\$1.2 billion, justifying the 14% increase year-on-year. Inventory turnover<sup>1</sup> is currently 9.9 months.

Inventory at Market Value	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
<b>PSV (in R\$ million)</b>	<b>1,172.5</b>	<b>1,090.4</b>	<b>7.5% ↑</b>	<b>1,028.5</b>	<b>14.0% ↑</b>	<b>1,172.5</b>	<b>1,028.5</b>	<b>14.0% ↑</b>
Number of Units	8,091.0	7,412.0	9.2% ↑	7,025.0	15.2% ↑	8,091	7,025.0	15.2% ↑
Average price per unit (in R\$ thousand)	144.9	147.1	(1.5%) ↓	146.4	(1.0%) ↓	144.9	146.4	(1.0%) ↓

Status of Construction	3Q17	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished units
<b>PSV (in R\$ million)</b>	<b>1,172.5</b>	<b>325.2</b>	<b>216.0</b>	<b>375.8</b>	<b>136.3</b>	<b>119.2</b>
New Business Model MCMV	1,020.4	325.2	216.0	306.2	136.3	36.6
Legacy MCMV	138.1	0.0	0.0	69.5	0.0	68.6
Legacy non-MCMV	14.0	0.0	0.0	0.0	0.0	14.0

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

The Company's landbank was up 24% compared to 2Q17. In the quarter, 51 phases/projects were acquired, spread in all regions where the Company operates, representing launch potential of R\$1.7 billion. We reinforce that all projects of our landbank are developed within the range 2, and in some cases, may be classified into range 1.5, of the "Minha Casa, Minha Vida" housing program.

Landbank <sup>1</sup>	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Number of Projects	193	163	18.4% ↑	127	52.0% ↑	193	127	52.0% ↑
<b>PSV (in R\$ million)</b>	<b>6,333.7</b>	<b>5,105.6</b>	<b>24.1% ↑</b>	<b>4,204.1</b>	<b>50.7% ↑</b>	<b>6,333.7</b>	<b>4,204.1</b>	<b>50.7% ↑</b>
Acquisitions / Adjustments (in R\$ million)	1,716.4	1,035.3	65.8% ↑	79	2,074.8% ↑	3,108.8	439.7	607.0% ↑
Number of Units	42,975	36,575	17.5% ↑	31,123	38.1% ↑	42,975	31,123	38.1% ↑
Average price per unit (in R\$ thousands)	147.4	139.6	5.6% ↑	135.1	9.1% ↑	147.4	135.1	9.1% ↑
% Swap Total	27.2%	22.6%	4.6 p.p. ↑	12.5%	14.7 p.p. ↑	22.2%	13.2%	9.0 p.p. ↑
% Swap Units	17.1%	15.0%	2.1 p.p. ↑	9.1%	8.0 p.p. ↑	13.7%	9.0%	4.7 p.p. ↑
% Swap Financial	10.1%	7.6%	2.5 p.p. ↑	3.4%	6.7 p.p. ↑	8.5%	4.2%	4.3 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 125 projects/phases launched with PSV of R\$4.6 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 Business Model.

New Business Model Update	2013	2014	2015	2016	YTD 2017
Number of Projects	7	14	30	41	33
Units launched	2,460	4,315	7,711	9,819	8,500
Total PSV (R\$ 000)	313.9	613.3	1,088.9	1,342.5	1,236.8
Units Sold	2,443	4,233	7,547	8,072	3,065
% Sold	99.3%	98.1%	97.9%	82.2%	36.1%
Avg SoS (Month)	8.6%	6.5%	8.3%	6.6%	8.1%
Units transferred	2,434	4,219	7,482	7,586	2,237
% Units transferred	98.9%	97.8%	97.0%	77.3%	26.3%
% Construction	100.0%	100.0%	100.0%	89.0%	28.6%

Monetary amounts adjusted to Tenda's equity interest.

## NET OPERATING REVENUE

Net operating revenue increased q-o-q and y-o-y, driven by higher net pre-sales volume (“Net PSV”).

In 2Q17, the Company adopted a more conservative profile in the criterion of provision for doubtful accounts, sustaining the increase of this provision in 9M17 compared to same period last year.

A strong reversal of provisions for cancellations in 2017 occurred due to one-off increase in cancellations volume in this quarter, effect of a review of unilateral cancellation process executed by Tenda between 3Q16 and 2Q17.

(in R\$ million)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Gross Operating Revenues	375.7	330.5	13.7% ↑	259.6	44.7% ↑	1,053.3	812.5	29.6% ↑
Provision for doubtful accounts	(3.2)	(16.7)	(81.0%) ↓	19.8	116.0% ↑	(24.8)	(6.1)	304.7% ↑
Provision for cancellations	7.2	16.6	(56.7%) ↓	7.2	(0.4%) ↓	27.0	18.3	47.7% ↑
Taxes on sales of properties and services	(18.3)	(15.8)	16.0% ↑	(16.1)	13.5% ↑	(54.8)	(58.8)	(6.8%) ↓
<b>Net Operating Revenue</b>	<b>361.4</b>	<b>314.6</b>	<b>14.9% ↑</b>	<b>271</b>	<b>33.6% ↑</b>	<b>1,000.7</b>	<b>765.8</b>	<b>30.7% ↑</b>

## GROSS PROFIT

Gross profit growth is due to gains of operating scale under the New Business Model and market resilience.

The adjusted gross margin increased 5.2 p.p. year-on-year. This growth was due to the return of provision for doubtful accounts to recurring levels, which affected past financial statements, as well as to projects concentrated in higher profitability markets.

(in R\$ Million)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Net Revenue	361.4	314.6	14.9% ↑	270.5	33.6% ↑	1,000.7	765.8	30.7% ↑
<b>Gross Profit</b>	<b>131.1</b>	<b>103.5</b>	<b>26.6% ↑</b>	<b>90.9</b>	<b>44.2% ↑</b>	<b>341.9</b>	<b>227.1</b>	<b>50.6% ↑</b>
Gross Margin	36.3%	32.9%	3.4 p.p. ↑	33.6%	2.7 p.p. ↑	34.2%	29.7%	4.5 p.p. ↑
(-) Financial Costs	12.6	5.3	137.2% ↑	3.8	229.3% ↑	22.9	14.9	53.6% ↑
<b>Adjusted Gross Profit<sup>1</sup></b>	<b>143.7</b>	<b>108.8</b>	<b>32.0% ↑</b>	<b>94.8</b>	<b>51.6% ↑</b>	<b>364.8</b>	<b>242.0</b>	<b>50.8% ↑</b>
Adjusted Gross Margin	39.8%	34.6%	5.2 p.p. ↑	35.0%	4.7 p.p. ↑	36.5%	31.6%	4.9 p.p. ↑

1) Adjusted by capitalized interest rates.

## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

Selling expenses increased 1.0 p.p. to 7.4% of gross sales in 9M17, due to higher marketing investments.

The 14% increase of general and administrative expenses ("G&A") compared with 2Q17 is justified by a reversal of R\$1.2 million credits recorded in the second quarter referring to stock option plan. In the annual comparison, Tenda gained operating scale at the same time it invested on a gradual geographic expansion.

(in R\$ Million)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Selling Expenses	(35.5)	(33.5)	6.2% ↑	(25.6)	39.1% ↑	(98.5)	(65.1)	51.3% ↑
General & Admin Expenses	(24.8)	(21.8)	14.2% ↑	(21.9)	13.3% ↑	(69.5)	(62.1)	11.9% ↑
<b>Total SG&amp;A Expenses</b>	<b>(60.4)</b>	<b>(55.2)</b>	<b>9.3% ↑</b>	<b>(47.5)</b>	<b>27.2% ↑</b>	<b>(168.0)</b>	<b>(127.2)</b>	<b>32.1% ↑</b>
Gross Sales	443.1	462.8	(4.2%) ↓	318.7	39.1% ↑	1,330.6	1,014.3	31.2% ↑
Launches	488.4	446.4	9.4% ↑	325.4	50.1% ↑	1,236.8	968.6	27.7% ↑
<b>Selling Expenses / Gross Sales</b>	<b>8.0%</b>	<b>7.2%</b>	<b>0.8 p.p. ↑</b>	<b>8.0%</b>	<b>0.0 p.p. ↑</b>	<b>7.4%</b>	<b>6.4%</b>	<b>1.0 p.p. ↑</b>
<b>G&amp;A Expenses / Launches</b>	<b>5.1%</b>	<b>4.9%</b>	<b>0.2 p.p. ↑</b>	<b>6.7%</b>	<b>(1.7 p.p.) ↓</b>	<b>5.6%</b>	<b>6.4%</b>	<b>(0.8 p.p.) ↓</b>

## OTHER OPERATING REVENUES/EXPENSES

The increase in other operating revenues and expenses this quarter is justified by higher litigation provisions in order to reflect higher expected losses in civil lawsuits related to legacy projects, reflecting a complete review on the litigation database. This non-recurring adjustment accounted for an extraordinary expense of R\$21 million. In the 9M17, the 162% increase was due to the end of an arbitral proceeding related to legacy projects mentioned in 1Q17 coupled with the increase in litigation provision, costs and expenses.

(in R\$ Million)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
<b>Other Operating Revenues and Expenses</b>	<b>(36.0)</b>	<b>(21.7)</b>	<b>66.3% ↑</b>	<b>(10.5)</b>	<b>242.6% ↑</b>	<b>(86.4)</b>	<b>(33.0)</b>	<b>161.7% ↑</b>
Litigation Expenses	(28.3)	(6.6)	330.5% ↑	(7.7)	267.5% ↑	(47.0)	(20.4)	130.6% ↑
Other	(7.7)	(15.1)	(49.0%) ↓	(2.8)	174.2% ↑	(39.4)	(12.6)	212.1% ↑
Equity Income	(0.4)	(0.5)	(24.1%) ↓	0.9	137.3% ↑	(0.7)	0.0	6,158.3% ↑

## ADJUSTED EBITDA

The adjusted EBITDA increase is sustained by the Company's operational growth.

(in R\$ Million)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Net Income	30.7	20.8	47.6% ↑	23.0	33.3% ↑	70.5	36.5	93.3% ↑
(+) Financial result	0.8	(0.7)	208.3% ↑	12.2	(93.5%) ↓	0.7	14.5	(95.0%) ↓
(+) Income taxes and social contribution	(0.3)	2.5	(112.3%) ↓	2.9	(110.8%) ↓	6.7	13.0	(48.3%) ↓
(+) Depreciation and amortization	3.4	3.5	(2.5%) ↓	2.9	18.0% ↑	10.2	9.1	11.6% ↑
(+) Capitalized interests	12.6	5.3	137.2% ↑	3.8	229.3% ↑	22.9	14.9	53.6% ↑
(+) Expenses with Stock Option Plan	1.7	(0.8)	323.7% ↑	0.5	249.5% ↑	1.4	1.0	36.7% ↑
(+) Minority Shareholders	(0.3)	0.1	(647.1%) ↓	(7.1)	96.1% ↑	(1.3)	(6.3)	78.7% ↑
<b>Adjusted EBITDA<sup>1</sup></b>	<b>48.7</b>	<b>30.7</b>	<b>58.5% ↑</b>	<b>38.2</b>	<b>27.4% ↑</b>	<b>111.1</b>	<b>82.8</b>	<b>34.1% ↑</b>
Net Revenue	361.4	314.6	14.9% ↑	270.5	33.6% ↑	1,000.7	765.8	30.7% ↑
<b>Adjusted EBITDA Margin<sup>1</sup></b>	<b>13.5%</b>	<b>9.8%</b>	<b>3.7 p.p. ↑</b>	<b>14.1%</b>	<b>(0.7 p.p.) ↓</b>	<b>11.1%</b>	<b>10.8%</b>	<b>0.3 p.p. ↑</b>

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

## FINANCIAL RESULTS

In 9M17, financial income decreased 8% due to the interest rate reduction in Brazil, offset by lower financial expenses related to the final amortization of the FGTS debenture in November 2016. This quarter, Tenda decided to pay by installments the tax debts referring to legacy projects, with one-off impact on financial expenses of R\$1.5 million. Excluding this nonrecurring effect, financial expenses came in line with 2Q17.

(in R\$ Million)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Financial Income	8.0	8.2	(1.8%) ↓	6.5	24.3% ↑	21.9	23.9	(8.3%) ↓
Financial Expenses	(8.8)	(7.5)	18.5% ↑	(18.6)	(52.6%) ↓	(22.6)	(38.4)	(41.1%) ↓
<b>Financial Results</b>	<b>(0.8)</b>	<b>0.7</b>	<b>(208.3%) ↓</b>	<b>(12.2)</b>	<b>93.5% ↑</b>	<b>(0.7)</b>	<b>(14.5)</b>	<b>95.0% ↑</b>

## NET INCOME

The net income and net margin increases are the result of higher contribution from the New Business Model and market resilience.

(in R\$ million)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Net Income after Income Tax and Social Contribution	30.4	20.9	45.9% ↑	15.9	91.0% ↑	69.1	30.2	128.9% ↑
(-) Minority shareholders	0.3	(0.1)	647.1% ↑	7.1	(96.1%) ↓	1.3	6.3	(78.7%) ↓
<b>Net Income</b>	<b>30.7</b>	<b>20.8</b>	<b>47.6% ↑</b>	<b>23.0</b>	<b>33.3% ↑</b>	<b>70.5</b>	<b>36.5</b>	<b>93.3% ↑</b>
Net Margin	8.5%	6.6%	1.9 p.p. ↑	8.5%	(0.0 p.p.) ↓	7.0%	4.8%	2.3 p.p. ↑

## BACKLOG RESULTS

The Backlog margin of 48% indicates the quality of New Business Model projects and construction cost-savings.

(in R\$ million)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)
Backlog Revenues	302.2	299.7	0.8% ↑	281.7	7.3% ↑
Backlog Costs (units sold)	(157.3)	(152.5)	3.1% ↑	(157.9)	(0.4%) ↓
<b>Backlog Results<sup>1</sup></b>	<b>145.0</b>	<b>147.2</b>	<b>(1.5%) ↓</b>	<b>123.8</b>	<b>17.1% ↑</b>
Backlog Margin	48.0%	49.1%	(1.2 p.p.) ↓	43.9%	4.0 p.p. ↑

1) Comprises the projects restricted by precedent condition.

## CASH AND CASH EQUIVALENTS AND FINANCIAL INVESTMENTS

(in R\$ million)	September 17	June 17	QoQ (%)	September 16	YoY (%)
Cash & Cash Equivalents	36.7	84.5	(56.6%) ↓	60.8	(39.7%) ↓
Short term investments	350.8	267.7	31.0% ↑	193.7	81.1% ↑
<b>Total Cash Position</b>	<b>387.5</b>	<b>352.2</b>	<b>10.0% ↑</b>	<b>254.5</b>	<b>52.2% ↑</b>

## ACCOUNTS RECEIVABLE FROM DEVELOPMENT AND SERVICES RENDERED

(in R\$ million)	September 17	June 17	QoQ (%)	September 16	YoY (%)
Up to 2017 <sup>1</sup>	223.2	214.7	3.9% ↑	443.5	(49.7%) ↓
2018	245.4	257.8	(4.8%) ↓	51.5	376.2% ↑
2019	37.8	31.3	20.5% ↑	37.2	1.5% ↑
2020 and beyond	61.5	71.1	(13.6%) ↓	20.7	196.3% ↑
<b>Total Accounts Receivable</b>	<b>567.8</b>	<b>575.0</b>	<b>(1.3%) ↓</b>	<b>552.9</b>	<b>2.7% ↑</b>
(-) Present value adjustment	(14.8)	(12.4)	(19.2%) ↓	(2.3)	(550.7%) ↓
(-) Provision for doubtful accounts	(104.3)	(101.2)	(3.1%) ↓	(69.3)	(50.7%) ↓
(-) Provision for cancellations	(18.8)	(26.0)	27.7% ↑	(6.8)	(178.3%) ↓
<b>Accounts Receivable</b>	<b>429.9</b>	<b>435.5</b>	<b>(1.3%) ↓</b>	<b>474.6</b>	<b>(9.4%) ↓</b>

1) Overdue and falling due.

Accounts Receivable Tenda <sup>2</sup> (in R\$ million)	September 17	June 17	QoQ (%)	September 16	YoY (%)
Before delivery to buyer (Pro-Soluto)	17.9	18.8	(4.9%) ↓	18.2	(1.8%) ↓
After delivery to buyer (TCD)	127.2	118.0	7.7% ↑	73.8	72.3% ↑
<b>Tenda Receivables</b>	<b>145.0</b>	<b>136.8</b>	<b>6.0% ↑</b>	<b>92.0</b>	<b>57.7% ↑</b>
Total accounts receivable	429.9	435.5	(1.3%) ↓	474.6	(9.4%) ↓
Backlog Revenues	302.2	299.7	0.8% ↑	281.7	7.3% ↑
<b>Tenda Receivables/(Total accounts receivable + Backlog Revenues)</b>	<b>19.8%</b>	<b>18.6%</b>	<b>1.2 p.p. ↑</b>	<b>12.2%</b>	<b>7.6 p.p. ↑</b>

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

## INDEBTEDNESS

Tenda ended the third quarter of 2017 with a total debt of R\$130.7 million, duration of 16.7 months and weighted average cost of debt of 9.4% APY. The total debt of R\$234.6 million, already considering the capital reduction commitment with Gafisa, is covered by a cash position of R\$387.5 million at the end of September 2017.

Debt Maturity Schedule (in R\$ million)	Project Finance	Corporate Debt	Total
2017	0.9	30.2	31.1
2018	10.4	22.2	32.6
2019	31.7	1.1	32.8
2020	28.8	0.0	28.8
2021 onwards	5.5	0.0	5.5
<b>Total Debt</b>	<b>77.2</b>	<b>53.5</b>	<b>130.7</b>
Duration (in months)			16.7

Debt Breakdown (in R\$ million)	Maturity	Charges (APY)	Balance Due September 17	Balance Due June 17
<b>Project Finance</b>			<b>77.2</b>	<b>108.0</b>
SFH	until 10/2021	TR + 8,3% to 9,5%	77.2	108.0
<b>Corporate Debt</b>			<b>53.5</b>	<b>70.6</b>
Working Capital	until 06/2019	CDI + 2.3% to 4.25% INCC-DI Variation	53.5	70.6

Weighted Average Cost of Debt (in R\$ million)	Balance Due September 17	Balance Due / Total Debt	Average Cost (APY)
CDI	49.3	37.7%	CDI + 3.2%
TR	77.2	59.1%	TR + 8.3%
INCC	4.2	3.2%	INCC + 0%
<b>Total</b>	<b>130.7</b>	<b>100%</b>	<b>9.4%</b>

## NET DEBT

Net debt decreased 48% q-o-q. Net debt adjusted by payment obligations from the capital reduction to Gafisa ended the quarter negative at R\$153 million.

It is worth mentioning that, with an adjusted net debt/shareholders' equity ratio of negative 13.6%, Tenda remains as one of the most unleveraged companies in the real estate market.

(in R\$ millions)	September 17	June 17	QoQ (%)	September 16	YoY (%)
Gross Debt	130.7	178.6	(26.8%) ↓	199.4	(34.5%) ↓
(-) Cash and cash equivalents and financial investments	(387.5)	(352.2)	10.0% ↑	(254.5)	52.2% ↑
Net Debt	(256.8)	(173.6)	(47.9%) ↓	(55.1)	(365.9%) ↓
(+) Capital Reduction	103.9	101.6	2.3% ↑	0.0	0.0% ↑
<b>Adjusted Net Debt<sup>1</sup></b>	<b>(152.9)</b>	<b>(72.0)</b>	<b>(112.3%) ↓</b>	<b>(55.1)</b>	<b>(177.4%) ↓</b>
Shareholders' Equity + Minority Shareholders	1,126.8	1,094.6	2.9% ↑	1,158.1	(2.7%) ↓
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(22.8%)	(15.9%)	(6.9 p.p.) ↓	(4.8%)	(18.0 p.p.) ↓
Adjusted Net Debt/ (Shareholders' Equity + Minority Shareholders)	(13.6%)	(6.6%)	(7.0 p.p.) ↓	(4.8%)	(8.8 p.p.) ↓
Adjusted EBITDA (Last 12 months)	158.4	148.0	7.1% ↑	84.3	88.0% ↑
Adjusted Net Debt/Adjusted EBITDA (last 12 months)	(96.5%)	(48.6%)	(47.8 p.p.) ↓	(65.4%)	(31.1 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)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
Net Revenue	361.4	314.6	14.9% ↑	270.5	33.6% ↑	1,000.7	765.8	30.7% ↑
Operating Costs	(230.3)	(211.1)	9.1% ↑	(179.6)	28.3% ↑	(658.8)	(538.7)	22.3% ↑
<b>Gross Profit</b>	<b>131.1</b>	<b>103.5</b>	<b>26.6% ↑</b>	<b>90.9</b>	<b>44.2% ↑</b>	<b>341.9</b>	<b>227.1</b>	<b>50.6% ↑</b>
<i>Gross Margin</i>	<i>36.3%</i>	<i>32.9%</i>	<i>3.4 p.p. ↑</i>	<i>33.6%</i>	<i>2.7 p.p. ↑</i>	<i>34.2%</i>	<i>29.7%</i>	<i>4.5 p.p. ↑</i>
Operating Expenses	(100.2)	(80.9)	23.9% ↑	(59.9)	67.1% ↑	(265.3)	(169.3)	56.7% ↑
Selling Expenses	(35.5)	(33.5)	6.2% ↑	(25.6)	39.1% ↑	(98.5)	(65.1)	51.3% ↑
General and Administrative Expenses	(24.8)	(21.8)	14.2% ↑	(21.9)	13.3% ↑	(69.5)	(62.1)	11.9% ↑
Other Operating Revenue/Expenses	(36.0)	(21.7)	66.3% ↑	(10.5)	242.6% ↑	(86.4)	(33.0)	161.7% ↑
Depreciation and Amortization	(3.4)	(3.5)	(2.5%) ↓	(2.9)	18.0% ↑	(10.2)	(9.1)	11.6% ↑
Equity Income	(0.4)	(0.5)	24.1% ↑	0.9	(137.3%) ↓	(0.7)	0.0	(6,158.3%) ↓
<b>Operational Result</b>	<b>30.9</b>	<b>22.6</b>	<b>36.5% ↑</b>	<b>31.0</b>	<b>(0.2%) ↓</b>	<b>76.6</b>	<b>57.8</b>	<b>32.6% ↑</b>
Financial Income	8.0	8.2	(1.8%) ↓	6.5	24.3% ↑	21.9	23.9	(8.3%) ↓
Financial Expenses	(8.8)	(7.5)	18.5% ↑	(18.6)	(52.6%) ↓	(22.6)	(38.4)	(41.1%) ↓
<b>Net Income Before Taxes on Income</b>	<b>30.1</b>	<b>23.4</b>	<b>28.8% ↑</b>	<b>18.8</b>	<b>60.1% ↑</b>	<b>75.9</b>	<b>43.2</b>	<b>75.5% ↑</b>
Deferred income tax and social contribution	8.8	7.9	12.0% ↑	(1.9)	573.7% ↑	14.7	(5.5)	365.5% ↑
Current Income Tax and Social Contribution	(8.5)	(10.4)	(18.1%) ↓	(1.0)	733.1% ↑	(21.4)	(7.5)	185.4% ↑
<b>Net Income After Taxes on Income</b>	<b>30.4</b>	<b>20.9</b>	<b>45.9% ↑</b>	<b>15.9</b>	<b>91.0% ↑</b>	<b>69.1</b>	<b>30.2</b>	<b>128.9% ↑</b>
(-) Minority Shareholders	0.3	(0.1)	647.1% ↑	7.1	(96.1%) ↓	1.3	6.3	(78.7%) ↓
<b>Net Income</b>	<b>30.7</b>	<b>20.8</b>	<b>47.6% ↑</b>	<b>23.0</b>	<b>33.3% ↑</b>	<b>70.5</b>	<b>36.5</b>	<b>93.3% ↑</b>

Monetary amounts adjusted to Tenda's equity interest.

**BALANCE SHEET**

(in R\$ millions)	September 17	June 17	QoQ (%)	September 16	YoY (%)
<b>Current Assets</b>	<b>1,378.5</b>	<b>1,289.8</b>	<b>6.9% ↑</b>	<b>1,318.6</b>	<b>4.5% ↑</b>
Cash and cash equivalents	36.7	84.5	(56.6%) ↓	60.8	(39.7%) ↓
Short term investments	350.8	267.7	31.0% ↑	193.7	81.1% ↑
Receivables from clients	335.2	256.9	30.5% ↑	348.4	(3.8%) ↓
Properties for sale	528.2	548.9	(3.8%) ↓	539.5	(2.1%) ↓
Other accounts receivable	48.6	53.2	(8.7%) ↓	104.9	(53.7%) ↓
Land for sale	79.1	78.7	0.5% ↑	71.3	10.9% ↑
<b>Non-Current Assets</b>	<b>531.6</b>	<b>503.5</b>	<b>5.6% ↑</b>	<b>383.9</b>	<b>38.5% ↑</b>
Receivables from clients	94.7	178.6	(47.0%) ↓	126.3	(25.0%) ↓
Properties for sale	366.9	265.8	38.0% ↑	199.6	83.9% ↑
Other	70.0	59.1	18.4% ↑	58.1	20.5% ↑
<b>Intangible, Property and Equipment</b>	<b>58.2</b>	<b>55.4</b>	<b>5.0% ↑</b>	<b>46.3</b>	<b>25.6% ↑</b>
<b>Investments</b>	<b>65.8</b>	<b>71.5</b>	<b>(8.0%) ↓</b>	<b>153.3</b>	<b>(57.1%) ↓</b>
<b>Total Assets</b>	<b>2,034.1</b>	<b>1,920.3</b>	<b>5.9% ↑</b>	<b>1,902.1</b>	<b>6.9% ↑</b>
<b>Current Liabilities</b>	<b>376.6</b>	<b>363.6</b>	<b>3.6% ↑</b>	<b>426.4</b>	<b>(11.7%) ↓</b>
Loans and financing	58.5	73.5	(20.3%) ↓	19.3	203.4% ↑
Debentures	0.0	0.0	0.0% ↑	102.8	(100.0%) ↓
Obligations for purchase of land and advances from customers	166.2	145.0	14.6% ↑	138.4	20.1% ↑
Material and service suppliers	31.6	28.9	9.7% ↑	27.0	17.3% ↑
Taxes and contributions	32.1	26.7	20.2% ↑	33.4	(3.8%) ↓
Other	88.1	89.6	(1.6%) ↓	105.6	(16.5%) ↓
<b>Non-current liabilities</b>	<b>530.7</b>	<b>462.1</b>	<b>14.8% ↑</b>	<b>317.6</b>	<b>67.1% ↑</b>
Loans and financing	72.2	105.1	(31.3%) ↓	77.3	(6.7%) ↓
Debentures	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Obligations for purchase of land and advances from customers	229.6	148.7	54.3% ↑	85.8	167.4% ↑
Deferred taxes	5.8	5.7	0.6% ↑	12.1	(52.3%) ↓
Provision for contingencies	67.7	46.7	45.1% ↑	51.8	30.9% ↑
Other creditors	103.9	101.6	2.3% ↑	0.0	0.0% ↑
Other	51.6	54.2	(4.8%) ↓	90.6	(43.1%) ↓
<b>Shareholders' Equity</b>	<b>1,126.8</b>	<b>1,094.6</b>	<b>2.9% ↑</b>	<b>1,158.1</b>	<b>(2.7%) ↓</b>
Shareholders' Equity	1,121.0	1,088.6	3.0% ↑	1,128.4	(0.7%) ↓
Minority Shareholders	5.8	6.0	(4.6%) ↓	29.6	(80.5%) ↓
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,034.1</b>	<b>1,920.3</b>	<b>5.9% ↑</b>	<b>1,902.1</b>	<b>6.9% ↑</b>

Monetary amounts adjusted to Tenda's equity interest.

**CASH FLOW**

(in R\$ millions)	3Q17	2Q17	QoQ (%)	3Q16	YoY (%)	9M17	9M16	YoY (%)
<b>Cash Used in Operating Activities</b>	<b>64.1</b>	<b>108.1</b>	<b>(40.7%) ↓</b>	<b>15.9</b>	<b>302.7% ↑</b>	<b>205.6</b>	<b>94.4</b>	<b>117.8% ↑</b>
Net Income (loss) before taxes	30.1	23.4	28.9% ↑	18.8	60.1% ↑	75.9	43.2	75.5% ↑
Depreciation and amortization	5.2	4.0	29.0% ↑	3.7	40.3% ↑	13.5	11.3	19.0% ↑
Impairment	(1.7)	2.9	(159.9%) ↓	(2.1)	16.4% ↑	(1.5)	(13.0)	88.6% ↑
Stock option plan expenses	1.7	(0.8)	323.7% ↑	0.5	249.5% ↑	1.4	1.0	36.7% ↑
Penalty fee over delayed projects	(0.0)	(0.2)	91.3% ↑	(0.3)	93.8% ↑	(0.5)	0.5	(213.7%) ↓
Unrealized interest and charges, net	8.6	5.7	50.7% ↑	5.9	44.2% ↑	18.5	19.9	(7.1%) ↓
Equity income	0.4	0.5	(24.1%) ↓	(0.9)	137.3% ↑	0.7	(0.0)	6,158.3% ↑
Disposal of fixed asset	0.6	0.0	4,483.3% ↑	0.2	188.0% ↑	1.1	2.4	(54.0%) ↓
Warranty provision	(9.8)	7.4	(231.6%) ↓	2.1	(575.5%) ↓	(0.1)	5.6	(101.2%) ↓
Provision for contingencies	21.1	0.9	2,227.0% ↑	7.7	173.4% ↑	22.8	20.4	11.7% ↑
Profit sharing provision	4.2	4.9	(14.1%) ↓	4.1	2.4% ↑	13.8	10.3	34.0% ↑
Provision (reversal) for doubtful accounts and cancellations	3.8	9.7	(60.6%) ↓	(21.8)	117.6% ↑	16.6	3.2	416.4% ↑
Provision for cancellations and cancellations payable	(1.5)	(2.4)	38.0% ↑	0.1	(2,249.3%) ↓	2.0	(1.3)	259.9% ↑
Clients	7.2	18.2	(60.1%) ↓	32.7	(77.8%) ↓	(12.4)	16.9	(173.1%) ↓
Properties for sale	(74.6)	(30.1)	(148.1%) ↓	(9.3)	(700.7%) ↓	(97.4)	22.7	(528.7%) ↓
Other receivables	2.7	12.0	(77.9%) ↓	(1.9)	240.6% ↑	8.4	(4.8)	274.5% ↑
Obligations for purchase of real properties	89.6	19.7	354.6% ↑	(12.3)	826.3% ↑	116.4	(16.4)	808.5% ↑
Taxes and contributions	(21.0)	18.9	(210.9%) ↓	(3.0)	(600.9%) ↓	(1.3)	(6.9)	81.3% ↑
Accounts payable	2.8	7.9	(64.8%) ↓	(7.8)	135.5% ↑	(0.0)	13.3	(100.1%) ↓
Salaries, payroll charges and bonus provision	(7.4)	0.2	(4,058.1%) ↓	1.5	(595.8%) ↓	(5.4)	(7.8)	30.5% ↑
Other accounts payable	(11.4)	22.2	(151.4%) ↓	(9.2)	(23.9%) ↓	(7.6)	(16.7)	54.5% ↑
Current account operations	15.1	3.2	378.9% ↑	8.4	79.9% ↑	49.9	(1.9)	2,748.7% ↑
Taxes paid	(8.7)	(6.0)	(46.2%) ↓	(1.0)	(754.8%) ↓	(20.7)	(7.5)	(175.5%) ↓
Present value adjustment	2.4	3.2	(26.2%) ↓	0.0	0.0% ↑	11.9	0.0	0.0% ↑
<b>Other operating revenue/expenses</b>	<b>0.0</b>	<b>(11.3)</b>	<b>100.2% ↑</b>	<b>0.0</b>	<b>0.0% ↑</b>	<b>0.9</b>	<b>0.0</b>	<b>0.0% ↑</b>
Deferred income tax and social contribution	4.7	(6.1)	177.6% ↑	0.0	0.0% ↑	(1.4)	0.0	0.0% ↑
Cash used in investment activities	(91.6)	(37.8)	(142.5%) ↓	6.2	(1,576.7%) ↓	(180.5)	12.1	(1,594.4%) ↓
Purchase of property and equipment	(8.5)	(8.9)	4.0% ↑	(5.7)	(50.1%) ↓	(24.7)	(16.9)	(46.6%) ↓
<b>Redemption of securities, sureties and credits</b>	<b>358.5</b>	<b>481.5</b>	<b>(25.5%) ↓</b>	<b>264.6</b>	<b>35.5% ↑</b>	<b>1,205.0</b>	<b>1,324.2</b>	<b>(9.0%) ↓</b>
Investments in marketable securities and restricted credits	(441.6)	(510.4)	13.5% ↑	(260.7)	(69.4%) ↓	(1,360.7)	(1,305.3)	(4.2%) ↓
Investments increase	0.0	0.0	0.0% ↑	7.9	(100.0%) ↓	0.0	10.1	(100.0%) ↓
<b>Cash provided by financing activities</b>	<b>(20.2)</b>	<b>(31.3)</b>	<b>35.4% ↑</b>	<b>(77.9)</b>	<b>74.0% ↑</b>	<b>(16.8)</b>	<b>(67.3)</b>	<b>75.0% ↑</b>
Increase in loans and financing	91.8	93.6	(1.9%) ↓	55.9	64.4% ↑	291.5	188.4	54.7% ↑
Amortization of loans and financing	(143.7)	(92.7)	(55.0%) ↓	(128.7)	(11.6%) ↓	(308.3)	(257.2)	(19.9%) ↓
Loan operations	31.7	(32.2)	198.5% ↑	(5.0)	732.6% ↑	0.0	1.5	(100.0%) ↓
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(47.8)</b>	<b>39.0</b>	<b>(222.7%) ↓</b>	<b>(55.8)</b>	<b>14.3% ↑</b>	<b>8.3</b>	<b>39.1</b>	<b>(78.9%) ↓</b>
At the beginning of the period	84.5	45.5	85.6% ↑	116.5	(27.5%) ↓	28.4	21.7	31.2% ↑
At the end of the period	36.7	84.5	(56.6%) ↓	60.8	(39.7%) ↓	36.7	60.8	(39.7%) ↓

Monetary amounts adjusted to Tenda's equity interest.

## INVESTOR RELATIONS

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## About Tenda

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Tenda (B3:TEND3) is the second largest Brazilian low income residential developer, with launches of R\$1,6 billion over the last twelve months. It is solely focused on the “Minha Casa, Minha Vida” (MCMV) the Federal Government affordable housing program. The Company concentrates its activities in the six largest metropolitan areas of Brazil, where it is the market leader with a 19% market share. Tenda is listed at B3’s “Novo Mercado”, following the highest standards of corporate governance.

## **Construtora Tenda S.A.**

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, 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.

On 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 November 9, 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 IAS 34 (CPC 21 (RI)) – 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.

## **Construtora Tenda S.A.**

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, 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 IFRIC 15 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.

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, 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	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Cash and banks	11,512	12,093	36,677	27,835
Securities purchased under resale agreements (a)	-	31	-	579
Cash and cash equivalents (Note 22.b.i)	11,512	12,124	36,677	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 December 31, 2016, the securities purchased under resale agreements include interest earned through the statement of financial position's reporting date December 31, 2016 from 75% to 100% of CDI.

#### 4.2. Short-term investments

	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Fixed-income funds	-	36,325	2,737	37,647
Exclusive fund (c)	157,982	-	-	-
Government bonds (LFT) (c)	-	4,043	82,073	4,091
Corporate securities	-	21,327	-	21,579
Securities purchased under resale agreements (c)	33	1,061	114,563	1,068
Bank certificates of deposit (a)	6,784	10,844	12,712	27,996
Restricted cash in guarantee to loans	-	33	-	33
Restricted credits (b)	34,559	27,584	138,708	102,659
Total short-term investments (Note 22.b.i)	199,358	101,217	350,793	195,073

- (a) As of September 30, 2017, the Bank Certificates of Deposit (CDBs) include interest earned through the statement of financial position's reporting date, ranging from 78.64% 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.
- (c) Tenda exclusive fund managed by Caixa, created on January 30, 2017, starting its activities on July 21, 2017, the net worth amounting to R\$ 196,603, comprising Financial Treasury Bills (LFT) (SELIC) government bonds and securities purchased under resale agreements backed by NTN-F.

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 5. Trade accounts receivable from real estate development and services

	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Real estate development and sales	155,720	170,830	541,482	532,176
(-) Allowance for doubtful accounts	(63,776)	(60,775)	(104,349)	(79,586)
(-) Provision for cancelled contracts	(11,362)	(43,090)	(18,790)	(45,772)
(-) Present value adjustments	(4,106)	(1,460)	(14,777)	(2,901)
Receivables for land and services	21,874	24,109	26,306	23,230
	<b>98,350</b>	<b>89,614</b>	<b>429,872</b>	<b>427,147</b>
Current portion	69,539	51,674	335,206	250,474
Non-current portion	28,811	37,940	94,666	176,673

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

Maturity	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Overdue				
Up to 90 days	1,874	1,680	15,640	53,779
From 91 to 180 days	2,243	4,153	10,953	17,371
Over 180 days (a)	61,275	97,041	92,534	170,336
Subtotal – Overdue	<b>65,392</b>	<b>102,874</b>	<b>119,127</b>	<b>241,486</b>
Falling due				
2017	36,151	52,834	104,074	121,965
2018	51,844	18,704	245,359	96,543
2019	8,976	9,893	37,754	63,211
2020	6,532	3,217	27,441	15,306
2021 onwards	8,699	7,417	34,033	16,895
Subtotal – Falling due	<b>112,202</b>	<b>92,065</b>	<b>448,661</b>	<b>313,920</b>
( - ) Present value adjustment	(4,106)	(1,460)	(14,777)	(2,901)
( - ) Allowance for doubtful account and provision for cancelled contracts	(75,138)	(103,865)	(123,139)	(125,358)
	<b>98,350</b>	<b>89,614</b>	<b>429,872</b>	<b>427,147</b>

(a) Of the amount more than 180 days overdue, the amounts in process of transfer to financial institutions amount to R\$16,775 in the Company's balance and R\$31,449 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 provision for cancelled contracts for the period ended September 30, 2017 and 2016, is as follows:

	Company			Net balance
	Receivables allowance for doubtful accounts	Receivables provision for cancelled contracts	Properties for sale (Note 6)	
Balance as at December 31, 2016	(60,775)	(43,090)	34,514	(69,351)
Additions	(7,858)	(5,229)	3,603	(9,484)
Reversal	4,857	36,957	(28,756)	13,058
Balance as at September 30, 2017	(63,776)	(11,362)	9,361	(65,777)

	Company			Net balance
	Receivables allowance for doubtful accounts	Receivables provision for cancelled contracts	Properties for sale (Note 6)	
Balance as at December 31, 2015	(43,451)	(16,046)	14,793	(44,704)
Additions	(22,685)	-	-	(22,685)
Reversal	12,558	11,998	(10,430)	14,126
Balance as at September 30, 2016	(53,578)	(4,048)	4,363	(53,263)

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 5. Trade accounts receivable from real estate development and services - continued

Consolidated				
	Receivables allowance for doubtful accounts	Receivables provision for cancelled contracts	Properties for sale (Note 6)	Net balance
Balance as at December 31, 2016	(79,586)	(45,772)	36,357	(89,001)
Additions	(32,129)	(29,749)	22,512	(39,366)
Reversal	7,366	56,731	(41,345)	22,752
Balance as at September 30, 2017	(104,349)	(18,790)	17,524	(105,615)

Consolidated				
	Receivables allowance for doubtful accounts	Receivables provision for cancelled contracts	Properties for sale (Note 6)	Net balance
Balance as at December 31, 2015	(63,144)	(25,021)	21,764	(66,401)
Additions	(25,955)	-	-	(25,955)
Reversal	19,838	18,269	(15,368)	22,738
Balance as at September 30, 2016	(69,262)	(6,752)	6,396	(69,618)

The total amount of adjustment to present value recognized in revenue from real estate development for the period ended September 30, 2017 was R\$2,646 (R\$ 249 in September 2016) in the Company's balance, and R\$11,876 (R\$ 1,618 in September 2016) in the Consolidated balance.

### 6. Properties for sale

	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Land	131,305	95,374	643,404	454,183
Property under construction	27,092	72,886	194,370	227,940
Real estate cost in the recognition of the provision for cancelled contracts (Note 5)	9,361	34,514	17,524	36,357
Completed units	29,518	34,557	69,982	74,407
(-) Present value adjustment in purchase of land	(1,872)	(2,132)	(25,916)	(14,637)
(-) Impairment of properties for sale	(3,632)	(2,267)	(4,215)	(2,963)
	<b>191,772</b>	<b>232,932</b>	<b>895,149</b>	<b>775,287</b>
Current portion	139,234	177,838	528,235	563,576
Non-current portion	52,538	55,094	366,914	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 September 30, 2017, the balance of obligations for land acquired by means of barter totals R\$1,951 (R\$2,505 in 2016) in the Company's balance, and R\$97,757 (R\$42,802 in 2016) in the consolidated balance (Note 15).

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 7. Related parties

#### 7.1 Balances with related parties

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

	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
<b>Assets</b>				
<b>Subsidiaries</b>				
Related parties - Current account (b)	146,347	160,660	-	-
Loan receivable (d)	9,299	9,299	-	-
<b>Total Subsidiaries</b>	<b>155,646</b>	<b>169,959</b>	<b>-</b>	<b>-</b>
<b>Jointly-controlled entities – Joint venture</b>				
Related parties - Current account (b)	12,910	55,733	12,910	55,733
Loan receivable (d)	33,573	37,745	33,573	37,745
<b>Total</b>	<b>46,483</b>	<b>93,478</b>	<b>46,483</b>	<b>93,478</b>
<b>Total assets</b>	<b>202,129</b>	<b>263,437</b>	<b>46,483</b>	<b>93,478</b>
Current portion	159,257	216,393	12,910	55,733
Non-current portion	42,872	47,044	33,573	37,745
	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
<b>Liabilities</b>				
<b>Subsidiaries</b>				
Related parties - Current account (c)	512,258	823,684	-	-
<b>Total Subsidiaries</b>	<b>512,258</b>	<b>823,684</b>	<b>-</b>	<b>-</b>
<b>Jointly-controlled entities – Joint venture</b>				
Related parties - Current account (c)	32,793	54,118	32,793	54,118
Loan payable (d)	15,759	50,599	15,759	50,599
Payables to Shareholders (a)	-	100,000	-	100,000
<b>Total</b>	<b>48,552</b>	<b>204,717</b>	<b>48,552</b>	<b>204,717</b>
<b>Total liabilities</b>	<b>560,810</b>	<b>1,028,401</b>	<b>48,552</b>	<b>204,717</b>
Current portion	545,051	877,802	28,854	49,665
Non-current portion	15,759	150,599	19,698	155,052

(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 joint venture, shown below, are taken out due to the cash needs 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.

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 7. Related parties - continued

#### 7.1 Balances with related parties - continued

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
	09/30/2017	12/31/2016	09/30/2017	12/31/2016		
Subsidiaries						
Fit 09 SPE Empr. Imob. Ltda. (c)	9,299	9,299	-	-	Construction	120% to 126.5% p.a. of CDI
<b>Loans receivable - Subsidiaries</b>	<b>9,299</b>	<b>9,299</b>	<b>-</b>	<b>-</b>		
Jointly-controlled entities – Joint venture						
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)	17,205	17,002	17,205	17,002	Construction	100% of CDI
Acedio SPE Empr. Imobiliários Ltda. (c)	4,201	4,028	4,201	4,028	Construction	100% of CDI
<b>Loans receivable Joint venture</b>	<b>33,573</b>	<b>37,745</b>	<b>33,573</b>	<b>37,745</b>		
	<b>42,872</b>	<b>47,044</b>	<b>33,573</b>	<b>37,745</b>		

(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.

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

(c) 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
	09/30/2017	12/31/2016	09/30/2017	12/31/2016		
Jointly-controlled entities – Joint venture						
Parque dos Pássaros (d)	7,889	5,765	7,889	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)	7,870	5,438	7,870	5,438	Construction	6% p.a.
<b>Loans payable</b>	<b>15,759</b>	<b>50,599</b>	<b>15,759</b>	<b>50,599</b>		

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

(e) 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 September 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 September 30, 2017 financial expenses from loan interests payable were recognized in the amount of R\$2,118 (R\$ 954 in the Company's and consolidated balances as of September 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\$500,377 as of September 30, 2017 (R\$346,250 as of December 31, 2016).

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 7. Related parties - continued

#### 7.3 Transactions with Related Parties of the same group

The transactions between the Company and its subsidiaries amounted to R\$ 41,565 as of September 30, 2017, related to management and construction management services (R\$ 55,963 in September 2016), which were recognized in the line item "Net Operating Revenue" in the Company's balance, and were fully eliminated from the consolidated 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 as at December 31, 2016	53,705	(10,218)	43,487	87,270	(12,043)	75,227
Additions	960	-	960	11,353	-	11,353
Reversal / write-offs	(10,082)	2,728	(7,354)	(10,245)	2,728	(7,517)
Balance as at September 30, 2017	<b>44,583</b>	<b>(7,490)</b>	<b>37,093</b>	<b>88,378</b>	<b>(9,315)</b>	<b>79,063</b>

	Company			Consolidated		
	Cost	Provision for impairment	Net balance	Cost	Provision for impairment	Net balance
Balance as at December 31, 2015	94,642	(25,371)	69,271	128,216	(26,726)	101,490
Additions	1,546	-	1,546	2,225	-	2,225
Reversal / write-offs	(34,911)	12,994	(21,917)	(45,399)	12,994	(32,405)
Balance as at September 30, 2016	<b>61,277</b>	<b>(12,377)</b>	<b>48,900</b>	<b>85,042</b>	<b>(13,732)</b>	<b>71,310</b>

### 9. Investments in ownership interests

(i) Ownership interests:

	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Subsidiaries				
Wholly-owned	1,048,522	1,223,901	-	-
By managing significant operations	17,639	28,156	-	-
Capitalized interests	6,879	9,781	-	-
Amount in excess of carrying amount on purchase	-	12	-	-
	<b>1,073,040</b>	<b>1,261,850</b>	<b>-</b>	<b>-</b>
Jointly-controlled entities - Joint venture	65,796	147,831	65,796	147,831
	<b>1,138,836</b>	<b>1,409,681</b>	<b>65,796</b>	<b>147,831</b>

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 9. Investments in ownership interests - continued

#### Change in investments

	<b>Company</b>	<b>Consolidated</b>
<b>Balance as at December 31, 2016</b>	<b>1,409,681</b>	<b>147,831</b>
Income from equity method investments	128,811	(727)
Dividends	(38,686)	-
Advance for future capital increase	(65,755)	-
Capital contribution	92,895	-
Capital decrease (d)	(393,894)	(13,353)
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	(1,639)	51
Other Investments	(4,334)	(903)
<b>Balance as at September 30, 2017</b>	<b>1,138,836</b>	<b>65,796</b>

	<b>Company</b>	<b>Consolidated</b>
<b>Balance as at December 31, 2015</b>	<b>1,432,302</b>	<b>163,349</b>
Income from equity method investments	56,093	12
Dividends	(109,884)	-
Advance for future capital increase	(90,459)	(6,614)
Capital decrease	91,408	3,694
Capitalized interests	8,006	-
Provision for net capital deficiency of equity accounted investees	6,305	2
Other Investments	-	(7,145)
<b>Balance as at September 30, 2016</b>	<b>1,393,771</b>	<b>153,298</b>

- a) 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;
- b) 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;
- c) 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; and
- d) 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.

# Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

## 9. Investments in ownership interests - contnued

### Breakdown of investments as of September 30, 2017

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity and advance for future capital increase	Net revenue	Profit (loss) for the period	Ownership interests	Income from equity method investments	Investment balance	
<b>Subsidiaries</b>											
SPE TENDA SP ITAQUERA LIFE EMP.IMOB.LTDA	301	32	33	-	300		241	100%	241	300	
SPE TENDA SP OSASCO LIFE EMP.IMOB.LTDA	998	13	8	-	1,004		991	100%	991	1,004	
SPE TENDA SP GUAIANAZES LIFE EMP.IMOB.LTDA	56	-	5	-	50		1	100%	1	50	
SPE TENDA SP SALVADOR DALI EMP.IMOB.LTDA	143	11	35	-	119		1,012	100%	1,012	119	
SPE TENDA SP VILA PARK EMP.IMOB.LTDA	1,204	88	192	-	1,099		401	100%	401	1,099	
SPE TENDA SP VALÊNCIA EMP.IMOB.LTDA	999	18	22	-	994		85	100%	85	994	
SPE TENDA SP JD. SÃO LUIZ LIFE EMP.IMOB.LTDA	1,054	42	43	-	1,053		190	100%	190	1,053	
COTIA 1 EMP.IMOB.LTDA.	121,564	65	240	-	121,390		(1,352)	100%	(1,352)	121,390	
FIT ROLAND GARROS EMP.IMOB.LTDA.	100	-	88	-	12		(261)	100%	(261)	12	
MARIA INÊS SPE EMP.IMOB.LTDA.	20,488	-	22	-	20,466		(110)	100%	(110)	20,466	
FIT 01 SPE EMP.IMOB.LTDA.	2,208	107	262	-	2,154		202	100%	202	2,154	
FIT 02 SPE EMP.IMOB.LTDA.	12,240	-	-	-	12,240		(59)	100%	(59)	12,240	
FIT 05 SPE EMP.IMOB.LTDA.	924	17	442	-	500		(710)	100%	(710)	500	
FIT 10 SPE EMP.IMOB.LTDA.	6,570	304	350	-	6,524		(982)	100%	(982)	6,524	
FIT 11 SPE EMP.IMOB.LTDA.	23,834	8	90	14	23,738		893	100%	893	23,738	
FIT PALLADIUM SPE EMP.IMOB.LTDA.	71	-	1	-	70		(185)	100%	(185)	70	
FIT 06 SPE EMP.IMOB.LTDA.	7,785	-	599	-	7,185		(1)	100%	(1)	7,186	
FIT 07 SPE EMP.IMOB.LTDA.	503	-	300	-	203		(177)	100%	(177)	203	
FIT 24 SPE EMP.IMOB.LTDA.	45	-	2	-	43		15	100%	15	43	
FGM INCORP. S/A	286	-	180	-	106		(291)	100%	(291)	106	
FIT 16 SPE EMP.IMOB.LTDA.	28,498	289	364	-	28,423		(1,571)	100%	(1,571)	28,423	
FIT 25 SPE EMP.IMOB.LTDA.	4,485	80	1,021	-	3,544		(559)	100%	(559)	3,544	
FIT 31 SPE EMP.IMOB.LTDA.	14,258	14	395	-	13,877		(543)	100%	(543)	13,877	
FIT 32 SPE EMP.IMOB.LTDA.	2,453	927	282	-	3,118		27	100%	27	3,118	
FIT 34 SPE EMP.IMOB.LTDA.	34,982	-	651	-	34,331		(56)	100%	(56)	34,331	
FIT 35 SPE EMP.IMOB.LTDA.	601	27	5	-	623		(63)	100%	(63)	623	
FIT 37 SPE EMP.IMOB.LTDA.	343	15	46	-	312		(83)	100%	(83)	312	
FIT 38 SPE EMP.IMOB.LTDA.	187	20	86	-	120		(67)	100%	(67)	120	
FIT 39 SPE EMP.IMOB.LTDA.	106	-	84	-	23		(44)	100%	(44)	23	
FIT 40 SPE EMP.IMOB.LTDA.	24,178	305	70	58	24,354		125	100%	125	24,354	
FIT 42 SPE EMP.IMOB.LTDA.	215	-	74	-	141		48	100%	48	141	
FIT 03 SPE EMP.IMOB.LTDA.	11,488	-	134	-	11,355		(26)	100%	(26)	11,355	
TENDA NEG. IMOB. S/A	1,119,709	208,067	462,162	251,445	614,175		139,865	100%	139,865	614,175	
TENDA 28 SPE EMP.IMOB.LTDA.	63	-	5	-	58		58	100%	58	58	
AC PART. LTDA.	1,704	33	182	112	1,443		(1,411)	100%	(1,411)	1,443	
EVP PART. S.A.	102	-	5	-	97		-	100%	-	97	
ASPLENIUM EMP.IMOB.LTDA.	31,591	3,098	281	403	34,006		(1,274)	100%	(1,274)	34,006	
TENDA SPE 19 EMP.IMOB.LTDA	6,219	9	9	-	6,219		(90)	100%	(90)	6,219	
JD. SÃO LUIZ SPE INCORP. LTDA	69,778	4,876	418	585	73,651		(1,413)	100%	(1,413)	73,651	
TENDA 25 SPE EMP.IMOB.LTDA.	15,289	-	-	-	15,289		(90)	70%	(63)	10,702	
CITTA VILLE SPE EMP.IMOB.LTDA.	17,163	-	3,290	-	13,873		(2,615)	50%	(1,308)	6,938	
Capitalized interests									(2,900)	6,879	
<b>Total subsidiaries</b>	<b>1,584,286</b>	<b>218,465</b>	<b>472,458</b>	<b>252,617</b>	<b>1,077,683</b>		<b>130,121</b>		<b>128,555</b>	<b>1,073,040</b>	
<b>Jointly-controlled investees</b>											
ACEDIO SPE EMP.IMOB.LTDA.	5,571	-	4,211	-	1,361		1	(1)	55%	(1)	748
FIT JD. BOTÂNICO SPE EMP.IMOB.LTDA.	8,053	5	272	-	8,366		458	(192)	55%	(104)	4,813
IMBUI I SPE EMP.IMOB.LTDA.	1,000	7,526	53	452	8,021		4	(248)	50%	(104)	4,010
CITTA IPITANGA SPE EMP. IMOB.S.LTDA.	1,278	2	343	702	234		16	96	50%	48	117
GRAND PARK P.Q. PÁSSAROS EMP.IMOB.LTDA.	8,986	24,070	720	2,385	29,951		(514)	(272)	50%	(138)	14,975
CITTA ITAPUÁ EMP. IMOB.S SPE LTDA.	2,671	9	561	1,788	330		(98)	(208)	50%	(104)	165
SPE FRANERE GAFISA 08 EMP.IMOB.LTDA.	26,538	21,899	1,597	3,691	43,149		(2,099)	313	50%	156	21,574
CIPESA PROD. 02 EMP. IMOB. SPE LTDA.	18,451	-	154	-	18,297		866	(792)	50%	(396)	8,149
FIT 13 SPE EMP.IMOB.LTDA.	18,013	3,537	661	-	20,889		-	(2)	50%	(1)	10,445
<b>Consolidated</b>	<b>91,161</b>	<b>57,048</b>	<b>8,572</b>	<b>9,018</b>	<b>130,618</b>		<b>(1,366)</b>	<b>(1,306)</b>		<b>(642)</b>	<b>65,796</b>
Amount in excess of carrying amount upon purchase											
										(12)	-
<b>Total Company</b>	<b>1,675,447</b>	<b>275,513</b>	<b>481,030</b>	<b>261,635</b>	<b>1,208,301</b>		<b>(1,366)</b>	<b>128,815</b>		<b>127,881</b>	<b>1,138,836</b>

# Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

## 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
<b>Subsidiaries</b>									
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	755	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 GUAIANAZES 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	16,023	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
CIPESA PROJ. 02 EMP. IMOB. SPE LTDA.	19,034	205	149	-	19,090	862	50%	431	9,545
CITTÀ 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
Other (*)	12,144	2,477	3,248	-	11,374	(5,903)		(1,357)	9,781
<b>Total subsidiaries</b>	<b>1,765,877</b>	<b>151,003</b>	<b>427,782</b>	<b>200,692</b>	<b>1,288,407</b>	<b>89,362</b>		<b>97,084</b>	<b>1,261,850</b>
<b>Jointly-controlled investees</b>									
CITTA IPITANGA SPE EMP. IMOB. S. LTDA.	2,409	9,946	535	202	11,618	(143)	50%	(71)	5,809
CITTA ITAPUÁ EMP. IMOB. S. SPE LTDA.	4,303	14,777	750	976	17,354	(661)	50%	(331)	8,677
FIT 02 SPE EMP. IMOB. LTDA.	13,635	-	1	1,334	12,301	2,715	60%	1,629	7,381
FIT 03 SPE EMP. IMOB. LTDA.	906	10,785	310	-	11,381	(23)	80%	(19)	9,105
FIT 11 SPE EMP. IMOB. LTDA.	24,248	9,091	4,384	-	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 PÁSSAROS EMP. IMOB. LTDA.	10,678	22,437	705	2,187	30,222	(5,020)	50%	(2,510)	15,111
MARIA INÊS 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	3,295	42,834	(5,489)	50%	(2,735)	21,417
Other (*)	15,480	7,526	4,312	243	18,451	(1,047)		(273)	13,275
<b>Total Consolidated</b>	<b>137,110</b>	<b>128,823</b>	<b>14,754</b>	<b>8,237</b>	<b>242,941</b>	<b>(11,265)</b>		<b>(6,454)</b>	<b>147,819</b>
Amount in excess of carrying value upon purchase									
									12
<b>Total Company</b>	<b>1,902,987</b>	<b>279,826</b>	<b>442,536</b>	<b>208,929</b>	<b>1,531,348</b>	<b>78,077</b>		<b>91,630</b>	<b>1,409,681</b>

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 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 September 30, 2017

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity and advance for future capital increase	Net revenue	Profit (loss) for the year	Ownership interests	Income from equity method investments	Provision balance
<b>Subsidiaries</b>										
MÁRIO COVAS SPE EMP. IMOB. LTDA.	267	32	569	-	(270)		(762)	100%	(762)	(270)
FIT BILD 09 SPE EMP. IMOB. LTDA.	3,064	-	10,336	-	(7,273)		12	75%	9	(5,455)
FIT 12 SPE EMP. IMOB. LTDA.	287	-	511	-	(224)		(387)	100%	(387)	(224)
FIT 22 SPE EMP. IMOB. LTDA.	3	-	12	-	(9)		(60)	100%	(60)	(9)
TENDA 24 SPE PART. S/A.	-	-	1	-	(1)		(1)	100%	(1)	(1)
TENDA 24 SPE PART. S/A.	-	-	1	-	(1)		(1)	100%	(1)	(1)
TENDA 30 SPE EMP. IMOB. LTDA.	1	-	107	-	(105)		(22)	100%	(22)	(105)
TND NEG. IMOB. LTDA.	1,353	-	8,845	-	(7,492)		1,888	100%	1,888	(7,492)
TENDA 35 SPE PART. S/A	2	-	38	-	(36)		(5)	100%	(5)	(36)
TDA NEG. IMOB. LTDA.	257	-	2,402	-	(2,145)		324	100%	324	(2,145)
	5,234	32	22,822	-	(17,556)		986		983	(15,736)
<b>Jointly-controlled investees</b>										
FIT CAMPOUM SPE EMP. IMOB. LTDA	7,200	-	17,204	-	(9,904)	(94)	(96)	55%	(53)	(5,447)
	7,200	-	17,204	-	(9,904)	(94)	(96)		(53)	(5,447)
<b>Total provision for net capital deficiency of equity accounted investees</b>	<b>12,534</b>	<b>32</b>	<b>40,026</b>	<b>-</b>	<b>(27,460)</b>	<b>(94)</b>	<b>890</b>		<b>930</b>	<b>(21,185)</b>

#### 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
<b>Subsidiaries</b>									
FIT BILD 09 SPE EMP. IMOB. LTDA.	3,141	37	10,463	-	(7,285)	(894)	75%	(671)	(5,465)
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)	(17,428)
<b>Jointly-controlled investees</b>									
FIT CAMPOUM SPE EMP. IMOB. LTDA	7,200	-	17,009	-	(9,809)	(4)	55%	(2)	(5,396)
	7,200	-	17,009	-	(9,809)	(4)		(2)	(5,396)
<b>Total provision for net capital deficiency of equity accounted investees</b>	<b>11,771</b>	<b>37</b>	<b>40,865</b>	<b>-</b>	<b>(29,057)</b>	<b>(13,710)</b>		<b>(13,485)</b>	<b>(22,824)</b>

### 10. Property and equipment

Company Type	Depreciated items % p.a	Company		Consolidated	
		09/30/2017	12/31/2016	09/30/2017	12/31/2016
<b>Cost</b>					
Hardware	20%	20,989	18,662	20,989	18,662
Leasehold improvements and installations	25%	8,056	9,338	8,056	9,338
Furniture and fixtures	10%	3,258	4,171	3,334	4,239
Machinery and equipment	10%	2,097	1,450	2,097	1,450
Molds	20%	25,660	18,681	25,660	18,681
		60,060	52,302	60,136	52,370
<b>Accumulated depreciation</b>					
		(24,100)	(22,195)	(24,137)	(22,227)
		35,960	30,107	35,999	30,143

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.

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 10. Property and equipment - continued

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.

Change in property and equipment

	Company					
	Hardware	Leasehold improvements and installations	Furniture and fixtures	Machinery and equipment	Molds	Total
<b>Cost</b>						
Balance as at 12/31/2016	18,662	9,338	4,171	1,450	18,681	52,302
Addition	4,672	1,130	250	662	6,979	13,693
100% depreciated items	(2,345)	(2,412)	(1,163)	(15)	-	(5,935)
	<b>20,989</b>	<b>8,056</b>	<b>3,258</b>	<b>2,097</b>	<b>25,660</b>	<b>60,060</b>
<b>Depreciation</b>						
Balance as at 12/31/2016	(7,384)	(4,621)	(3,264)	(694)	(6,232)	(22,195)
Addition	(2,958)	(1,116)	(314)	(132)	(3,320)	(7,840)
100% depreciated items	2,345	2,412	1,163	15	-	5,935
	<b>(7,997)</b>	<b>(3,325)</b>	<b>(2,415)</b>	<b>(811)</b>	<b>(9,552)</b>	<b>(24,100)</b>
Balance as at 09/30/2017	<b>12,992</b>	<b>4,731</b>	<b>843</b>	<b>1,286</b>	<b>16,108</b>	<b>35,960</b>

	Company						
	Hardware	Leasehold improvements and installations	Furniture and fixtures	Machinery and equipment	Molds	Sales stands	Total
<b>Cost</b>							
Balance as at 12/31/2015	13,582	8,020	4,247	1,400	13,067	1,483	41,799
Addition	5,317	1,363	1	-	3,651	-	10,332
Write-off	(479)	-	-	-	-	-	(479)
100% depreciated items	(1,527)	(33)	(2)	(1)	-	(772)	(2,335)
	<b>16,893</b>	<b>9,350</b>	<b>4,246</b>	<b>1,399</b>	<b>16,718</b>	<b>711</b>	<b>49,317</b>
<b>Depreciation</b>							
Balance as at 12/31/2015	(5,886)	(3,375)	(2,926)	(554)	(3,074)	(1,398)	(17,213)
Addition	(2,169)	(1,008)	(324)	(107)	(2,228)	(85)	(5,921)
100% depreciated items	1,527	33	2	1	-	772	2,335
	<b>(6,528)</b>	<b>(4,350)</b>	<b>(3,248)</b>	<b>(660)</b>	<b>(5,302)</b>	<b>(711)</b>	<b>(20,799)</b>
Balance as at 09/30/2016	<b>10,365</b>	<b>5,000</b>	<b>998</b>	<b>739</b>	<b>11,416</b>	<b>-</b>	<b>28,518</b>

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 10. Property and equipment - continued

Change in property and equipment- continued

Cost	Consolidated					
	Hardware	Leasehold improvements and installations	Furniture and fixtures	Machinery and equipment	Molds	Total
Balance as at 12/31/2016	18,662	9,338	4,239	1,450	18,681	52,370
Addition	4,672	1,130	258	662	6,979	13,701
100% depreciated items	(2,345)	(2,412)	(1,163)	(15)	-	(5,935)
	<b>20,989</b>	<b>8,056</b>	<b>3,334</b>	<b>2,097</b>	<b>25,660</b>	<b>60,136</b>
<b>Depreciation</b>						
Balance as at 12/31/2016	(7,384)	(4,315)	(3,297)	(694)	(6,537)	(22,227)
Addition	(2,958)	(1,116)	(319)	(132)	(3,320)	(7,845)
100% depreciated items	2,345	2,412	1,163	15	-	5,935
	<b>(7,997)</b>	<b>(3,019)</b>	<b>(2,453)</b>	<b>(811)</b>	<b>(9,857)</b>	<b>(24,137)</b>
Balance as at 09/30/2017	<b>12,992</b>	<b>5,037</b>	<b>881</b>	<b>1,286</b>	<b>15,803</b>	<b>35,999</b>

Cost	Consolidated						
	Hardware	Leasehold improvements and installations	Furniture and fixtures	Machinery and equipment	Molds	Sales stands	Total
Balance as at 12/31/2015	13,582	8,020	4,315	1,400	13,067	1,599	41,983
Addition	5,317	1,363	1	-	3,651	-	10,332
Write-off	(479)	-	-	-	-	-	(479)
100% depreciated items	(1,527)	(33)	(2)	(1)	-	(772)	(2,335)
	<b>16,893</b>	<b>9,350</b>	<b>4,314</b>	<b>1,399</b>	<b>16,718</b>	<b>827</b>	<b>49,501</b>
<b>Depreciation</b>							
Balance as at 12/31/2015	(5,886)	(3,069)	(2,952)	(554)	(3,379)	(1,514)	(17,354)
Addition	(2,169)	(1,008)	(328)	(107)	(2,228)	(85)	(5,925)
100% depreciated items	1,527	33	2	1	-	772	2,335
	<b>(6,528)</b>	<b>(4,044)</b>	<b>(3,278)</b>	<b>(660)</b>	<b>(5,607)</b>	<b>(827)</b>	<b>(20,944)</b>
Balance as at 09/30/2016	<b>10,365</b>	<b>5,306</b>	<b>1,037</b>	<b>739</b>	<b>11,111</b>	<b>-</b>	<b>28,557</b>

### 11. Intangible assets

	Company/Consolidated					09/30/2017
	12/31/2016					
	Balance	Addition	Write-off	Amortization	100% amortized items	Balance
Software – Cost	29,165	10,774	(1,083)	-	(3,273)	<b>35,583</b>
Software – Amortization	(11,865)	156	-	(4,980)	3,273	<b>(13,416)</b>
Other	565	109	-	(674)	-	-
	<b>17,865</b>	<b>11,039</b>	<b>(1,083)</b>	<b>(5,654)</b>	<b>-</b>	<b>22,167</b>

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 11. Intangible assets - continued

	Company/Consolidated					09/30/2016 Balance
	12/31/2015		Write-off	Amortization	100% amortized items	
	Balance	Addition				
Software – Cost	34,774	6,482	(1,821)	-	(12,181)	27,254
Software – Amortization	(17,915)	-	-	(4,614)	12,181	(10,348)
Other	1,628	-	-	(797)	-	831
	<u>18,487</u>	<u>6,482</u>	<u>(1,821)</u>	<u>(5,411)</u>	<u>-</u>	<u>17,737</u>

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 p.a.	Company		Consolidated	
			09/30/2017	12/31/2016	09/30/2017	12/31/2016
National Housing System - SFH	10/2017 to 08/2021	TR + 8.30% p.a. to 9.50 % p.a.	<b>21,433</b>	11,254	<b>77,225</b>	82,974
Certificate of Bank Credit - CCB	12/2017 to 2019	CDI + 2.30% p.a. to 4.25 % p.a. INCC-DI Variation	<b>42,973</b>	33,652	<b>49,262</b>	46,234
			-	-	<b>4,216</b>	5,786
<b>Total</b>			<b>64,406</b>	44,906	<b>130,703</b>	134,994
Current portion			<b>43,844</b>	28,690	<b>58,548</b>	41,333
Non-current			<b>20,562</b>	16,216	<b>72,155</b>	93,661

The current and non-current portions mature as follows:

Maturity	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
2017	<b>27,359</b>	28,690	<b>31,063</b>	41,333
2018	<b>17,781</b>	10,371	<b>32,582</b>	37,242
2019	<b>8,801</b>	4,636	<b>32,773</b>	38,446
2020	<b>8,791</b>	1,209	<b>28,825</b>	17,111
2021 onwards	<b>1,674</b>	-	<b>5,460</b>	862
	<b>64,406</b>	44,906	<b>130,703</b>	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 September 30, 2017, the ratio required by this restrictive covenant is shown in the table below:

	09/30/2017
Net leverage ratio of total net financial debt to equity, which shall not exceed 15%. (Note 22.c)	<b>-22.79%</b>

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 12. Loans and financing - continued

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 September 30, 2017 (8.30% to 9.50% as of December 31, 2016).

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

	Company		Consolidated	
	09/30/2017	09/30/2016	09/30/2017	09/30/2016
Total financial charges for the period	7,602	17,077	18,804	27,912
Capitalized financial charges	(1,317)	(1,267)	(12,740)	(11,377)
Financial expenses (Note 25)	6,285	15,810	6,064	16,535
Financial charges included in "Properties for sale":				
Opening balance	12,845	23,523	42,802	54,902
Capitalized financial charges	1,317	1,267	12,740	11,377
Charges recognized in profit or loss (Note 23)	(4,133)	(4,753)	(22,873)	(14,889)
Closing balance	10,029	(20,037)	32,669	51,390

### 13. Salaries, payroll charges and profit sharing

	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Salaries and payroll charges	2,108	2,392	6,406	6,154
Provisions for labor claims	2,713	2,522	20,250	11,218
Profit sharing (a)	3,651	80	11,319	12,226
	8,472	4,994	37,975	29,598

(a) The Company has a variable compensation program that entitles its employees and management members and those of its subsidiaries to a share of 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	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Deferred PIS and COFINS (a)	6,169	4,037	13,800	11,776
Current PIS and COFINS	3,041	2,202	3,644	3,454
Other tax obligations	8,417	6,827	14,694	15,280
	17,627	13,066	32,138	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\$2,556 in the Company's balance and R\$4,104 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	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Payables for purchase of properties	14,512	17,568	297,815	190,308
Development and services	169	2,216	138	2,513
Barter transaction – Land	1,951	2,505	97,757	42,802
	16,632	22,289	395,710	235,623
Current portion	5,330	9,256	166,158	131,280
Non-current	11,302	13,033	229,552	104,343

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

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

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

Maturity	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
2017	2,584	9,256	59,200	131,280
2018	4,735	5,649	140,628	55,236
2019	6,026	5,264	108,929	26,897
2020	3,287	2,120	35,783	19,282
2021 onwards	-	-	51,170	2,928
	<b>16,632</b>	<b>22,289</b>	<b>395,710</b>	<b>235,623</b>

### 16. Other Creditors

	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Other payables – Gafisa (a)	103,919	-	103,919	-
	103,919	-	103,919	-
Current portion	-	-	-	-
Non-current	103,919	-	103,919	-

- 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 September 30, 2017 and 2016, is as follows:

	Company		Consolidated	
	09/30/2017	09/30/2016	09/30/2017	09/30/2016
Profit (loss) before income tax and social contribution:	66,886	36,461	75,876	43,238
Income tax calculated at the applicable rate - 34 %	(22,741)	(12,397)	(25,798)	(14,701)
Net effect of subsidiaries taxed by presumed profit /RET	-	-	33,869	9,346
Charges on payables to venture partners	62	47	62	47
Tax losses (loss carryforwards used)	-	-	-	(1,515)
Stock option plan	-	(357)	-	(357)
Other permanent differences	(1,452)	(5,196)	(2,022)	(5,196)
Tax credits not recognized	(8,602)	(1,169)	(8,602)	(662)
Income from equity method investments	43,796	19,072	(247)	4
Recognized deferred tax assets—PERT(i)	3,577	-	3,577	-
Unrecognized deferred tax assets	336	-	(327)	-
Other additions and exclusions	(11,399)	-	(7,256)	-
Expenses (income) from Income tax and social contribution	3,577	-	(6,744)	(13,034)
Tax expenses (income) – current	-	-	(21,423)	(7,506)
Tax expenses (income) – deferred	3,577	-	14,679	(5,528)

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 17. Income tax and social contribution - continued

#### (i) Special Tax Regularization Program (PERT) – Provisional Measure (MP) 783/2017

On May 31, 2017, the federal tax authority launched the Special Tax Regularization Program, which provided for the installment payment of tax debits, with discounts on fines and interests, and offset against accumulated tax losses.

On July 27, 2017, the Company opted to pay in installments some debits that were being challenged in the administrative level, regarding the PIS/COFINS for 2005 and 2009, the principal amount of which was R\$ 2,612, plus interests and fine amounting to R\$ 7,581. It was paid as follows:

	<u>Company/Consolidated</u>
	<u>09/30/2017</u>
Principal	2,612
Fine and interests	4,969
Total adjusted	7,581
Cash payment	(609)
Offset against tax losses	(3,577)
Tax benefits (reduction of fine and interests)	(3,395)

#### b) Deferred income tax and social contribution

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

Description	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
<b>Assets</b>				
Income tax and social contribution loss carryforwards	242,453	228,567	242,453	234,837
Temporary differences	1,577	1,008	2,542	2,758
Temporary differences – deferred PIS and COFINS	2,966	2,380	3,861	5,708
Provisions for legal claims	16,526	9,746	22,082	14,568
Provisions for losses of accounts receivable	21,643	20,802	24,175	22,468
Provisions for realization of non-financial assets	3,782	4,245	3,620	4,017
Other provisions	6,798	19,223	10,133	24,408
Temporary differences recognized and tax losses	-	-	(8,814)	-
Tax credits not recognized	(270,585)	(265,560)	(270,585)	(271,830)
<b>Subtotal</b>	<b>25,160</b>	<b>20,411</b>	<b>29,467</b>	<b>36,934</b>
<b>Liabilities</b>				
Deferred income tax and social contribution (detached assets - RET)			(5,768)	(2,482)
Differences between income taxed on cash basis and recorded on an accrual basis	(21,583)	(20,411)	(29,467)	(45,889)
<b>Subtotal</b>	<b>3,577</b>	<b>(20,411)</b>	<b>(35,235)</b>	<b>(48,371)</b>
<b>Deferred tax liability</b>	-	-	(5,768)	(11,437)
<b>Deferred tax asset</b>	<b>3,577</b>	-	<b>8,814</b>	-

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					
	09/30/2017			12/31/2016		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Balance of income tax and social contribution loss carryforwards	713,096	713,096		672,257	672,257	-
Deferred tax asset (25%/9%)	178,274	64,179	242,453	168,064	60,503	228,567
Recognized deferred tax asset (PERT)	(2,630)	(947)	(3,577)	-	-	-
Unrecognized deferred tax asset	175,644	63,232	238,876	168,064	60,503	228,567

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 17. Income tax and social contribution – Continued

(a) Deferred income tax and social contribution - continued

Description	Consolidated					
	09/30/2017			12/31/2016		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Balance of income tax and social contribution loss carryforwards	713,096	713,096		690,697	690,697	-
Deferred tax asset (25%/9%)	178,274	64,179	242,453	172,674	62,123	234,837
Recognized deferred tax asset	(2,630)	(947)	(3,577)			-
Unrecognized deferred tax asset	175,644	63,232	238,876	172,674	62,123	234,837

### 18. Provisions for legal claims and commitments

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

	Company			
	Civil lawsuits	Labor claims	Tax proceedings	Total
<b>Balance as at December 31, 2016</b>	19,168	9,465	32	28,665
Additions (Note 24)	28,108	3,589	26	31,723
Write-offs (Note 24)	(7,547)	(4,228)	(6)	(11,781)
<b>Balance as at September 30, 2017</b>	<b>39,729</b>	<b>8,826</b>	<b>52</b>	<b>48,607</b>

	Company					Total
	Civil lawsuits	Labor claims	Tax proceedings	Environmental proceedings	Administrative proceedings	
<b>Balance as at December 31, 2016</b>	19,227	17,497	180	195	172	37,271
Additions (Note 24)	14,944	11,034	-	-	-	25,978
Write-offs / Transfers (Note 24)	(10,761)	(17,483)	(178)	(23)	(172)	(28,617)
<b>Balance as at September 30, 2016</b>	<b>23,410</b>	<b>11,048</b>	<b>2</b>	<b>172</b>	<b>-</b>	<b>34,632</b>

	Consolidated					Total
	Civil lawsuits	Labor claims	Tax proceedings	Environmental proceedings	Administrative proceedings	
<b>Balance as at December 31, 2016</b>	30,341	14,303	48	258	-	44,950
Additions (Note 24)	35,423	5,366	39	-	-	40,828
Write-offs (Note 24)	(11,576)	(6,474)	(20)	-	-	(18,070)
Acquisition of control of investees	(20)	44	10	-	-	34
<b>Balance as at September 30, 2017</b>	<b>54,168</b>	<b>13,239</b>	<b>77</b>	<b>258</b>	<b>-</b>	<b>67,742</b>

	Consolidated					Total
	Civil lawsuits	Labor claims	Tax proceedings	Environmental proceedings	Administrative proceedings	
<b>Balance as at December 31, 2015</b>	29,619	25,554	180	195	168	55,716
Additions (Note 24)	22,339	16,494	-	-	-	38,833
Write-offs / Transfers (Note 24)	(16,966)	(25,533)	(177)	63	(168)	(42,781)
<b>Balance as at September 30, 2016</b>	<b>34,992</b>	<b>16,515</b>	<b>3</b>	<b>258</b>	<b>-</b>	<b>51,768</b>

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 18. Provisions for legal claims and commitments - continued

As of September 30, 2017, the Company and its subsidiaries have deposited in court the following amount:

	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Civil lawsuits	20,047	16,125	20,428	16,202
Environmental proceedings	87	87	89	87
Tax proceedings	3,422	2,790	3,488	2,803
Labor claims	5,354	6,230	5,455	6,259
	<b>28,910</b>	<b>25,232</b>	<b>29,460</b>	<b>25,351</b>
Current	1,650	2,426	1,843	2,545
Non-current	27,260	22,806	27,617	22,806

#### Lawsuits in which likelihood of loss is rated as possible

As of September 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\$488,401 (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	
	09/30/2017	12/31/2016
Civil lawsuits	263,228	241,486
Tax proceedings	207,375	209,557
Labor claims	15,390	19,964
Environmental proceedings	2,408	3,537
	<b>488,401</b>	<b>474,544</b>

#### 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 51 properties where its facilities are located, at a monthly cost of R\$624 annually 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\$ 5,282 (R\$7,690 as of December 31, 2016), as follows.

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 18. Provisions for legal claims and commitments - continued

Payment estimate	Consolidated	
	09/30/2017	12/31/2016
2017	1,135	4,359
2018	3,127	2,613
2019	871	683
2020	149	35
	<b>5,282</b>	<b>7,690</b>

- (ii) As of September 30, 2017, the Company have long-term liabilities in the total amount of R\$9,431 (R\$3,723 as of December 31, 2016), related to the pledges of service providers used for developing real estate ventures.

### 19. Equity

#### 19.1 Capital

As of September 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 September 30, 2017 and year ended December 31, 2016, which include their respective weighted average exercise prices, are as follows:

	09/30/2017		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	<b>5,489,848</b>	<b>6.53</b>	5,421,000	6.52
Options forfeited	-	-	(141,152)	6.52
Options granted	<b>93,000</b>	<b>8.13</b>	210,000	6.83
Options outstanding at the end of the period	<b>5,582,848</b>	<b>6.55</b>	5,489,848	6.53

The fair value of the options granted in 2014 and 2017 totaled R\$8,456, estimated based on the Black & Scholes pricing model, according to the following assumptions:

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 19. Equity - continued

#### 19.2 Stock option plan - continued

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	24.65%	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 September 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)
5,582,848	1.45 year	6.55	74.118	4.78

(\*) As of 09/30/2017 no option had been exercised.

The total amount of expenses (income) recorded in the period ended September 30, 2017 was R\$1,434 (R\$1,049 as of September 30, 2016) and is disclosed in Note 24.

## 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 September 30, 2017 are as follows:

Insurance type (in effect)	Coverage - R\$ thousand
Engineering risks and guarantee for completion of construction work	1,451,643
Civil liability (Directors and Officers – D&O) - (*)	50,000
	<b>1,501,643</b>

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

Insurance type (future periods)	Coverage - R\$ thousand
Engineering risks and guarantee for completion of construction work (effective from 10/2017 to 2025)	70,503
	<b>70,503</b>

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 21. Earnings per share

Basic and diluted earnings per share are calculated as follows.

	<u>09/30/2017</u>	<u>09/30/2016</u>
Basic numerator		
Undistributed earnings	<u>70,463</u>	36,461
Undistributed earnings, available to the holders of common shares	<u>70,463</u>	36,461
Basic denominator (in thousand shares)		
Weighted average number of shares (*)	<u>54,000</u>	54,000
Basic earnings per share in Reais	<u>1.3049</u>	0.6752
Diluted numerator		
Undistributed earnings	<u>70,463</u>	36,461
Undistributed earnings, available to the holders of common shares	<u>70,463</u>	36,461
Diluted denominator (in thousands of shares)		
Weighted average number of shares (*)	<u>54,000</u>	54,000
Stock options (*)	<u>3,354</u>	2,003
	<u>57,354</u>	56,003
Diluted earnings per share in Reais	<u>1.2286</u>	0.6511

(\*)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 09/30/2016:

	<u>09/30/2016</u>	
	<u>Basic</u>	<u>Diluted</u>
Undistributed earnings		
Basic denominator (in thousand shares)	36,461	36,461
Weighted average number of shares	633,037	633,037
Stock options	-	23,484
Basic/Diluted earnings per share in Reais	<u>0.0576</u>	<u>0.0555</u>
Reverse split 11.72292224 x	<u>11.7229</u>	<u>11.7229</u>
Restated amount	<u>0.6752</u>	<u>0.6511</u>

### 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:

## **Construtora Tenda S.A.**

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reals, except as otherwise stated)

### **22. Financial instruments - continued**

(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 September 30, 2017 and December 31, 2016, there was no significant credit risk concentration associated with customers.

(ii) Derivative financial instruments

As of September 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 and financing 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).

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 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 September 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)	43,844	17,473	3,089	-	64,406
Suppliers	9,430	-	-	-	9,430
Payables for purchase of properties and advances from customers (Note 15)	5,330	10,772	530	-	16,632
Loans payable (Note 7.1)	-	-	-	15,759	15,759
	<b>58,604</b>	<b>28,245</b>	<b>3,619</b>	<b>15,759</b>	<b>106,227</b>

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
	<b>45,773</b>	<b>25,920</b>	<b>3,329</b>	<b>50,599</b>	<b>125,621</b>

Period ended September 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)	58,548	61,307	10,848	-	130,703
Suppliers	31,645	-	-	-	31,645
Payables for purchase of properties and advances from customers (Note 15)	166,158	195,441	34,111	-	395,710
Loans payable (Note 7.1)	-	-	-	15,759	15,759
	<b>256,351</b>	<b>256,748</b>	<b>44,959</b>	<b>15,759</b>	<b>573,817</b>

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
	<b>204,277</b>	<b>157,821</b>	<b>40,183</b>	<b>50,599</b>	<b>452,880</b>

#### (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).

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 22. Financial instruments - continued

The classification level of fair value for financial instruments measured at fair value through profit or loss of the Company as of September 30, 2017 and December 31, 2016 is as follows.

As of September 30, 2017	Company			Consolidated		
	Fair value classification					
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Short-term investments (Note 4.2)	-	199,358	-	82,073	268,720	-

As of December 31, 2016	Company			Consolidated		
	Fair value classification					
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Short-term investments (Note 4.2)	-	101,217	-	-	195,073	-

In the period ended September 30, 2017 and year ended December 31, 2016, there were no transfers between the Levels 1 and 2 fair value classifications, nor were transfers between Levels 3 and 2 fair value classifications.

#### (b) Fair value of financial instruments

##### (i) Fair value measurement

The following estimate fair values were determined using available market information and proper measurement methodologies. However, a considerable amount of judgment is necessary to interpret market information and estimate fair value. Accordingly, the estimates presented in this document are not necessarily indicative of amounts that the Company could realize in the current market. The use of different market assumptions and/or estimation methodologies may have a significant effect on estimated fair values.

The following methods and assumptions were used to estimate the fair value for each financial instrument type for which the estimate of values is practicable:

(i) The amounts of cash and cash equivalents, short-term investments, accounts receivable and other receivables, suppliers, and other current liabilities approximate to their fair values, recorded in the financial statements.

(ii) The fair value of bank loans and other financial debts is estimated through future cash flows discounted using benchmark rates available for similar and outstanding debts or terms.

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 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:

	<b>Company</b>			
	<b>09/30/2017</b>		<b>12/31/2016</b>	
	<b>Carrying value</b>	<b>Fair value</b>	<b>Carrying value</b>	<b>Fair value</b>
<b>Financial assets</b>				
Cash and cash equivalents (Note 4.1)	<b>11,512</b>	<b>11,512</b>	12,124	12,124
Short-term investments and Restricted cash in guarantee to loans (Note 4.2)	<b>199,358</b>	<b>199,358</b>	101,217	101,217
Trade accounts receivable (Note 5)	<b>98,350</b>	<b>98,350</b>	89,614	89,614
Loans receivable (Note 7.1)	<b>42,872</b>	<b>42,872</b>	47,044	47,044
<b>Financial liabilities</b>				
Loans and financing (Note 12)	<b>64,406</b>	<b>64,135</b>	44,906	42,292
Suppliers	<b>9,430</b>	<b>9,430</b>	7,827	7,827
Payables for purchase of properties and advances from customers (Note 15)	<b>16,632</b>	<b>16,632</b>	22,289	22,289
Other creditors	<b>103,919</b>	<b>103,919</b>		
Loans payable (Note 7.1)	<b>15,759</b>	<b>15,759</b>	50,599	50,599
<b>Consolidated</b>				
	<b>09/30/2017</b>		<b>12/31/2016</b>	
	<b>Carrying value</b>	<b>Fair value</b>	<b>Carrying value</b>	<b>Fair value</b>
<b>Financial assets</b>				
Cash and cash equivalents (Note 4.1)	<b>36,677</b>	<b>36,677</b>	28,414	28,414
Short-term investments and Restricted cash in guarantee to loans (Note 4.2)	<b>350,793</b>	<b>350,793</b>	195,073	195,073
Trade accounts receivable (Note 5)	<b>429,872</b>	<b>429,872</b>	427,147	427,147
Loans receivable (Note 7.1)	<b>33,573</b>	<b>33,573</b>	37,745	37,745
<b>Financial liabilities</b>				
Loans and financing (Note 12)	<b>130,703</b>	<b>130,295</b>	134,994	126,781
Suppliers	<b>31,645</b>	<b>31,645</b>	31,664	31,664
Payables for purchase of properties and advances from customers (Note 15)	<b>395,710</b>	<b>395,710</b>	235,623	235,623
Other creditors	<b>103,919</b>	<b>103,919</b>		
Loans payable (Note 7.1)	<b>15,759</b>	<b>15,759</b>	50,599	50,599

(ii) Risk of debt acceleration

As of September 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.

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 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	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Loans and financing (Note 12)	64,406	44,906	130,703	134,994
( - ) Cash and cash equivalents and short-term investments (Note 4.1 and 4.2)	(210,870)	(113,341)	(387,470)	(223,487)
Net debt	(146,464)	(68,435)	(256,767)	(88,493)
Equity	1,121,023	1,049,126	1,126,789	1,075,622
Equity and net debt	974,559	980,691	870,022	987,129

#### (d) Sensitivity analysis

The sensitivity analysis of financial instruments for the period ended September 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 September 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 September 30, 2017, the Company considered the interest rates of investments, loans and accounts receivable, the CDI rate at 8.14%, Referential Rate (TR) at 0%, National Civil Construction Index (INCC) at 4.57%, General Market Price Index (IGP-M) at 4.56% and the country's base rate (SELIC) at 7%.

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.

As of September 30, 2017:

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 22. Financial instruments - continued

Instrument	Risk	Scenario					
		I Increase 10%	II Increase e 25%	III Increase e 50%	III Decrease e 50%	II Decrease e 25%	I Decrease 10%
Short-term investments	Increase/Decrease of CDI	1,616	4,039	8,078	(8,078)	(4,039)	(1,616)
Certificate of Bank Credit (CCB)	Increase/Decrease of CDI	(371)	(927)	(1,854)	1,854	927	371
Net effect of CDI variation		1,245	3,112	6,224	(6,224)	(3,112)	(1,245)
Other Creditors	Increase/Decrease of SELIC	680	1,700	3,399	(3,399)	(1,700)	(680)
Net effect of SELIC variation		680	1,700	3,399	(3,399)	(1,700)	(680)
Trade accounts receivable	Increase/Decrease of INCC	1,209	3,022	6,044	(6,044)	(3,022)	(1,209)
Certificate of Bank Credit (CCB)	Increase/Decrease of INCC	(18)	(46)	(92)	92	46	18
Net effect of INCC variation		1,190	2,976	5,952	(5,952)	(2,976)	(1,190)
Trade accounts receivable	Increase/Decrease of IGP-M	667	1,669	3,337	(3,337)	(1,669)	(667)
Net effect of IGP-M variation		667	1,669	3,337	(3,337)	(1,669)	(667)

### 23. Net operating revenue

	Company		Consolidated	
	09/30/2017	09/30/2016	09/30/2017	09/30/2016
Gross operating revenue				
Real estate development, sale, barter transactions and construction services	197,743	154,980	1,053,332	812,498
(Recognition) Reversal of allowance for doubtful accounts and provision for cancelled contracts (Note 5)	(3,001)	(10,127)	(24,763)	(6,118)
(Recognition) Reversal of cancelled contracts (Note 5)	31,728	11,998	26,982	18,269
Taxes on sale of real estate and services	(27,012)	(17,940)	(54,827)	(58,845)
Net operating revenue	199,458	138,911	1,000,724	765,804

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 24. Costs and expenses by nature

These are represented by the following:

	Company		Consolidated	
	09/30/2017	09/30/2016	09/30/2017	09/30/2016
<b>Cost of real estate development and sale:</b>				
Construction cost	(56,877)	(57,331)	(435,920)	(376,088)
Land cost	(19,422)	(1,459)	(118,019)	(76,988)
Development cost	(12,265)	(14,528)	(56,381)	(49,832)
Capitalized financial charges (Note 12)	(4,133)	(4,753)	(22,873)	(14,889)
Maintenance / warranty	(5,882)	(4,658)	(6,799)	(5,557)
Real estate cost in the recognition of the provision for cancelled contracts (Note 6)	(25,153)	(10,430)	(18,833)	(15,368)
	<b>(123,732)</b>	<b>(93,159)</b>	<b>(658,825)</b>	<b>(538,722)</b>
<b>Selling expenses:</b>				
Product marketing expenses	(6,499)	(9,546)	(38,267)	(30,359)
Brokerage and sale commission expenses:	(9,417)	(10,625)	(55,450)	(33,795)
Selling	(6,009)	(7,270)	(35,380)	(23,162)
Onlending	(1,273)	(290)	(7,496)	(818)
Registration	(430)	(321)	(2,533)	(1,087)
Brokerage	(1,705)	(2,744)	(10,041)	(8,728)
Customer Relationship Management (CRM) expenses	(225)	(249)	(1,326)	(793)
Other	(586)	(47)	(3,447)	(149)
	<b>(16,727)</b>	<b>(20,467)</b>	<b>(98,490)</b>	<b>(65,096)</b>
<b>General and administrative expenses:</b>				
Salaries and payroll charges	(6,629)	(10,545)	(33,113)	(28,938)
Employee benefits	(619)	(1,001)	(3,091)	(2,748)
Travel and utilities	(173)	(383)	(865)	(1,052)
Services	(2,430)	(3,812)	(12,139)	(10,462)
Rents and condominium fees	(728)	(1,398)	(3,638)	(3,838)
Information Technology	(99)	(354)	(494)	(973)
Stock option plan (Note 19.2)	(1,434)	(1,049)	(1,434)	(1,049)
Provision for profit sharing (Note 26.2)	(9,559)	(817)	(13,826)	(10,321)
Other	(189)	(1,002)	(941)	(2,744)
	<b>(21,860)</b>	<b>(20,361)</b>	<b>(69,541)</b>	<b>(62,125)</b>
<b>Other income (expenses), net:</b>				
Depreciation and amortization	(10,174)	(3,278)	(10,179)	(9,119)
Expenses with lawsuits	(23,034)	(24,366)	(24,242)	(24,333)
Provisions for legal claims (Note 18)	(19,942)	2,639	(22,758)	3,948
Other income/(expenses) (a)	(40,476)	(3,167)	(39,362)	(12,611)
	<b>(93,626)</b>	<b>(28,172)</b>	<b>(96,541)</b>	<b>(42,115)</b>

(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

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 25. Financial income (expenses)

	Company		Consolidated	
	09/30/2017	09/30/2016	09/30/2017	09/30/2016
Financial income				
Income from financial investments	6,571	17,791	10,218	19,481
Financial income on loan contract (Note 7.1)	116	319	132	(97)
Other financial income	5,891	1,810	11,535	4,482
	<b>12,578</b>	19,920	<b>21,885</b>	23,866
Financial expenses				
Interest on funding, net of capitalization (Note 12)	(6,285)	(15,810)	(6,064)	(16,535)
Financial expense on loan contract (Note 7.1)	(2,118)	(954)	(2,118)	(954)
Banking expenses	(730)	(430)	(2,753)	(1,655)
Other financial expenses	(8,883)	890	(11,674)	(19,242)
	<b>(18,016)</b>	(16,304)	<b>(22,609)</b>	(38,386)
Financial income (expenses)	<b>(5,438)</b>	3,616	<b>(724)</b>	(14,520)

### 26. Transactions with management and employees

#### 26.1 Management compensation

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

Management compensation			
Period ended September 30, 2017	Board of Directors	Executive Management	Total
Number of members	7	10	17
<b>Fixed compensation for the period (in R\$)</b>	<b>982</b>	<b>5,305</b>	<b>6,287</b>
Salary / Fees	818	3,936	4,754
Direct and indirect benefits	0	582	582
Other (INSS)	164	787	951
<b>Monthly compensation (in R\$)</b>	<b>109</b>	<b>589</b>	<b>699</b>
<b>Variable compensation for the period (in R\$)</b>	<b>0</b>	<b>5,853</b>	<b>5,853</b>
Profit sharing (Note 26.2)	0	4,547	4,547
Share-based payment	0	1,306	1,306
<b>Total compensation for the period (in R\$)</b>	<b>982</b>	<b>11,158</b>	<b>12,140</b>

Management compensation				
Period ended September 30, 2016	Board of Directors	Executive Management	Fiscal Council	Total
Number of members	10	10	3	23
<b>Fixed compensation for the period (in R\$)</b>	<b>221</b>	<b>4,380</b>	<b>45</b>	<b>4,646</b>
Salary / Fees	221	3,842	45	4,108
Direct and indirect benefits	-	538	-	538
Other (INSS)	-	-	-	-
<b>Monthly compensation (in R\$)</b>	<b>25</b>	<b>487</b>	<b>5</b>	<b>517</b>
<b>Variable compensation for the period (in R\$)</b>	<b>-</b>	<b>5,203</b>	<b>-</b>	<b>5,203</b>
Profit sharing (Note 26.2)	-	4,247	-	4,247
Share-based payment	-	956	-	956
<b>Total compensation for the period (in R\$)</b>	<b>221</b>	<b>9,583</b>	<b>45</b>	<b>9,849</b>

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 26. Transactions with management and employees - continued

#### 26.1 Management compensation - continued

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.

#### 26.2 Profit sharing

In the period ended September 30, 2017, the Company recorded a profit sharing expense amounting to R\$13,826 in the consolidated balance and R\$9,559 in the Company's balance (R\$817 in the Company's balance and R\$10,321 in the consolidated balance as of September 30, 2016).

	Company		Consolidated	
	09/30/2017	09/30/2016	09/30/2017	09/30/2016
Executive management	4,547	817	4,547	4,247
Other employees	5,012	-	9,279	6,074
	9,559	817	13,826	10,321

### 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 any information system other than the quarterly information as of September 30, 2017 and the financial statements as of December 31, 2016, no specific disclosure will be presented, as defined in IFRS 8 (GPC 32).

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 IAS 11 (ICPC02), 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 September 30, 2017:

- 1) Unappropriated revenue from ventures under construction:

	Consolidated
	09/30/2017
Unappropriated sales revenue of units sold (i)	302,238
Estimated cost of units sold to be incurred (ii)	(157,261)
Unappropriated revenue	144,977
<b>(i) Unappropriated sales revenue of units sold</b>	
Ventures under construction:	
Contracted sales revenue	991,432
Appropriated sales revenue	(689,194)
<b>Unappropriated sales revenue (a)</b>	<b>302,238</b>

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements

September 30, 2017

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

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

#### (ii) Estimated cost of units sold to be incurred

Ventures under construction:

Estimated cost of units	(537,627)
Incurring cost of units	380,366
<b>Estimated cost to be incurred (b)</b>	<b>(157,261)</b>

- a) The unappropriated sales revenue of units sold are measured by the face value of contracts, plus the contract adjustments and deducted for 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.

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

	<u>Consolidated</u>
	<u>09/30/2017</u>
Estimated cost of units	(516,818)
Incurring cost of units	194,371
Cost to be incurred	(322,477)

As of September 30, 2017, the percentage of Consolidated assets in the quarterly information related to real estate ventures included in the asset segregation structure was 71.67%.

### 29. Transactions Nnt affecting cash and cash equivalents and reconciliation of financing activities

a) Non-cash transactions:

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>09/30/2017</u>	<u>09/30/2016</u>	<u>09/30/2017</u>	<u>09/30/2016</u>
Acquisition of control (Note 9)	-	-	(67,103)	-
Acquisition of ownership interests (Note 9)	11,757	-	-	-
Capital decrease (Note 9)	(393,894)	-	(13,353)	-
Capital contribution (Note 9)	92,895	91,408	-	3,694
Advance for future capital increase ( Note 9)	(65,755)	(90,459)	-	(6,614)

## Construtora Tenda S.A.

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### 29. Transactions not affecting cash and cash equivalents and reconciliation of financing activities - continued

#### b) Reconciliation of financing activities:

	Company						
	Transactions affecting Cash				Transactions not affecting Cash		
	Opening balance 12/31/2016	New	Interest payment	Principal payment	Interest and inflation adjustment	Offset of related parties / Investment	Closing balance 09/30/2017
Loans (Note 12)	44,906	76,350	(5,831)	(57,198)	6,179	-	64,406
Loan with Related Parties Asset (Note 7.1)	(47,044)	-	-	-	(116)	4,288	(42,872)
Loan with Related Parties Liability (Note 7.1)	50,599	2,432	-	-	2,118	(39,390)	15,759
Total	48,461	78,782	(5,831)	(57,198)	8,181	(35,102)	37,293

	Company					
	Transactions affecting Cash			Transactions not affecting Cash		
	Opening balance 12/31/2015	New	Interest payment	Principal payment	Interests and inflation adjustment	Closing balance 09/30/2016
Loans (Note 12)	212,859	44,558	(14,624)	(122,880)	15,811	135,724
Loans with related parties Asset (Note 7.1)	(38,857)	(7,873)	-	-	(13)	(46,743)
Loans with related parties Liability (Note 7.1)	41,002	8,013	-	-	954	49,969
Total	215,004	44,698	(14,624)	(122,880)	16,752	138,950

	Consolidated						
	Transactions affecting Cash				Transactions not affecting Cash		
	Opening balance 12/31/2016	New	Interest payment	Principal payment	Interests and inflation adjustment	Offset of related parties/ investment	Closing balance 09/30/2017
Loans (Note 12)	134,994	291,473	(11,376)	(296,946)	12,558	-	130,703
Loans with related parties Asset (Note 7.1)	(37,745)	-	-	-	(132)	4,304	(33,573)
Loans with related parties Liability (Note 7.1)	50,599	2,432	-	-	2,118	(39,390)	15,759
Total	147,848	293,905	(11,376)	(296,946)	14,544	(35,086)	112,889

	Consolidated					
	Transactions affecting Cash			Transactions not affecting Cash		
	Opening balance 12/31/2015	New	Interest payment	Principal payment	Interests and inflation adjustment	Closing balance 09/30/2016
Loans (Note 12)	248,330	188,361	(17,592)	(239,571)	19,870	199,398
Loans with related parties Asset (Note 7.1)	(30,374)	(7,497)	-	-	(13)	(37,884)
Loans with related parties Liability (Note 7.1)	41,002	8,013	-	-	954	49,969
Total	258,958	188,877	(17,592)	(239,571)	20,811	211,483

## **Construtora Tenda S.A.**

Notes to Individual and Consolidated Quarterly Financial Statements  
September 30, 2017  
(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### **30. Subsequent events**

a) Debenture Issue:

On September 6, 2017, the Company issued the third non-convertible debenture issue, in the amount of R\$ 270 million, with maturity on January 15, 2021. This operation is secured by the housing loan certificate issued by Ares Serviços Imobiliários Ltda that backs the CRI issued by Apice Securitizadora S/A, approved by the Company's Board of Directors, which minutes was registered with the São Paulo Board of Trade (Jucesp) on September 27, 2017, and published on October 3, 2017, having as commitment to subscription of a minimum of R\$ 100 million reais and a maximum of R\$ 270 million, accruing interests at CDI + 0.9% p.a.  
By the date of approval of the financial statements by the Board of Directors, the amount corresponds to R\$ 64.5 million in securities.

## **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 September 30, 2017, which comprises the balance sheet as of September 30, 2017 and the respective statement of operations and statement of comprehensive income (loss) for the quarter and nine-month period then ended, and the statement of changes in equity and statement of cash flows for the nine-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 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 nine-month period ended September 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, November 09, 2017

KPMG Auditores  
Independentes CRC  
2SP014428/O-6

*Original report in Portuguese signed by*  
Giuseppe Masi  
Accountant CRC 1SP176273/O-7

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

## **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 September 30, 2017.

São Paulo, November 09, 2017.

Construtora Tenda S.A.

Management

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

**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 September 30, 2017; and
- ii) Management has reviewed and agreed with the interim information for the period ended September 30, 2017.

São Paulo, November 09, 2017.

Construtora Tenda S.A.

Management