

Construtora Tenda S.A.

Notes to the individual and consolidated
Interim financial information
For the period ended march31, 2018

(Convenience Translation into English from the original previously Issued in Portuguese)

Construtora Tenda S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION MARCH 31, 2018

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

Notice to the Market

1Q18 OPERATING AND FINANCIAL RESULTS

Tenda ends 1Q18 with cash generation of R\$55 million and net income of R\$36 million. Net pre-sales grew by 25.2% against 1Q17, reaching Net SoS of 29.1% in this quarter.

FOR IMMEDIATE RELEASE - São Paulo, May 10, 2018 – Construtora Tenda S.A., one of Brazil’s leading homebuilders and real estate developers operating in the low-income housing segment within the “Minha Casa, Minha Vida” (“MCMV”) program, levels 1.5 and 2, today reported its operating and financial results for the first quarter of 2018.

HIGHLIGHTS

- Cash Generation totaled R\$55 million in 1Q18, higher than the R\$19 million recorded in 1Q17. Operational Cash Generation ended 1Q18 at R\$56 million, up 164% against 1Q17.
- Adjusted EBITDA of R\$58 million, up 83.5% from 1Q17.
- Net income of R\$36.3 million in 1Q18, up 91.5% year-over-year. ROE in the last 12 months reached 10.9% in 1Q18, an increase of 4.4 p.p., showing consistency in the improvement of the results.
- Net pre-sales reached R\$424 million this quarter, up 25% year-over-year. Speed of Sales (“Net SoS”) ended at 29.1%, an increase of 4.8 p.p. compared to 1Q17.
- Landbank increased to R\$6.9 billion with the acquisition of R\$443 million in 1Q18.
- Transfers totaled R\$413 million in PSV in 1Q18, up 29% year-over-year.

CONFERENCE CALL WITH WEBCAST AND SIMULTANEOUS TRANSLATION

May 11, 2018 - Friday
11:00 a.m. (BRT)
10 a.m. (NY)

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



MESSAGE FROM MANAGEMENT

We entered 2018 delivering another quarter with solid results. Our net pre-sales performance deserves highlighting, went up 25% to R\$424 million, validating Tenda's product effectiveness and acceptance in our target market and in line with full-year guidance.

We ended the quarter with 41 construction sites, all of them on schedule. In 1Q18, we launched eight projects in the metropolitan regions where we operate, sustaining a healthy pace of new projects.

In financial terms, Tenda continues to deliver very positive results. Adjusted EBITDA grew 83.5% year-over-year and adjusted gross margin was 35.2%, also in line with our year's guidance. Net income over the last 12 months climbed 75% to R\$124 million, while ROE expanded 4.4 p.p. to 10.9%.

We also would like to emphasize the delivery of Colibris project in April 2018, the first one with elevator under the current business model, launched in December 2016. Located in São Paulo, this real estate development was the result of a successful initiative that from now on will be included in our strategic growth plan. This pilot project aimed at assessing the feasibility of buildings with elevator, with the same total construction cost and still targeting customers within the "Minha Casa, Minha Vida" housing program, levels 1.5 and 2, without increasing prices. This product also would have to maintain the same construction method, with the aluminum mold technology, and allowing the continuity concept in our projects.



The pilot fulfilled its purpose: we finished constructing with costs similar to buildings without elevator and we managed to sell to the same customers, without increasing prices. At the same time, we acquired an extensive landbank that will allow these projects to be continued. Not only will elevator-included products allow for a higher concentration of units within the same land area, they will also

bring greater flexibility for landbank acquisitions, making it feasible for us to develop projects in land areas with lower footage than typically required for Tenda. This is a competitive advantage in the metropolitan regions where land availability is scarce. This is now an advantage for growth strategies in the São Paulo metropolitan region, our most profitable region, where still there is a high level of unmet demand for housing.

Another important highlight in the quarter was the transfer performance. In 1Q18, we managed to revert the backlog of transfers built in 4Q17 by recording a 29% increase in total PSV transferred year-over-year to R\$413 million. Caixa Econômica Federal's contracts remain steady with operations back to normal.

This solid transfer performance has a direct impact on our cash, which this quarter also benefited from the inflows deriving from the issue of a CRI – Real Estate Receivables Certificates at last year-end. This was our first offering into the capital markets after the IPO and attracted over 6,000 individual investors, enabling a net funding of R\$266 million. Thus, our cash ended the quarter at R\$660 million, which subtracted from our gross debt, resulted in a negative net debt of R\$283 million, representing a negative net debt to shareholder's equity ratio of 23.4%.



The appraisal of this index was already being discussed at the Board of Directors, and as a result of this analysis, we have announced to the market that the Company will pursue, on the long run, the goal of sustaining its leverage ratio close to 0%, accepting a fluctuation of up to 10 p.p. up or down.

Such metrics supported the Board of Directors' decision to approve our share buyback program, in early April, under which shares purchased can be cancelled, sold and/or used face the exercise of options within the scope of the Stock Option Plan.

It is also worth mentioning that our Annual and Extraordinary Shareholders' Meeting held in last April, among other deliberations, approved to conform the Company's Bylaws with B3's Novo Mercado Rules; to alter the current Finance Committee in order to transform it into an Audit Committee, anticipating the requirement of Novo Mercado Rules, mandatory only as of 2021; and to approve the installation of the Fiscal Council. With these decisions, we step forward to improve our Corporate Governance, an essential foundation of our commitment to the stakeholders.

This quarter we had to comply with the accounting standards of CPC48/IFRS 9 applicable to all companies, and for this reason, our financial statements are now adjusted to such changes. This compliance did not have relevant impacts to our financial statements, since the metrics we had previously adopted concerning provision for credit risks in our receivables portfolio were proven to be sufficiently strong.

On May 4, 2018, we completed one year of listing at the B3, and we would like to take this opportunity to thank the entire Tenda team, and our partners who participated in this historic milestone for the Company. This result is an effect of collective efforts, commitment, simplicity, and efficiency.

We are confident that all these actions, coupled with results delivered in 1Q18, will be sufficient to achieve the guidance announced to the market and to expand Tenda's current business model, thus allowing us to reach our goal of becoming Brazil's low-income segment company that delivers the best return to its shareholders.

The Management





OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational and Financial Highlights	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Operational Highlights								
Launches	266.3	458.3	(41.9%) ↓	302.1	(11.8%) ↓	266.3	302.1	(11.8%) ↓
Net pre-sales	424.2	433.5	(2.1%) ↓	338.9	25.2% ↑	424.2	338.9	25.2% ↑
Sales over Supply (SoS)	29.1%	26.9%	2.3 p.p. ↑	24.3%	4.8 p.p. ↑	29.1%	24.3%	4.8 p.p. ↑
Delivered projects (Units)	1,404	3,252	(56.8%) ↓	2,647	(47.0%) ↓	1,404	2,647	(47.0%) ↓
Landbank - Acquisitions / Adjustments (in R\$ million)	443.4	819.7	(45.9%) ↓	357.1	24.2% ↑	443.4	357.1	24.2% ↑
Financial Highlights								
Net Revenue	366.1	357.2	2.5% ↑	324.7	12.7% ↑	366.1	324.7	12.7% ↑
Adjusted Gross Profit ¹	128.9	134.0	(3.8%) ↓	112.3	14.8% ↑	128.9	112.3	14.8% ↑
Adjusted Gross Margin ¹	35.2%	37.5%	(2.3 p.p.) ↓	34.6%	0.6 p.p. ↑	35.2%	34.6%	0.6 p.p. ↑
Adjusted EBITDA ²	58.3	58.5	(0.4%) ↓	31.7	83.5% ↑	58.3	31.7	83.5% ↑
Adjusted EBITDA Margin ²	15.9%	16.4%	(0.5 p.p.) ↓	9.8%	6.1 p.p. ↑	15.9%	9.8%	6.1 p.p. ↑
Net Financial Result	3.2	(0.1)	2,482.7% ↑	(0.7)	578.0% ↑	3.2	(0.7)	578.0% ↑
Net Income (Loss) ³	36.3	36.2	0.1% ↑	18.9	91.5% ↑	36.3	18.9	91.5% ↑
Backlog Revenues	422.8	325.1	30.0% ↑	257.1	64.4% ↑	422.8	257.1	64.4% ↑
Backlog Results	188.9	158.0	19.5% ↑	112.2	68.4% ↑	188.9	112.2	68.4% ↑
Backlog Margin	44.7%	48.6%	(3.9 p.p.) ↓	43.6%	1.1 p.p. ↑	44.7%	43.6%	1.1 p.p. ↑
Cash and cash equivalents ⁵	660.4	497.7	32.7% ↑	284.3	132.3% ↑	660.4	284.3	132.3% ↑
Net Debt	(282.6)	(227.6)	(24.2%) ↓	(110.9)	(154.9%) ↓	(282.6)	(110.9)	(154.9%) ↓
Adjusted Net Debt ⁶	(282.6)	(227.6)	(24.2%) ↓	(10.9)	(2,504.0%) ↓	(282.6)	(10.9)	(2,504.0%) ↓
Shareholders' Equity + minority shareholders	1,209.8	1,163.7	4.0% ↑	1,100.9	9.9% ↑	1,209.8	1,100.9	9.9% ↑
Net Debt / (SE + Minority)	(23.4%)	(19.6%)	(3.8 p.p.) ↓	(10.1%)	(13.3 p.p.) ↓	(23.4%)	(10.1%)	(13.3 p.p.) ↓
Adjusted Net Debt ⁶ / (SE + Minority)	(23.4%)	(19.6%)	(3.8 p.p.) ↓	(1.0%)	(22.4 p.p.) ↓	(23.4%)	(1.0%)	(22.4 p.p.) ↓
Cash Generation ⁴	55.0	74.9	(26.6%) ↓	18.4	199.2% ↑	55.0	18.4	199.2% ↑
Operating Cash Generation ¹¹	56.0	73.1	(23.3%) ↓	21.2	163.8% ↑	56.0	21.2	163.8% ↑
Net Income (Loss) (last 12 months)	124.0	106.7	16.2% ↑	70.8	75.2% ↑	124.0	70.8	75.2% ↑
NOPAT (last 12 months) ⁷	150.7	135.6	11.1% ↑	106.5	41.4% ↑	150.7	106.5	41.4% ↑
Adjusted Capital Employed ⁸	927.4	936.0	(0.9%) ↓	1,090.0	(14.9%) ↓	927.4	1,090.0	(14.9%) ↓
ROE (last 12 months) ⁹	10.9%	9.7%	1.2 p.p. ↑	6.5%	4.4 p.p. ↑	10.9%	6.5%	4.4 p.p. ↑
ROCE (last 12 months) ¹⁰	14.9%	13.4%	1.5 p.p. ↑	9.8%	5.2 p.p. ↑	14.9%	9.8%	5.2 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) Cash Generation is obtained through the difference between the variation of Available Cash and the variation of Gross Debt, adjusted to the amounts of Share Buyback, Dividends Capital Reduction and non-operating effects

5) Cash and cash equivalents and real estate 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 adjusted by minority shareholders divided by the average shareholders' equity. 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.

11) Operating Cash Generation is a result of the company's managerial calculation which neither reflects nor is compared with the figures reported in the financial statements.



GUIDANCE

Aiming at reconciling information and improving predictability to the market regarding our figures, Tenda opted to disclose Guidance based on specific scenarios with defined variables and assumptions, reaching the following projections for 2018:

- Concerning the Adjusted Gross Margin, which is the ratio between gross profit for the year, consolidated and deducted by capitalized financial charges stated in Note 12 to the financial statements and consolidated net revenue for the year, a range is estimated between a minimum of 33% and a maximum of 35%.
- Concerning the Company's Net Pre-Sales, defined as the result from gross sales, for the year in R\$ million, less cancellations, for the year in R\$ million, adjusting all the amounts to Tenda's equity interest, we estimated a range between R\$1,650 million and R\$1,850 million.

Guidance (in R\$ million)	Inferior	Superior	1T18	2T18	3T18	4T18	3M18
Adjusted Gross Margin Boundaries 2018 (%)	33.0%	35.0%	35.2%	0.0%	0.0%	0.0%	35.2%
Net Sales Boundaries 2018 (R\$ MM)	1650,0	1,850.0	424.2	0.0	0.0	0.0	424.2

LAUNCHES

The number of projects launched in 1Q18 was in line year-over-year, however, the volume in PSV dropped 12% from 1Q17, due to a reduced number of units per project and registry delay developments in a few locations. This issue has already been solved as of April 2018.

Launches ¹	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Number of Launches	8	12	(33.3%) ↓	8	0.0% ↑	8	8	0.0% ↑
PSV (in R\$ million)	266.3	458.3	(41.9%) ↓	302.1	(11.8%) ↓	266.3	302.1	(11.8%) ↓
Number of units	1,852	3,268	(43.3%) ↓	2,060	(10.1%) ↓	1,852	2,060	(10.1%) ↓
Average price per unit (in R\$ thousand)	143.8	140.3	2.5% ↑	146.6	(1.9%) ↓	143.8	146.6	(1.9%) ↓
Average size of launches (in units)	232	272	(15.0%) ↓	258	(10.1%) ↓	232	258	(10.1%) ↓

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



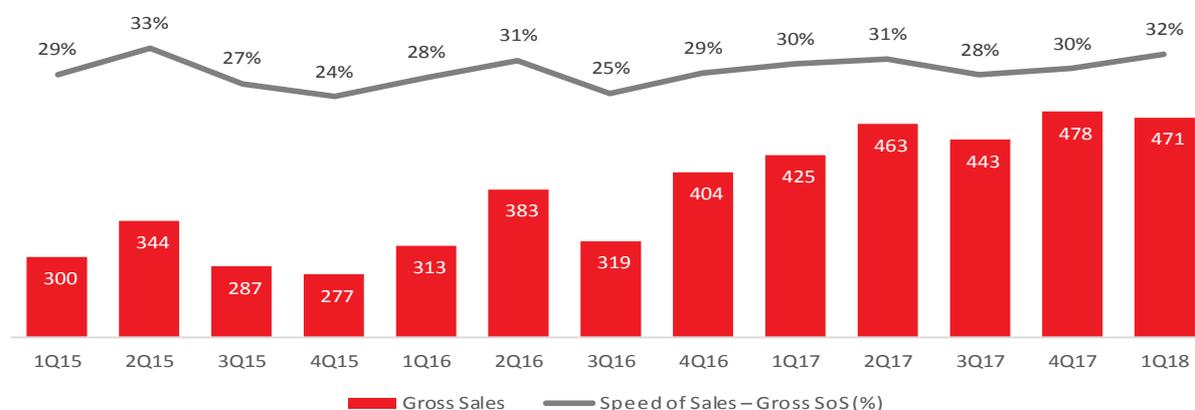
GROSS SALES

Gross sales totaled R\$471 million in 1Q18, up 11% year-over-year and in line with 4Q17, consistent with an increased number of units sold in the annual comparison.

The speed of sales (“Gross SoS”) reached 32% in 1Q18, an increase of 1.9 p.p. year-over-year. Quarter-over-quarter, this figure went up 2.8 p.p.

Gross Sales	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
PSV (in R\$ million)	471.2	477.7	(1.3%) ↓	424.6	11.0% ↑	471.2	424.6	11.0% ↑
Number of units	3,393	3,355	1.1% ↑	3,034	11.8% ↑	3,393	3,034	11.8% ↑
Average price per unit (in R\$ thousand)	138.9	142.4	(2.5%) ↓	140.0	(0.8%) ↓	138.9	140.0	(0.8%) ↓
Gross SoS	32.4%	29.6%	2.8 p.p. ↑	30.5%	1.9 p.p. ↑	32.4%	30.5%	1.9 p.p. ↑

Speed of Sales – Gross SoS (%) X Gross Sales



CANCELLATIONS AND NET PRE-SALES

Cancellations in the quarter represented 10% of gross sales, down 10.2 p.p. versus 1Q17, due to stabilization at healthy levels as already disclosed in previous quarters.

The speed of sales (“Net SoS”) reached 29% in 1Q18, up 4.8 p.p. from 1Q17 and 2.3 p.p. from 4Q17.

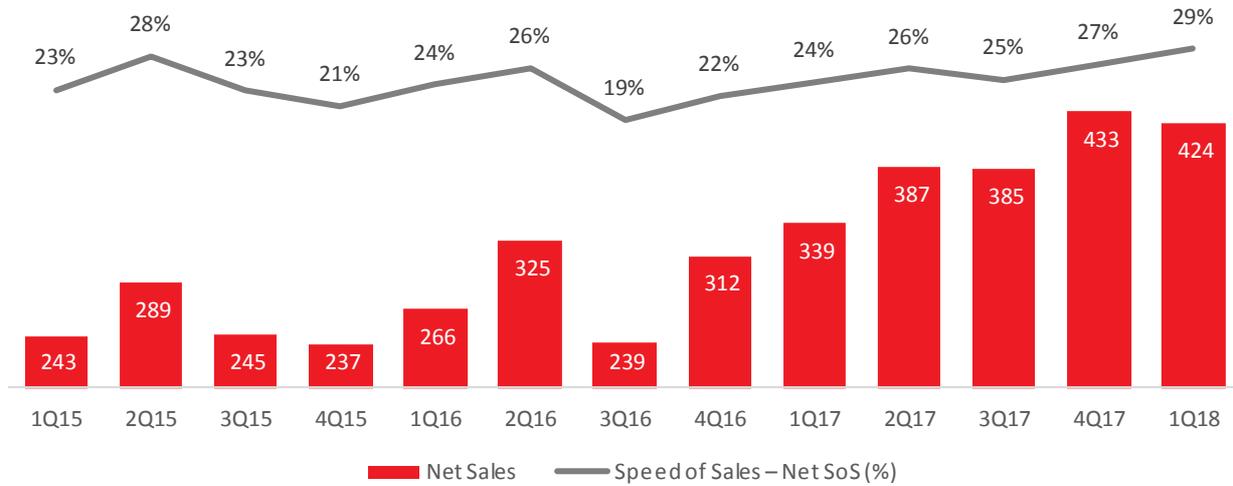
(in R\$ million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Gross Sales	471.2	477.7	(1.3%) ↓	424.6	11.0% ↑	471.2	424.6	11.0% ↑
Cancellations	47.0	44.2	6.4% ↑	85.8	(45.2%) ↓	47.0	85.8	(45.2%) ↓
Net Pre-Sales	424.2	433.5	(2.1%) ↓	338.9	25.2% ↑	424.2	338.9	25.2% ↑
% Launch ¹	8.2%	82.4%	(74.2 p.p.) ↓	16.1%	(7.9 p.p.) ↓	8.2%	16.1%	(7.9 p.p.) ↓
% Inventory	91.8%	17.6%	74.2 p.p. ↑	83.9%	7.9 p.p. ↑	91.8%	83.9%	7.9 p.p. ↑
Cancellations / Gross Sales	10.0%	9.2%	0.7 p.p. ↑	20.2%	(10.2 p.p.) ↓	10.0%	20.2%	(10.2 p.p.) ↓
Net SoS	29.1%	26.9%	2.3 p.p. ↑	24.3%	4.8 p.p. ↑	29.1%	24.3%	4.8 p.p. ↑

(in units)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Gross Units Sold	3,393	3,355	1.1% ↑	3,034	11.8% ↑	3,393	3,034	11.8% ↑
Cancelled Units	341	321	6.2% ↑	621	(45.1%) ↓	341	621	(45.1%) ↓
Net Units Sold	3,052	3,034	0.6% ↑	2,413	26.5% ↑	3,052	2,413	26.5% ↑
Cancellations / Gross Sales	10.1%	9.6%	0.5 p.p. ↑	20.5%	(10.4 p.p.) ↓	10.1%	20.5%	(10.4 p.p.) ↓

1) Launches of current year.



Speed of Sales – Net SoS (%) X Net Sales



UNITS TRANSFERRED, DELIVERED AND CONSTRUCTION SITES

Transferred PSV totaled R\$413 million in 1Q18, up 29% year-over-year and 15% quarter-over-quarter, due to the release of transfers suspended in 4Q17 and the maintenance of a stabilized operation with financial institutions. This quarter, 1.4 thousand units were delivered, ending 1Q18 with 41 construction sites.

Transfers, Deliveries and Construction Sites	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
PSV Transferred (in R\$ million)	413.1	358.8	15.1% ↑	320.3	29.0% ↑	413.1	320.3	29.0% ↑
Transferred Units	3,255	2,806	16.0% ↑	2,577	26.3% ↑	3,255	2,577	26.3% ↑
Delivered Units	1,404	3,252	(56.8%) ↓	2,647	(47.0%) ↓	1,404	2,647	(47.0%) ↓
Construction Sites	41	38	7.9% ↑	34	20.6% ↑	41	34	20.6% ↑

INVENTORY AT MARKET VALUE

The volume of launches in 1Q18 and the maintenance of speed of sales (SoS) in the period resulted in a 13% reduction in inventory compared to 4Q17 and 2.1% versus 1Q17. The Company ended the quarter with an inventory of R\$1.0 billion and 7.6 months of inventory turnover¹.

Inventory at Market Value	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
PSV (in R\$ million)	1,031.2	1,179.8	(12.6%) ↓	1,053.7	(2.1%) ↓	1,031.2	1,053.7	(2.1%) ↓
Number of Units	7,027	8,272	(15.1%) ↓	7,109.0	(1.2%) ↓	7,027	7,109.0	(1.2%) ↓
Average price per unit (in R\$ thousand)	146.7	142.6	2.9% ↑	148.2	(1.0%) ↓	146.7	148.2	(1.0%) ↓

Status of Construction	1Q18	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished units
VGv (em R\$ milhões)	1.031,2	146,6	387,0	254,3	125,2	118,0

¹ (Inventory PSV at current market value/ PSV of net pre-sales in the last 12 months) x 12 months



LANDBANK

We continue to expand the Company's landbank, with a 50% increase in the number of projects in landbank year-over-year. In 1Q18, 10 phases/projects were acquired, spread over the regions where the Company operates, representing launch potential of R\$443 million in PSV. 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 ¹	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Number of Projects	208	206	1.0% ↑	139	49.6% ↑	208	139	49.6% ↑
PSV (in R\$ million)	6,872.0	6,695.0	2.6% ↑	4,516.7	52.1% ↑	6,872.0	4,516.7	52.1% ↑
Acquisitions / Adjustments (in R\$ million)	443.4	819.7	(45.9%) ↓	357	24.2% ↑	443.4	357.1	24.2% ↑
Number of Units	47,219	45,795	3.1% ↑	32,827	43.8% ↑	47,219	32,827	43.8% ↑
Average price per unit (in R\$ thousands)	145.5	146.2	(0.5%) ↓	137.6	5.8% ↑	145.5	137.6	5.8% ↑
% Swap Total	28.8%	28.4%	0.4 p.p. ↑	14.8%	14.0 p.p. ↑	28.8%	14.8%	14.0 p.p. ↑
% Swap Units	17.8%	17.7%	0.1 p.p. ↑	7.5%	10.3 p.p. ↑	17.8%	7.5%	10.3 p.p. ↑
% Swap Financial	11.0%	10.6%	0.4 p.p. ↑	7.4%	3.6 p.p. ↑	11.0%	7.4%	3.6 p.p. ↑

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

CURRENT BUSINESS MODEL UPDATE

Tenda already delivered 100% of the units launched before 2015 under the current business model, which reinforces the stabilization of the operation. We've delivered 23,251 units and R\$3,272 million in PSV until the end of 1Q18. This quarter sets the product as the Current Business Model and consolidates its results and efficiency.

Current Business Model Update	2013	2014	2015	2016	2017	YTD 2018
Number of Projects	7	14	30	41	45	8
Units launched	2,460	4,315	7,711	9,819	11,768	1,852
Total PSV (R\$ 000)	313.9	613.3	1,088.9	1,342.5	1,695.2	266.3
Units Sold	2,445	4,242	7,590	8,859	7,917	241
% Sold	99.4%	98.3%	98.4%	90.2%	67.3%	13.0%
Avg SoS (Month)	8.6%	6.5%	8.3%	11.0%	10.9%	13.3%
Units transferred	2,443	4,234	7,571	8,702	7,032	120
% Units transferred	99.3%	98.1%	98.2%	88.6%	59.8%	6.5%
% Construction	100.0%	100.0%	100.0%	95.4%	59.0%	10.9%



LEGACY UPDATE

Legacy projects have been losing representativeness on both results and Capital Employed¹ over the past years. The phase-out speed will decline slightly until its liquidation, due to inventory and assets low liquidity.

Legacy Update	2011	2012	2013	2014	2015	2016	2017	YTD 2018
Operational								
Inventory at Market Value	1,171.5	826.7	478.7	365.1	226.2	154.9	132.1	121.7
Gross Sales	249.0	1,091.9	874.4	508.0	228.3	143.1	58.7	16.2
Cancellations	468	1,166	583	414	121	90	44	2
Net Sales	(218.8)	(74.3)	291.4	93.9	107.5	53.1	14.8	13.8
Cancellations / Gross Sales	187.9%	106.8%	66.7%	81.5%	52.9%	62.9%	74.7%	14.6%
Sales over Supply (SoS)	(23.0%)	(9.9%)	37.8%	20.5%	32.2%	25.5%	10.1%	10.2%
Gross SoS	702.9	1,182.6	900.3	459.9	214.6	145.2	108.7	13.6
Delivered Units	14	16,889	7,027	6,076	1,848	0	0	0
Construction Sites	138	63	26	5	1	1	1	1
Financial								
Adjusted Capital Employed ¹	2,516.9	2,089.7	1,152.4	755.1	547.2	324.5	211.4	197.0
Accounts Receivable ¹	1,465.9	1,233.5	623.3	317.8	232.0	117.0	47.6	53.8
<i>AR Clients</i>	1,465.9	1,233.5	623.3	306.4	223.7	97.7	19.9	27.2
<i>AR Landbank Sold</i>	ND ²	ND ²	ND ²	11.4	8.3	19.2	27.6	26.6
Inventory ²	1,051.0	856.2	529.1	437.2	315.2	207.5	163.9	143.2
<i>Inventory</i>	1,023.8	730.8	421.3	332.7	213.7	132.3	99.1	143.2
<i>Landbank for Sale</i>	27.2	125.4	107.8	104.5	101.5	75.2	64.8	0.0
Other Operating Revenues and Expenses	(60.3)	(47.8)	(24.8)	(62.2)	(52.6)	(36.7)	(98.5)	(14.8)
<i>Litigation Expenses</i>	(15.2)	(17.5)	(18.1)	(51.2)	(27.3)	(21.2)	(51.8)	(10.3)
<i>Other</i>	(45.2)	(30.3)	(6.7)	(11.0)	(25.3)	(15.5)	(46.7)	(4.6)
Net Revenue	439.3	1,069.1	722.5	273.8	168.3	(52.2)	7.2	12.1
Gross Profit	(281.9)	130.4	27.0	(3.1)	(29.2)	(87.0)	(70.5)	(16.7)
Gross Margin	(64.2%)	12.2%	3.7%	(1.1%)	(17.4%)	NA ²	(979.8%)	(138.5%)

1) Managerial vision

2) ND: Not disclosed; NA: Not applicable

NET OPERATING REVENUE

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

(in R\$ million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Gross Operating Revenues	376.8	367.0	2.6% ↑	347.2	8.5% ↑	376.8	347.2	8.5% ↑
Provision for doubtful accounts	(2.9)	5.3	155.1% ↑	(4.8)	(39.2%) ↓	(2.9)	(4.8)	(39.2%) ↓
Provision for cancellations	0.9	(2.9)	129.4% ↑	3.2	(73.0%) ↓	0.9	3.2	(73.0%) ↓
Taxes on sales of properties and services	(8.6)	(12.3)	(30.2%) ↓	(20.8)	(58.7%) ↓	(8.6)	(20.8)	(58.7%) ↓
Net Operating Revenue	366.1	357.2	2.5% ↑	324.7	12.7% ↑	366.1	324.7	12.7% ↑



GROSS PROFIT

The gross profit increase of 15.2% versus 1Q17 is driven by the growth of the Company's operations in the regions where it has presence. Adjusted gross margin went up 0.7 p.p. year-over-year and down 2.3 p.p. from 4Q17 due to the R\$12 million expenses in association with a legacy project already delivered, that suffered damages due to rainfalls above the historical average.

(in R\$ Million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Net Revenue	366.1	357.2	2.5% ↑	324.7	12.7% ↑	366.1	324.7	12.7% ↑
Gross Profit	123.7	126.7	(2.4%) ↓	107.3	15.2% ↑	123.7	107.3	15.2% ↑
Gross Margin	33.8%	35.5%	(1.7 p.p.) ↓	33.1%	0.7 p.p. ↑	33.8%	33.1%	0.7 p.p. ↑
(-) Financial Costs	5.3	7.3	(27.7%) ↓	4.9	6.3% ↑	5.3	4.9	6.3% ↑
Adjusted Gross Profit¹	128.9	134.0	(3.8%) ↓	112.3	14.8% ↑	128.9	112.3	14.8% ↑
Adjusted Gross Margin	35.2%	37.5%	(2.3 p.p.) ↓	34.6%	0.6 p.p. ↑	35.2%	34.6%	0.6 p.p. ↑

1) Adjusted by capitalized interest rates.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

Selling expenses went down 17.4% from 4Q17, corresponding to 6.7% of gross sales in 1Q18, a reduction of 1.3p.p., of which R\$5 million resulted from greater efficiency in Marketing, as well as higher contribution from sales in Level 1.5 projects, in which we reached a higher number of potential clients with the same marketing efforts.

General and administrative expenses ("G&A") represented 12.8% of launches in 1Q18, an increase of 7.2 p.p. compared to 4Q17 and 5.2 p.p. from 1Q17. This change in results is a one-off factor and is explained by a review of the estimated amount of vesting instruments of the current Stock Option Plan (March 2018), thus, increasing the fair value recognized, in accordance with CPC 10 - item 20, accounting for R\$9 million, not derived from a new stock grant plan. The Company maintains its growth strategy focused on gaining operational scale.

(in R\$ Million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Selling Expenses	(31.7)	(38.4)	(17.4%) ↓	(29.5)	7.6% ↑	(31.7)	(29.5)	7.6% ↑
General & Admin Expenses	(34.0)	(25.6)	32.8% ↑	(22.9)	48.3% ↑	(34.0)	(22.9)	48.3% ↑
Total SG&A Expenses	(65.7)	(64.0)	2.7% ↑	(52.4)	25.4% ↑	(65.7)	(52.4)	25.4% ↑
Gross Sales	471.2	477.7	(1.3%) ↓	424.6	11.0% ↑	471.2	424.6	11.0% ↑
Launches	266.3	458.3	(41.9%) ↓	302.1	(11.8%) ↓	266.3	302.1	(11.8%) ↓
Selling Expenses / Gross Sales	6.7%	8.0%	(1.3 p.p.) ↓	6.9%	(0.2 p.p.) ↓	6.7%	6.9%	(0.2 p.p.) ↓
G&A Expenses / Launches	12.8%	5.6%	7.2 p.p. ↑	7.6%	5.2 p.p. ↑	12.8%	7.6%	5.2 p.p. ↑



OTHER OPERATING REVENUES/EXPENSES

The hike in other operating revenues and expenses this quarter is explained by an increase of 114.1% in judicial settlements compared to 4Q17, on the other hand, year-over-year, other operating revenues/expenses decreased 15.3%.

(in R\$ Million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Other Operating Revenues and Expenses	(14.8)	(12.1)	22.1% ↑	(28.7)	(48.4%) ↓	(14.8)	(28.7)	(48.4%) ↓
Litigation Expenses	(10.3)	(4.8)	114.1% ↑	(12.1)	(15.3%) ↓	(10.3)	(12.1)	(15.3%) ↓
Other	(4.6)	(7.3)	(38.0%) ↓	(16.6)	(72.5%) ↓	(4.6)	(16.6)	(72.5%) ↓
Equity Income	0.1	(0.4)	(121.6%) ↓	0.1	5.6% ↑	0.1	0.1	5.6% ↑

ADJUSTED EBITDA

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

(in R\$ Million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Net Income	36.3	36.2	0.1% ↑	18.9	91.5% ↑	36.3	18.9	91.5% ↑
(+) Financial result	(3.2)	0.1	(2,482.7%) ↓	0.7	(578.0%) ↓	(3.2)	0.7	(578.0%) ↓
(+) Income taxes and social contribution	6.6	11.3	(41.3%) ↓	4.5	45.7% ↑	6.6	4.5	45.7% ↑
(+) Depreciation and amortization	3.4	3.3	2.3% ↑	3.3	3.5% ↑	3.4	3.3	3.5% ↑
(+) Capitalized interests	5.3	7.3	(27.7%) ↓	4.9	6.3% ↑	5.3	4.9	6.3% ↑
(+) Expenses with Stock Option Plan	9.8	1.0	878.5% ↑	0.5	1,899.0% ↑	9.8	0.5	1,899.0% ↑
(+) Minority Shareholders	0.1	(0.7)	117.8% ↑	(1.1)	111.6% ↑	0.1	(1.1)	111.6% ↑
Adjusted EBITDA¹	58.3	58.5	(0.4%) ↓	31.7	83.5% ↑	58.3	31.7	83.5% ↑
Net Revenue	366.1	357.2	2.5% ↑	324.7	12.7% ↑	366.1	324.7	12.7% ↑
Adjusted EBITDA Margin¹	15.9%	16.4%	(0.5 p.p.) ↓	9.8%	6.1 p.p. ↑	15.9%	9.8%	6.1 p.p. ↑

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

FINANCIAL RESULTS

The 54.1% increase in financial income is due to the higher cash volume invested. Financial expenses went up 1.3% due to higher Company's debt.

(in R\$ Million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Financial Income	9.647	6.3	54.1% ↑	5.6	70.9% ↑	9.6	5.6	70.9% ↑
Financial Expenses	(6.478)	(6.4)	1.3% ↑	(6.3)	2.7% ↑	(6.5)	(6.3)	2.7% ↑
Financial Results	3.2	(0.1)	2,482.7% ↑	(0.7)	578.0% ↑	3.2	(0.7)	578.0% ↑

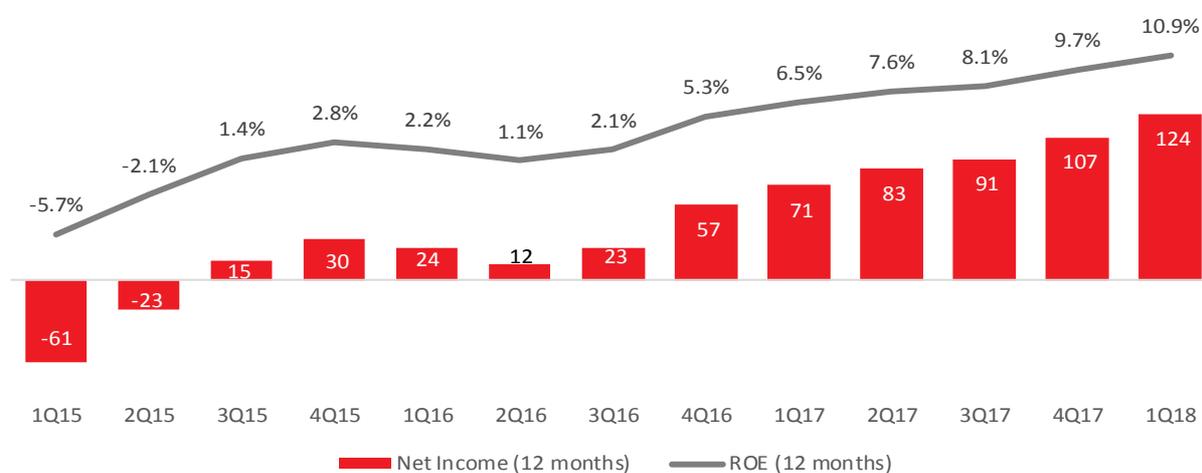


NET INCOME

Increases in net income and net margin were in line with the previous quarter. Year-over-year, results follow an upward trend, with net income growing 91.5% and net margin up by 4.1 p.p.

(in R\$ million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Net Income after Income Tax and Social Contribution	36.4	35.5	2.5% ↑	17.8	104.1% ↑	36.4	17.8	104.1% ↑
(-) Minority shareholders	(0.1)	0.7	(117.8%) ↓	1.1	(111.6%) ↓	(0.1)	1.1	(111.6%) ↓
Net Income	36.3	36.2	0.1% ↑	18.9	91.5% ↑	36.3	18.9	91.5% ↑
Net Margin	9.9%	10.1%	(0.2 p.p.) ↓	5.8%	4.1 p.p. ↑	9.9%	5.8%	4.1 p.p. ↑

ROE (12 months) X Net Income (12 months)



BACKLOG RESULTS

The Backlog margin of 44.7% went down 3.9 p.p. compared to 4Q17 due to the variation in the product mix, impacted by the advance of Level 1.5 projects and by the results from Jardim Girassol, a relaunched legacy project with gross margins close to zero.

(in R\$ million)	March 18	December 17	QoQ (%)	March 17	YoY (%)
Backlog Revenues	422.8	325.1	30.0% ↑	257.1	64.4% ↑
Backlog Costs (units sold)	(233.9)	(167.1)	40.0% ↑	(144.9)	61.3% ↑
Backlog Results¹	188.9	158.0	19.5% ↑	112.2	68.4% ↑
Backlog Margin	44.7%	48.6%	(3.9 p.p.) ↓	43.6%	1.1 p.p. ↑



CASH AND CASH EQUIVALENTS AND FINANCIAL INVESTMENTS

(in R\$ million)	March 18	December 17	QoQ (%)	March 17	YoY (%)
Cash & Cash Equivalents	45.1	39.4	14.5% ↑	45.5	(0.9%) ↓
Short term investments	615.3	458.3	34.2% ↑	238.8	157.7% ↑
Total Cash Position	660.4	497.7	32.7% ↑	284.3	132.3% ↑

ACCOUNTS RECEIVABLE FROM DEVELOPMENTS AND SERVICES RENDERED

(in R\$ million)	March 18	December 17	QoQ (%)	March 17	YoY (%)
Up to 2018 ¹	314.8	387.6	(18.8%) ↓	491.9	(36.0%) ↓
2019	182.0	79.8	128.1% ↑	70.8	157.1% ↑
2020	26.6	24.1	10.8% ↑	20.9	27.3% ↑
2021 ³	20.1	21.4	(5.9%) ↓	13.2	52.7% ↑
2022 ³	11.8	15.5	(24.0%) ↓	2.6	350.2% ↑
2023 and beyond	4.3	0.0	0.0% ↑	3.8	14.7% ↑
Total Accounts Receivable	559.7	528.4	5.9% ↑	596.8	(6.2%) ↓
(-) Present value adjustment	(9.6)	(10.9)	11.5% ↑	(8.7)	(10.6%) ↓
(-) Provision for doubtful accounts	(102.0)	(99.0)	(3.0%) ↓	(84.4)	(20.8%) ↓
(-) Provision for cancellations	(20.8)	(21.7)	3.9% ↑	(42.6)	51.1% ↑
Accounts Receivable	427.3	396.8	7.7% ↑	461.1	(7.3%) ↓
Days of Accounts Receivable	111	107	4.5% ↑	149	(25.3%) ↓
Accounts Receivable Tenda² (in R\$ million)	March 18	December 17	QoQ (%)	March 17	YoY (%)
Before delivery to buyer (Pro-Soluto)	29.4	24.4	20.4% ↑	17.6	66.9% ↑
After delivery to buyer (TCD)	161.0	144.6	11.4% ↑	101.5	58.7% ↑
Tenda Receivables	190.4	169.0	12.7% ↑	119.1	59.9% ↑
Total accounts receivable	427.3	396.8	7.7% ↑	461.1	(7.3%) ↓
Backlog Revenues	422.8	325.1	30.0% ↑	257.1	64.4% ↑
Tenda Receivables/(Total accounts receivable + Backlog Revenues)	22.4%	23.4%	(1.0 p.p.) ↓	16.6%	5.8 p.p. ↑

1) Overdue and falling due.

2) Receivables, net of provision, by installments directly with the Company, since bank financing does not absorb 100% of the property value.

3) The values of March/17 contemplate the receivables from 2021 and onwards and December/ 17 contemplate the receivables from and 2022 onwards

INDEBTEDNESS

Tenda ended 1Q18 with total debt of R\$378 million, duration of 31.9 months and weighted average cost of debt of 7.6%a.a. This total debt was covered by a cash position of R\$660 million at the end of 1Q18.

Debt Maturity Schedule (in R\$ million)	Project Finance	Corporate Debt	Total
2018	6.2	5.5	11.6
2019	23.6	1.1	24.7
2020	39.8	0.0	39.8
2021	295.3	0.0	295.3
2022 onwards	6.5	0.0	6.5
Total Debt	371.3	6.5	377.8
Duration (in months)			31.9



Debt Breakdown (in R\$ million)	Maturity	Charges (APY)	Balance Due March 18	Balance Due December 17
Project Finance			371.3	246.4
SFH	until 10/2021	TR + 8.3% to 9.5%	104.5	92.4
Debenture	until 01/2021	CDI + 0.9%	266.8	154.0
Corporate Debt			6.5	23.8
Working Capital	until 06/2019	CDI + 2.3% to 4.25% INCC-DI Variation	6.5	23.8
Weighted Average Cost of Debt (in R\$ million)	Balance Due March 18	Balance Due / Total Debt	Average Cost (APY)	
CDI	270.3	71.5%	CDI + 0.95%	
TR	104.5	27.7%	TR + 8.3%	
INCC	3.1	0.8%	INCC + 0%	
Total	377.8	100%	7.6%	

NET DEBT

Tenda has an adjusted net debt/shareholder's equity ratio of negative 23.4%, one of the most unleveraged companies in the Brazilian real estate market. Cash generation⁴ totaled R\$55 million this quarter, higher than the R\$18 million recorded in 1Q17.

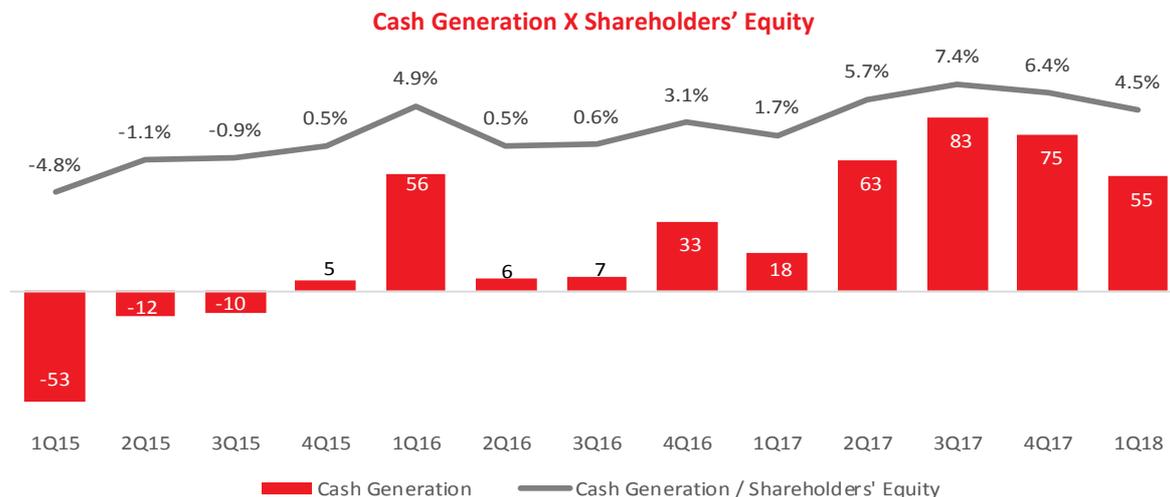
(in R\$ million)	March 18	December 17	QoQ (%)	March 17	YoY (%)
Gross Debt	377.8	270.2	39.9% ↑	173.4	117.9% ↑
(-) Cash and cash equivalents and financial investments	(660.4)	(497.7)	32.7% ↑	(284.3)	132.3% ↑
Net Debt	(282.6)	(227.6)	(24.2%) ↓	(110.9)	(154.9%) ↓
(+) Capital Reduction	0.0	0.0	0.0% ↑	100.0	(100.0%) ↓
Adjusted Net Debt¹	(282.6)	(227.6)	(24.2%) ↓	(10.9)	(2,504.0%) ↓
Shareholders' Equity + Minority Shareholders	1,209.8	1,163.7	4.0% ↑	1,100.9	9.9% ↑
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(23.4%)	(19.6%)	(3.8 p.p.) ↓	(10.1%)	(13.3 p.p.) ↓
Adjusted Net Debt/ (Shareholders' Equity + Minority Shareholders)	(23.4%)	(19.6%)	(3.8 p.p.) ↓	(1.0%)	(22.4 p.p.) ↓
Adjusted EBITDA (Last 12 months)	196.1	169.5	15.6% ↑	139.2	40.9% ↑
Adjusted Net Debt/Adjusted EBITDA (last 12 months)	(144.1%)	(134.2%)	(9.9 p.p.) ↓	(7.8%)	(136.3 p.p.) ↓
Cash Generation ⁴	55.0	74.9	(26.6%) ↓	18.4	199.2% ↑
Geração de Caixa Operacional ²	56.0	73.1	(23.3%) ↓	21.2	163.8% ↑

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.

2) Operating cash generation is a result of the company's managerial calculation which neither reflects nor is compared with the figures reported in the financial statements

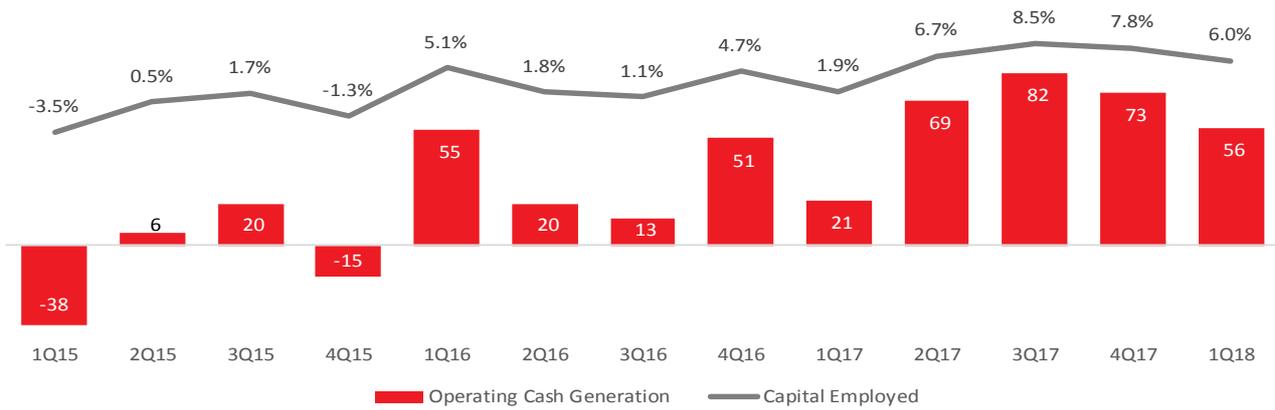
3) March/17 amounts comprise amounts due as of 2021 on.

4) Cash Generation is obtained through the difference between the variation of Available Cash and the variation of Gross Debt, adjusted to the amounts of Share Buyback, Dividends Capital Reduction and non-operating effects.





Operating Cash Generation X Capital Employed



INCOME STATEMENT

(in R\$ million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Net Revenue	366.1	357.2	2.5% ↑	324.7	12.7% ↑	366.1	324.7	12.7% ↑
Operating Costs	(242.4)	(230.5)	5.2% ↑	(217.4)	11.5% ↑	(242.4)	(217.4)	11.5% ↑
Gross Profit	123.7	126.7	(2.4%) ↓	107.3	15.2% ↑	123.7	107.3	15.2% ↑
Gross Margin	33.8%	35.5%	(1.7 p.p.) ↓	33.1%	0.7 p.p. ↑	33.8%	33.1%	0.7 p.p. ↑
Operating Expenses	(83.8)	(79.8)	5.0% ↑	(84.3)	(0.5%) ↓	(83.8)	(84.3)	(0.5%) ↓
Selling Expenses	(31.7)	(38.4)	(17.4%) ↓	(29.5)	7.6% ↑	(31.7)	(29.5)	7.6% ↑
General and Administrative Expenses	(34.0)	(25.6)	32.8% ↑	(22.9)	48.3% ↑	(34.0)	(22.9)	48.3% ↑
Other Operating Revenue/Expenses	(14.8)	(12.1)	22.1% ↑	(28.7)	(48.4%) ↓	(14.8)	(28.7)	(48.4%) ↓
Depreciation and Amortization	(3.4)	(3.3)	2.3% ↑	(3.3)	3.5% ↑	(3.4)	(3.3)	3.5% ↑
Equity Income	0.1	(0.4)	121.6% ↑	0.1	(5.6%) ↓	0.1	0.1	(5.6%) ↓
Operational Result	39.8	46.9	(15.0%) ↓	23.0	72.9% ↑	39.8	23.0	72.9% ↑
Financial Income	9.6	6.3	54.1% ↑	5.6	70.9% ↑	9.6	5.6	70.9% ↑
Financial Expenses	(6.5)	(6.4)	1.3% ↑	(6.3)	2.7% ↑	(6.5)	(6.3)	2.7% ↑
Net Income Before Taxes on Income	43.0	46.8	(8.0%) ↓	22.4	92.2% ↑	43.0	22.4	92.2% ↑
Deferred income tax and social contribution	(0.8)	(5.6)	86.2% ↑	(2.0)	61.8% ↑	(0.8)	(2.0)	61.8% ↑
Current Income Tax and Social Contribution	(5.8)	(5.6)	3.5% ↑	(2.5)	132.3% ↑	(5.8)	(2.5)	132.3% ↑
Net Income After Taxes on Income	36.4	35.5	2.5% ↑	17.8	104.1% ↑	36.4	17.8	104.1% ↑
(-) Minority Shareholders	(0.1)	0.7	(117.8%) ↓	1.1	(111.6%) ↓	(0.1)	1.1	(111.6%) ↓
Net Income	36.3	36.2	0.1% ↑	18.9	91.5% ↑	36.3	18.9	91.5% ↑



BALANCE SHEET

(in R\$ million)	March 18	December 17	QoQ (%)	March 17	YoY (%)
Current Assets	1,631.3	1,412.7	15.5% ↑	1,286.5	26.8% ↑
Cash and cash equivalents	45.1	39.4	14.5% ↑	45.5	(0.9%) ↓
Short term investments	615.3	458.3	34.2% ↑	238.8	157.7% ↑
Receivables from clients	297.3	277.1	7.3% ↑	286.9	3.6% ↑
Properties for sale	570.5	517.2	10.3% ↑	526.3	8.4% ↑
Other accounts receivable	52.1	55.9	(6.9%) ↓	111.0	(53.1%) ↓
Land for sale	51.0	64.8	(21.3%) ↓	78.0	(34.5%) ↓
Non-Current Assets	551.3	593.6	(7.1%) ↓	488.3	12.9% ↑
Receivables from clients	130.0	119.8	8.6% ↑	180.5	(28.0%) ↓
Properties for sale	362.5	417.0	(13.1%) ↓	250.5	44.7% ↑
Other	58.8	56.8	3.6% ↑	57.3	2.6% ↑
Intangible, Property and Equipment	61.5	63.5	(3.1%) ↓	50.6	21.6% ↑
Investments	65.5	65.4	0.2% ↑	63.5	3.2% ↑
Total Assets	2,309.6	2,135.2	8.2% ↑	1,888.8	22.3% ↑
Current Liabilities	414.6	405.8	2.2% ↑	342.1	21.2% ↑
Loans and financing	14.2	31.0	(54.2%) ↓	66.8	(78.7%) ↓
Debentures	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Obligations for purchase of land and advances from customers	213.3	204.7	4.2% ↑	134.6	58.4% ↑
Material and service suppliers	28.7	22.7	26.0% ↑	21.0	36.8% ↑
Taxes and contributions	28.0	27.4	2.4% ↑	32.1	(12.7%) ↓
Other	130.4	119.9	8.7% ↑	87.6	48.8% ↑
Non-current liabilities	685.1	565.7	21.1% ↑	445.8	53.7% ↑
Loans and financing	96.8	85.1	13.7% ↑	106.7	(9.2%) ↓
Debentures	266.8	154.0	73.3% ↑	0.0	0.0% ↑
Obligations for purchase of land and advances from customers	230.0	240.1	(4.2%) ↓	106.8	115.4% ↑
Deferred taxes	6.7	5.9	14.2% ↑	13.4	(50.2%) ↓
Provision for contingencies	29.9	31.5	(5.1%) ↓	45.8	(34.8%) ↓
Other creditors	0.0	0.0	0.0% ↑	100.0	(100.0%) ↓
Other	55.0	49.1	12.0% ↑	73.2	(24.9%) ↓
Shareholders' Equity	1,209.8	1,163.7	4.0% ↑	1,100.9	9.9% ↑
Shareholders' Equity	1,204.7	1,158.7	4.0% ↑	1,068.6	12.7% ↑
Minority Shareholders	5.2	5.0	2.5% ↑	32.3	(84.0%) ↓
Total Liabilities and Shareholders' Equity	2,309.6	2,135.2	8.2% ↑	1,888.8	22.3% ↑



CASH FLOW

(in R\$ million)	1Q18	4Q17	QoQ (%)	1Q17	YoY (%)	3M18	3M17	YoY (%)
Cash Used in Operating Activities	56.6	(17.2)	429.5% ↑	33.5	69.0% ↑	56.6	33.5	69.0% ↑
Net Income (loss) before taxes	43.0	46.8	(8.0%) ↓	22.4	92.2% ↑	43.0	22.4	92.2% ↑
Expenses/revenue not affecting working capital	0.0	0.0	0.0% ↑	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Depreciation and amortization	5.1	4.9	4.8% ↑	4.3	19.5% ↑	5.1	4.3	19.5% ↑
Impairment	(2.1)	6.5	(132.8%) ↓	(2.6)	18.9% ↑	(2.1)	(2.6)	18.9% ↑
Stock option plan expenses	9.8	1.0	878.5% ↑	0.5	1,899.0% ↑	9.8	0.5	1,899.0% ↑
Penalty fee over delayed projects	0.1	(0.5)	123.3% ↑	(0.3)	139.4% ↑	0.1	(0.3)	139.4% ↑
Unrealized interest and charges, net	(1.7)	0.4	(518.9%) ↓	4.2	(139.2%) ↓	(1.7)	4.2	(139.2%) ↓
Equity income	(0.1)	0.4	(121.6%) ↓	(0.1)	5.6% ↑	(0.1)	(0.1)	5.6% ↑
Disposal of fixed asset	0.0	0.0	(60.5%) ↓	0.5	(97.1%) ↓	0.0	0.5	(97.1%) ↓
Warranty provision	9.8	0.3	3,771.4% ↑	2.3	328.3% ↑	9.8	2.3	328.3% ↑
Provision for contingencies	(3.2)	(4.7)	31.5% ↑	0.8	(498.8%) ↓	(3.2)	0.8	(498.8%) ↓
Profit sharing provision	5.0	4.6	7.0% ↑	4.7	4.6% ↑	5.0	4.7	4.6% ↑
Provision (reversal) for doubtful accounts and cancellations	5.2	(5.3)	198.1% ↑	3.0	70.7% ↑	5.2	3.0	70.7% ↑
Provision for cancellations and cancellations payable	0.3	(0.0)	3,487.5% ↑	5.9	(95.4%) ↓	0.3	5.9	(95.4%) ↓
Clients	(31.3)	39.4	(179.5%) ↓	(37.8)	17.1% ↑	(31.3)	(37.8)	17.1% ↑
Properties for sale	18.6	(10.7)	274.5% ↑	7.3	156.5% ↑	18.6	7.3	156.5% ↑
Other receivables	1.7	1.0	75.2% ↑	(6.3)	127.0% ↑	1.7	(6.3)	127.0% ↑
Obligations for purchase of real properties	(6.0)	31.3	(119.3%) ↓	7.1	(185.2%) ↓	(6.0)	7.1	(185.2%) ↓
Taxes and contributions	0.5	1.5	(68.1%) ↓	0.8	(37.1%) ↓	0.5	0.8	(37.1%) ↓
Accounts payable	5.9	(8.9)	166.5% ↑	(10.7)	155.2% ↑	5.9	(10.7)	155.2% ↑
Salaries, payroll charges and bonus provision	1.2	(5.6)	122.2% ↑	1.7	(27.9%) ↓	1.2	1.7	(27.9%) ↓
Other accounts payable	(0.2)	(102.3)	99.8% ↑	(18.4)	99.1% ↑	(0.2)	(18.4)	99.1% ↑
Current account operations	1.3	1.3	(3.4%) ↓	31.6	(96.0%) ↓	1.3	31.6	(96.0%) ↓
Taxes paid	(4.9)	(7.1)	31.3% ↑	(6.0)	18.2% ↑	(4.9)	(6.0)	18.2% ↑
Present value adjustment	(1.2)	(3.9)	68.0% ↑	6.3	(119.9%) ↓	(1.2)	6.3	(119.9%) ↓
Other operating revenue/expenses	0.0	(1.8)	100.0% ↑	12.2	(100.0%) ↓	0.0	12.2	(100.0%) ↓
Deferred income tax and social contribution	(0.1)	(5.7)	98.6% ↑	0.0	0.0% ↑	(0.1)	0.0	0.0% ↑
Cash used in investment activities	(154.3)	(117.8)	(31.0%) ↓	(51.0)	(202.2%) ↓	(154.3)	(51.0)	(202.2%) ↓
Purchase of property and equipment	(3.2)	(10.2)	69.1% ↑	(7.3)	57.0% ↑	(3.2)	(7.3)	57.0% ↑
Redemption of securities, sureties and credits	203.6	33.0	517.3% ↑	365.0	(44.2%) ↓	203.6	365.0	(44.2%) ↓
Investments in marketable securities and restricted credits	(354.7)	(140.5)	(152.4%) ↓	(408.7)	13.2% ↑	(354.7)	(408.7)	13.2% ↑
Cash provided by financing activities	103.4	137.6	(24.9%) ↓	34.7	198.1% ↑	103.4	34.7	198.1% ↑
Capital Increase	0.0	0.2	(100.0%) ↓	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Capital Reserve Increase	0.1	0.3	(75.4%) ↓	0.0	0.0% ↑	0.1	0.0	0.0% ↑
Loans and financing increase	209.8	258.2	(18.7%) ↓	106.1	97.8% ↑	209.8	106.1	97.8% ↑
Amortization of loans and financing	(106.3)	(122.9)	13.5% ↑	(71.9)	(47.9%) ↓	(106.3)	(71.9)	(47.9%) ↓
Loan operations	(0.1)	1.9	(106.5%) ↓	0.5	(125.5%) ↓	(0.1)	0.5	(125.5%) ↓
Net increase (decrease) in cash and cash equivalents	5.7	2.7	111.9% ↑	17.1	(66.5%) ↓	5.7	17.1	(66.5%) ↓
At the beginning of the period	39.4	36.7	7.4% ↑	28.4	38.6% ↑	39.4	28.4	38.6% ↑
At the end of the period	45.1	39.4	14.5% ↑	45.5	(0.9%) ↓	45.1	45.5	(0.9%) ↓



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About Tenda

Construtora Tenda S.A. (B3: TEND) is Brazil's second largest homebuilder focused on the low-income housing segment, listed on the Novo Mercado, B3's highest level of corporate governance. The Company concentrates its activities in six of the largest metropolitan regions of the country, where is leader with average market share of 21%, exclusively operating in the ranges 1.5 and 2 of the federal housing program "Minha Casa, Minha Vida" (MCMV). With a strategy of sustainable growth, excellent execution and solid business model, Tenda has been able to deliver strong cash generation and growing profits, maintaining its vision of offering to investors the highest returns in the low-income segment.

(Convenience translation into English of the original previously issued in Portuguese)

CONSTRUTORA TENDA S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT MARCH 31, 2018

(In thousands of Brazilian reais - R\$)

<u>ASSETS</u>	<u>Notes</u>	<u>Parent</u>		<u>Consolidated</u>	
		<u>03/31/2018</u>	<u>12/31/2017</u>	<u>03/31/2018</u>	<u>12/31/2017</u>
CURRENT ASSETS					
Cash and cash equivalents	4.1	24,043	19,480	45,097	39,377
Securities	4.2	461,572	280,327	615,297	458,346
Receivables from developments and services provided	5	49,687	59,308	297,289	277,073
Properties for sale	6	100,410	109,262	570,458	517,172
Due from related parties	7.1	14,152	110,097	12,946	13,222
Land for sale	8	30,766	35,211	51,049	64,827
Escrow deposits	18.2	10,597	10,557	10,793	10,752
Other receivables		<u>16,935</u>	<u>21,173</u>	<u>28,332</u>	<u>31,960</u>
Total current assets		<u>708,162</u>	<u>645,415</u>	<u>1,631,261</u>	<u>1,412,729</u>
NONCURRENT ASSETS					
Receivables from developments and services provided	5	35,955	32,968	130,028	119,768
Properties for sale	6	56,356	56,453	362,477	417,033
Due from related parties	7.1	43,261	43,136	33,962	33,837
Escrow deposits	18.2	21,141	19,247	21,496	19,603
Deferred taxes	17	3,323	3,323	3,323	3,323
Investments in equity interests	9	955,324	909,627	65,525	65,417
Property and equipment	10	40,582	41,824	40,582	41,824
Intangible assets	11	<u>20,926</u>	<u>21,644</u>	<u>20,926</u>	<u>21,644</u>
Total noncurrent assets		1,176,868	1,128,222	678,319	722,449
TOTAL ASSETS		<u>1,885,030</u>	<u>1,773,637</u>	<u>2,309,580</u>	<u>2,135,178</u>

The accompanying notes are an integral part of this interim financial information

CONSTRUTORA TENDA S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT MARCH 31, 2018
(In thousands of Brazilian reais - R\$)

<u>LIABILITIES AND EQUITY</u>	<u>Notes</u>	<u>Parent</u>		<u>Consolidated</u>	
		<u>03/31/2018</u>	<u>12/31/2017</u>	<u>03/31/2018</u>	<u>12/31/2017</u>
CURRENT LIABILITIES					
Borrowings and financing	12	2,858	17,315	14,205	31,033
Payables for materials and services		8,344	5,699	28,664	22,749
Taxes and contributions	15	14,788	14,964	28,033	27,387
Payroll, related taxes and profit sharing	14	10,167	9,932	43,192	36,995
Payables for purchase of properties and advances from customers	16	6,276	5,980	213,310	204,661
Provisions and contract terminations payable		3,271	3,347	6,987	6,716
Due to related parties	7.1	227,112	265,145	31,786	30,793
Allowance for loss on investments	9	19,864	21,027	5,480	5,456
Other payables		6,014	5,435	12,981	8,413
Provision for contingencies	18.1	<u>25,853</u>	<u>27,158</u>	<u>29,958</u>	<u>31,564</u>
Total current liabilities		<u>324,547</u>	<u>376,002</u>	<u>414,596</u>	<u>405,767</u>
NONCURRENT LIABILITIES					
Borrowings and financing	12	24,760	20,683	96,822	85,130
Debentures	13	266,810	154,002	266,810	154,002
Payables for purchase of properties and advances from customers	16	11,509	11,007	229,970	240,139
Provision for contingencies	18.1	25,829	27,082	29,875	31,475
Income tax and social contribution	17	-	-	6,682	5,851
Due to related parties	7.1	15,860	15,860	19,875	19,884
Other payables		<u>11,047</u>	<u>10,309</u>	<u>35,107</u>	<u>29,191</u>
Total noncurrent liabilities		<u>355,815</u>	<u>238,943</u>	<u>685,141</u>	<u>565,672</u>
EQUITY					
Capital	19.1	1,094,033	1,094,171	1,094,033	1,094,171
Capital and stock option reserve	19.2	113,277	103,434	113,277	103,434
Accumulated losses		<u>(2,642)</u>	<u>(38,913)</u>	<u>(2,642)</u>	<u>(38,913)</u>
Equity attributable to the Company's owners		1,204,668	1,158,692	1,204,668	1,158,692
Noncontrolling interests		<u>-</u>	<u>-</u>	<u>5,175</u>	<u>5,047</u>
Total equity		1,204,668	1,158,692	1,209,843	1,163,739
TOTAL LIABILITIES AND EQUITY		<u>1,885,030</u>	<u>1,773,637</u>	<u>2,309,580</u>	<u>2,135,178</u>

The accompanying notes are an integral part of this interim financial information

(Convenience translation into English of the original previously issued in Portuguese)

CONSTRUTORA TENDA S.A. AND SUBSIDIARIES

STATEMENT OF PROFIT AND LOSS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(In thousands of Brazilian reais - R\$)

	Notes	Parent		Consolidated	
		03/31/2018	03/31/2017	03/31/2018	03/31/2017
NET OPERATING REVENUE	23	69,030	90,169	366,073	324,687
OPERATING COSTS	24	(41,867)	(47,887)	(242,401)	(217,372)
GROSS PROFIT		<u>27,163</u>	<u>42,282</u>	<u>123,672</u>	<u>107,315</u>
OPERATING INCOME (EXPENSES)					
Selling expenses	24	(5,678)	(5,059)	(31,708)	(29,460)
General and administrative expenses	24	(15,204)	(4,969)	(34,011)	(22,928)
Share of profit of investees	9	46,868	18,420	84	89
Other income (expenses) - net	24	(18,026)	(29,914)	(18,204)	(31,983)
OPERATING INCOME BEFORE FINANCE INCOME (COSTS)		<u>35,123</u>	<u>20,760</u>	<u>39,833</u>	<u>23,033</u>
FINANCE INCOME (COSTS)					
Finance income	25	7,006	2,868	9,647	5,644
Finance costs	25	(5,296)	(4,688)	(6,478)	(6,307)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		<u>36,833</u>	<u>18,940</u>	<u>43,002</u>	<u>22,370</u>
INCOME TAX AND SOCIAL CONTRIBUTION					
Current income tax and social contribution	17	(562)	-	(5,829)	(2,509)
Deferred income tax and social contribution	17	-	-	(774)	(2,024)
PROFIT FOR THE PERIOD		<u>36,271</u>	<u>18,940</u>	<u>36,399</u>	<u>17,837</u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the Company		36,271	18,940	36,271	18,940
Noncontrolling interests		-	-	128	(1,103)
EARNINGS PER SHARE ATTRIBUTABLE TO COMPANY OWNERS					
Basic earnings per thousand shares – in reais	21	0.67125	0.35074	0.67125	0.35074
Diluted earnings per thousand shares – in reais	21	0.62508	0.32814	0.62508	0.32814

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(Convenience translation into English of the original previously issued in Portuguese)

CONSTRUTORA TENDA S.A. AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(In thousands of Brazilian reais - R\$)

	<u>Parent</u>		<u>Consolidated</u>	
	<u>03/31/2018</u>	<u>03/31/2017</u>	<u>03/31/2018</u>	<u>03/31/2017</u>
PROFIT FOR THE PERIOD	36,271	18,940	36,399	17,837
Other comprehensive income	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	<u>36,271</u>	<u>18,940</u>	<u>36,399</u>	<u>17,837</u>
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO				
Owners of the Company	36,271	18,940	36,271	18,940
Noncontrolling interests	<u>-</u>	<u>-</u>	<u>128</u>	<u>(1,103)</u>
	<u>36,271</u>	<u>18,940</u>	<u>36,399</u>	<u>17,837</u>

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(Convenience translation into English of the original previously issued in Portuguese)

CONSTRUTORA TENDA S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(In thousands of Brazilian reais - R\$)

	<u>Notes</u>	<u>Attributable to owners of the Company</u>			<u>Total Parent</u>	<u>Noncontrolling interests</u>	<u>Total equity</u>
		<u>Capital</u>	<u>Capital reserve</u>	<u>Accumulated losses</u>			
BALANCE AS AT DECEMBER 31, 2016		1,094,000	100,725	(145,599)	1,049,126	26,496	1,075,622
Recognized stock options granted	19.2	-	489	-	489	-	489
Acquisition of controlling interests		-	-	-	-	6,906	6,906
Profit (loss) for the period		-	-	18,940	18,940	(1,103)	17,837
BALANCE AS AT MARCH 31, 2017		1,094,000	101,214	(126,659)	1,068,555	32,299	1,100,854
BALANCE AS AT DECEMBER 31, 2017		1,094,171	103,434	(38,913)	1,158,692	5,047	1,163,739
Capital reserve		-	68	-	68	-	68
Share issuance costs	19.1	(138)	-	-	(138)	-	(138)
Recognized stock options granted	19.2	-	9,775	-	9,775	-	9,775
Profit for the period		-	-	36,271	36,271	128	36,399
BALANCES AS AT MARCH 31, 2018		<u>1,094,033</u>	<u>113,277</u>	<u>(2,642)</u>	<u>1,204,668</u>	<u>5,175</u>	<u>1,209,843</u>

The accompanying notes are an integral part of this interim financial information

(Convenience translation into English of the original previously issued in Portuguese)

CONSTRUTORA TENDA S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(In thousands of Brazilian reais - R\$)

	Notes	Parent		Consolidated	
		03/31/2018	03/31/2017	03/31/2018	03/31/2017
CASH FLOWS FROM OPERATING ACTIVITIES					
PROFIT FOR THE PERIOD BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		36,833	18,940	43,002	22,370
Adjustments for:					
Depreciation and amortization	10 and 11	5,104	4,269	5,104	4,271
Allowance for (reversal of) doubtful debts and contract terminations	5	852	(6,096)	5,193	3,043
Present value adjustment		(512)	1,582	(1,246)	6,276
Allowance for impairment of nonfinancial assets		(2,041)	(2,728)	(2,139)	(2,637)
Share of profit of investees	9	(46,868)	(18,420)	(84)	(89)
Provision for (reversal) contingencies and commitments	18	(2,558)	424	(3,206)	804
Unrealized interest and finance charges, net		2,212	2,097	(1,663)	4,238
Provision for warranties		(11)	1,353	9,756	2,278
Accrued profit sharing	26	1,485	-	4,951	4,734
Stock option costs	19.3	9,775	489	9,775	489
Disposal of property and equipment and intangible assets, net		15	521	15	521
Other provisions		30	2,823	384	5,600
Other operating income and expenses		-	12,225	-	12,225
Deferred taxes (PIS and COFINS)		(5,416)	-	(78)	-
Decrease (increase) in operating assets					
Receivables from developments and services provided		7,428	12,489	(31,321)	(37,784)
Properties and land for sale		14,390	12,757	18,603	7,252
Other receivables		2,304	(1,515)	1,694	(6,270)
Increase (decrease) in operating liabilities					
Payables for materials and services		2,645	(2,163)	5,915	(10,717)
Taxes and contributions		384	(642)	482	766
Payroll, related taxes and profit sharing		(1,250)	(868)	1,246	1,727
Payables for purchase of properties and advances from customers		709	(635)	(6,038)	7,090
Other payables		5,378	(23,122)	(169)	(18,392)
Related-party transactions		53,638	(10,767)	1,260	31,630
Interest paid					
Income tax and social contribution paid		-	-	(4,884)	(5,970)
Net cash provided by operating activities:		<u>84,526</u>	<u>3,013</u>	<u>56,552</u>	<u>33,455</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of tangible and intangible assets	10 and 11	(3,159)	(7,341)	(3,159)	(7,349)
Investment in securities and secured Investments		(263,367)	(407,957)	(354,724)	(498,057)
Redemption of securities and secured Investments		<u>86,748</u>	<u>401,338</u>	<u>203,631</u>	<u>454,362</u>
Total net cash used in investing activities		<u>(179,778)</u>	<u>(13,960)</u>	<u>(154,252)</u>	<u>(51,044)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase of capital reserve		68	-	68	-
Borrowings, financing and debentures		140,675	30,097	209,785	106,058
Repayment of borrowings, financing and debentures		(40,133)	(14,651)	(104,213)	(68,379)
Payment of borrowings, financing and debentures - interest		(670)	(1,555)	(2,095)	(3,479)
Intragroup loans		<u>(125)</u>	<u>489</u>	<u>(125)</u>	<u>490</u>
Net cash provided by financing activities		99,815	14,380	103,420	34,690
INCREASE IN CASH AND CASH EQUIVALENTS		<u>4,563</u>	<u>3,433</u>	<u>5,720</u>	<u>17,101</u>
CASH AND CASH EQUIVALENTS					
At the beginning of the period		19,480	12,124	39,377	28,414
At the end of the period		24,043	15,557	45,097	45,515
INCREASE IN CASH AND CASH EQUIVALENTS		<u>4,563</u>	<u>3,433</u>	<u>5,720</u>	<u>17,101</u>

The accompanying notes are an integral part of this interim financial information

(Convenience translation into English of the original previously issued in Portuguese)

CONSTRUTORA TENDA S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2018
(In thousands of Brazilian reais - R\$)

	<u>Parent</u>		<u>Consolidated</u>	
	<u>03/31/2018</u>	<u>03/31/2017</u>	<u>03/31/2018</u>	<u>03/31/2017</u>
REVENUE				
Real estate development and sale	71,192	76,361	373,245	347,163
Reversal (recognition) of allowance for doubtful debts and contract terminations	<u>1,197</u>	<u>21,391</u>	<u>1,418</u>	<u>(1,686)</u>
	72,389	97,752	374,663	345,477
INPUTS PURCHASED FROM THIRD PARTIES				
Operating costs - real estate development and sale	(38,749)	(47,726)	(235,424)	(211,426)
Supplies, power, outside services and other inputs	<u>(22,046)</u>	<u>(29,730)</u>	<u>(31,278)</u>	<u>(37,733)</u>
	(60,795)	(77,456)	(266,702)	(249,159)
GROSS VALUE ADDED	<u>11,594</u>	<u>20,296</u>	<u>107,961</u>	<u>96,318</u>
RETENTIONS				
Depreciation and amortization	(5,104)	(4,269)	(5,104)	(4,271)
WEALTH CREATED BY THE COMPANY	<u>6,490</u>	<u>16,027</u>	<u>102,857</u>	<u>92,047</u>
WEALTH RECEIVED IN TRANSFER				
Share of profit of investees	46,868	18,420	84	89
Finance income	<u>7,346</u>	<u>2,868</u>	<u>10,100</u>	<u>5,644</u>
	54,214	21,288	10,184	5,733
WEALTH FOR DISTRIBUTION	<u>60,704</u>	<u>37,315</u>	<u>113,041</u>	<u>97,780</u>
WEALTH DISTRIBUTED				
Employees and payroll taxes				
Direct compensation	12,303	4,559	36,617	29,363
Benefits	382	914	3,980	4,774
Payroll taxes	208	262	2,567	2,772
TAXES, FEES AND CONTRIBUTIONS				
Federal	4,425	8,371	21,254	31,293
Municipal	419	420	492	488
LENDERS AND LESSORS				
Interest and leases	6,696	3,849	11,732	11,253
SHAREHOLDERS				
Retained earnings	36,271	18,940	36,271	18,940
Offset losses attributable to noncontrolling interests	<u>-</u>	<u>-</u>	<u>128</u>	<u>(1,103)</u>
	<u>60,704</u>	<u>37,315</u>	<u>113,041</u>	<u>97,780</u>

The accompanying notes are an integral part of this interim financial information

(Convenience Translation into English from the Original Previously Issued in Portuguese)

CONSTRUTORA TENDA S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2018

(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

1. GENERAL INFORMATION

Construtora Tenda S.A. (“Companhia” ou “Tenda”) is a publicly-traded company with registered head office at Rua Álvares Penteado, 61, in the city of São Paulo, State of São Paulo, and registered with the São Paulo Stock Exchange (B3, former BMF&BOVESPA) under the ticker symbol “TEND3”.

Tenda and its subsidiaries engage in the performance of general construction works, real estate development, real estate purchase and sale, the provision of general construction management services, the intermediation of the sale of consortium shares, and holding of interests in other companies.

The real estate development projects carried out by the Company together with third parties are structured through specific purpose entities (“SPEs”). The subsidiaries significantly share the Company’s management, operating, and corporate costs. The SPEs are exclusively engaged in real estate operations and are linked to specific projects.

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 Company’s Extraordinary Shareholders’ Meeting held on February 20, 2017. On May 4, 2017, Tenda started to be traded on 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 INTERIM FINANCIAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The Company’s interim financial information comprises:

- a) The individual interim financial information prepared in accordance with accounting practices adopted in Brazil, as laid down in accounting pronouncement 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 takes into consideration the guidance contained in CVM/SNC/SEP Circular Letter 01/2018 regarding the implementation of OCPC 04 on the application of ICPC 02 - Real Estate Industry Construction Contracts, issued by the Accounting Pronouncements Committee (“CPC”), approved by the Brazilian Securities and Exchange Commission (“CVM”) and the Federal Accounting Council (“CFC”), identified as “Parent”; and

- b) The consolidated interim financial information prepared in accordance with accounting practices adopted in Brazil, as laid down in accounting pronouncement 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 takes into consideration the guidance contained in CVM/SNC/SEP Circular Letter 01/2018 regarding the implementation of OCPC 04 on the application of ICPC 02 - Real Estate Industry Construction Contracts, issued by the Accounting Pronouncements Committee ("CPC"), approved by the Brazilian Securities and Exchange Commission ("CVM") and the Federal Accounting Council ("CFC"), identified as "Consolidated".

2.2 Basis of preparation

The interim financial information has been prepared in the normal course of business, using the historical cost as the value base, and some liabilities and assets at present or realizable value.

All relevant information related to the interim financial information and only this information is being disclosed and corresponds to the information used by the Company's Management in its management.

In preparing the interim financial information, Management assesses the Company's ability to continue as a going concern.

Except for the information on the application of the accounting practices described in note 3.1, the information on the basis for preparation and presentation of the interim financial information, the summary of the significant accounting policies, and the use of estimates and judgments did not change as compared to the information disclosed in note 2 to the Annual Financial Statements for the year ended December 31, 2017, published on March 9, 2018 in the newspapers O Estado de São Paulo and Diário Oficial do Estado de São Paulo (the São Paulo State Official Gazette), and made available on the following websites: www.cvm.gov.br, www.bmfbovespa.com.br and <http://ir.tenda.com>.

All the figures disclosed in this financial information are expressed in thousands of Brazilian reais, unless otherwise stated.

2.3 Approval of interim financial information

The Company's individual and consolidated interim financial information were approved by the Board of Directors and authorized for issuance on May 10, 2018.

2.4 Consolidated interim financial information

The Company's consolidated interim financial information includes the individual financial information of the Parent and its direct and indirect subsidiaries. The Company has the control over an entity when it is exposed or has rights to variable returns from its involvement with the entity and has ability to affect those returns through power over an entity. The existence and the effects of potential voting rights, currently exercisable or convertible, are taken into consideration when determining whether the Company controls or not another entity. Subsidiaries are fully consolidated from the date on which control is transferred until the date control ceases.

The accounting policies have been consistently applied by all subsidiaries included in the interim financial information. (note 9.)

2.5 Statements of value added

The purpose of this statement is to disclose the wealth created by the Company and its distribution during a certain reporting period, and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its individual financial statements, and as supplemental information to the consolidated financial statements, since this statement is neither required nor mandatory under IFRSs. The statements of value added have been prepared using information obtained in the same accounting records used to prepare the financial statements and pursuant to the provisions of CPC 09 - Statement of Value Added.

3. ISSUED NEW AND REVISED STANDARDS AND INTERPRETATIONS

3.1 New and revised standards and interpretations already adopted:

In the current year, the Company adopted new interpretations to IFRSs and CPCs issued by the International Accounting Standards Board ("IASB") and the CPC. The adoption of these new and revised IFRSs did not have any significant impact on the amounts reported and/or disclosed for the current and prior years.

New and revised standards and interpretations	Effective beginning
Annual improvements to IFRSs: 2014-2016 Cycle	January 1, 2018
IFRS 9 (CPC 9) - Financial Instruments (a)	January 1, 2018

(a) IFRS 9 supersedes the guidelines prescribed by IAS 39 (CPC 38) - Financial Instruments: Recognition and Measurement. IFRS 9 includes new models for the classification and measurement of financial instruments and the measurement of expected credit losses for financial and contractual assets, as well as new requirements on hedge accounting. The new standard maintains the existing guidelines on the recognition and derecognition of financial instruments in IAS 39. The Company adopted the new criteria on expected credit losses for financial and contractual assets and their impact was immaterial.

3.2 New and revised standards and interpretations not yet adopted:

The following new and revised standards and interpretations will become effective for subsequent annual periods:

New and revised standards and interpretations	Effective beginning
IFRS 15 (CPC 47) - Revenue from Contracts with Customers (a)	January 1, 2018
IFRS 16 (CPC 06 R2) - Leases (b)	January 1, 2018

a) IFRS 15 - Revenue from Contracts with Customers

CPC 47 (IFRS 15) requires that an entity recognize the amount of revenue reflecting the consideration it expects to receive in exchange for the control over such goods or services. The new standard will supersede most of the detailed guidance on revenue recognition that currently exists under IFRSs when it is adopted. For the real estate development industry, the evaluation will focus on the recognition of revenue by maintaining the percentage of completion (POC) method, or adopting the delivery of keys method.

CVM, through CVM/SNC/SEP/ Circular Letter 1/2018, instructed entities to observe the provisions of OCPC 04 currently in effect, approved by CVM Resolution 653/2010, by applying the adjustments deemed necessary as IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018, until an alignment is reached on whether or not to apply the revenue recognition over time. Accordingly, the Company is awaiting a consensus is reached on this matter to disclose in its financial statements the possible impact of the CPC 47.

b) IFRS 16 - Leases

IFRS 16 introduces a single model for the recognition of leases in the lessees' balance sheet. A lessee recognizes a right of use asset that represents its right to use the asset and lease liability that represents its obligation to make lease payments. Optional exemptions are available for short-term leases and low-value items. The lessor's accounting remains similar to the current standard, i.e., the lessors continue to classify the leases as finance or operating leases.

IFRS 16 supersedes the existing lease standards, including CPC 06 (IAS 17) - Leases and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) - Supplemental Aspects of Leases.

The Company believes that the potential impact on its financial statements will be the requirement to recognize new assets and new liabilities for its operating leases of its administrative offices. In addition, the nature of the expenses related to such leases will be changed, because IFRS 16 substitutes the straight-lined operating lease expenses for the depreciation expenses of the right of use and interest on lease liabilities.

4. CASH AND CASH EQUIVALENTS AND SECURITIES

4.1. Cash and cash equivalents

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Cash and banks	21,719	19,480	42,773	39,377
Repurchase agreements (a)	2,324	-	2,324	-
Cash and cash equivalents (note 22.b.i)	<u>24,043</u>	<u>19,480</u>	<u>45,097</u>	<u>39,377</u>

- (a) Repurchase agreements refer to securities issued by banks for repurchase by the issuer, and resale by the customers, at fixed rates and fixed maturities, backed by private or government bonds depending of the bank's availability, and registered with CETIP (clearing house). The repurchase agreements include interest incurred through the end of the reporting period, March 31, 2018 and December 31, 2017 equivalent to 75% to 100% of the CDI (interbank deposit rate)

4.2. Securities

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Fixed-income funds	-	-	1,722	1,718
Exclusive fund (c)	417,896	248,290	-	-
Government securities (LFT) (c)	-	-	179,157	129,957
Private securities (c)	16,012	-	18,036	3,979
Repurchase agreements (c)	33	7,828	291,589	204,339
Bank certificate of deposit (a)	71	70	437	230
Restricted short-term investments (b)	27,560	24,139	124,356	118,123
Total securities (note 22.b.i)	<u>461,572</u>	<u>280,327</u>	<u>615,297</u>	<u>458,346</u>

- (a) As at March 31, 2018, the Bank Certificates of Deposit (CDBs) include interest earned through the end of the reporting period, ranging from 75% to 100% (from 78.64% to 100% as at December 31, 2017) of the Interbank Deposit Certificates (CDI) rate.
- (b) Restricted short-term investments are represented by the onlending of real estate pool funding receivables about to be approved by Caixa Econômica Federal (Federal savings bank). This funding is approved as the contracts entered into with customers are formalized with the financial institution, which the Company expects to occur in up to 90 days.
- (c) Tenda exclusive fund managed by Caixa Econômica Federal, established on January 30, 2017, which started to operate on July 21, 2017, with a net worth of R\$490,504, consisting of LFT government bonds (bearing SELIC rate) and repurchase agreements backed by NTN-F government bonds.

5. RECEIVABLES FROM DEVELOPMENTS AND SERVICES PROVIDED

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Receivables from real estate development and sales	131,249	140,002	528,321	496,490
(-) Allowance for doubtful debts	(56,152)	(55,947)	(101,950)	(99,007)
(-) Allowance for contract terminations	(9,722)	(10,209)	(20,836)	(21,688)
(-) Present value adjustment	(2,484)	(2,996)	(9,633)	(10,879)
Receivables from land sales and services provided	22,751	21,426	31,415	31,925
	<u>85,642</u>	<u>92,276</u>	<u>427,317</u>	<u>396,841</u>
Current	49,687	59,308	297,289	277,073
Noncurrent	35,955	32,968	130,028	119,768

The aging list of trade receivables is as follows:

Due date	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Past due				
Up to 90 days	7,101	374	22,506	13,549
91-180 days	243	1,564	11,224	9,888
More than 180 days (a)	35,605	50,702	66,568	76,773
Subtotal – past due	<u>42,949</u>	<u>52,640</u>	<u>100,298</u>	<u>100,210</u>
Current				
2018	55,842	79,630	214,482	287,400
2019	41,518	14,911	182,034	79,792
2020	6,522	6,072	26,649	24,056
2021	3,148	3,720	20,142	21,408
2022	1,980	4,455	11,825	15,549
2023 and thereafter	2,041	-	4,306	-
Subtotal – current	<u>111,051</u>	<u>108,788</u>	<u>459,438</u>	<u>428,205</u>
(-) Present value adjustment	(2,484)	(2,996)	(9,633)	(10,879)
(-) Allowance for doubtful debts and contract terminations	<u>(65,874)</u>	<u>(66,156)</u>	<u>(122,786)</u>	<u>(120,695)</u>
	<u>85,642</u>	<u>92,276</u>	<u>427,317</u>	<u>396,841</u>

(a) Of the amount past due for more than 180 days, amounts being transferred to financial institutions total R\$12,387 in Parent and R\$27,368 in consolidated (R\$28,301 in the Parent and R\$55,255 and R\$55,492 in consolidated as at December 31, 2017).

The variations in the allowances for doubtful debts and contract terminations in the periods ended March 31, 2018 and 2017 are summarized below:

	Parent			
	Trade receivables Allowance for doubtful debts	Trade receivables Allowance for contract terminations	Properties for sale (note 6)	Net balance
Balance as at December 31, 2016	(60,775)	(43,090)	34,514	(69,351)
Additions	(989)	(5,229)	3,603	(2,614)
Reversals	2,928	24,680	(18,898)	8,710
Balance as at March 31, 2017	<u>(58,835)</u>	<u>(23,639)</u>	<u>19,219</u>	<u>(63,255)</u>
Balance as at December 31, 2017	(55,947)	(10,209)	9,547	(56,609)
Additions	(847)	(1,703)	-	(2,550)
Reversals	642	2,190	(1,134)	1,698
Balance as at March 31, 2018	<u>(56,152)</u>	<u>(9,722)</u>	<u>8,413</u>	<u>(57,461)</u>
	Consolidated			
	Trade receivables Allowance for doubtful debts	Trade receivables Allowance for contract terminations	Properties for sale (note 6)	Net balance
Balance as at December 31, 2016	(79,586)	(45,772)	36,357	(89,001)
Additions	(5,083)	(13,256)	8,824	(9,515)
Reversals	-	16,653	(10,181)	6,472
Balance as at March 31, 2017	<u>(84,669)</u>	<u>(42,375)</u>	<u>35,000</u>	<u>(92,044)</u>
Balance as at December 31, 2017	(99,007)	(21,688)	20,375	(100,320)
Additions	(4,796)	(4,986)	520	(9,262)
Reversals	1,853	5,838	(3,622)	4,069
Balance as at March 31, 2018	<u>(101,950)</u>	<u>(20,836)</u>	<u>17,273</u>	<u>(105,513)</u>

The total adjustment to present value recognized in revenue for real estate development for the period ended March 31, 2018 was R\$512 (R\$1,358 in March 2017), in Parent, and R\$1,246 (R\$5,807 in March 2017) in consolidated.

The discount rate applied by the Company and its subsidiaries was 3.34% for 2018 (3.93% in 2017, net of INCC).

6. PROPERTIES FOR SALE

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Land	75,313	76,483	683,275	654,009
Properties under construction	53,095	57,816	204,544	226,364
Cost of properties in the recognition of the allowance for contract terminations (note 5)	8,413	9,547	17,273	20,375
Completed units	27,675	31,744	60,197	70,846
(-) Present value adjustment in land purchases	(1,489)	(1,593)	(25,472)	(28,368)
(-) Impairment of properties for sale	(6,241)	(8,282)	(6,882)	(9,021)
	<u>156,766</u>	<u>165,715</u>	<u>932,935</u>	<u>934,205</u>
Current	100,410	109,262	570,458	517,172
Noncurrent	56,356	56,453	362,477	417,033

The Company has commitments to build bartered units, relating to the acquisition of land, recognized based on the fair value of bartered units at the acquisition date. As at March 31, 2018, the balance of obligations for land acquired under barter agreements totals R\$1,905 (R\$1,921 in 2017) in Parent and R\$119,659 (R\$118,037 in 2017) in consolidated (note 16).

As described in note 12, the balance of capitalized finance charges as at March 31, 2018 was R\$6,876 (R\$7,357 in 2017) in Parent and R\$23,483 (R\$28.394 in 2017) in consolidated.

7. RELATED PARTIES

7.1 Related-party balances

The asset and liability balances with related parties are as follows:

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Assets				
Subsidiaries				
Related parties' current account (a)	1,206	96,875	-	-
Loan receivable (c)	9,299	9,299	-	-
Total subsidiaries	<u>10,505</u>	<u>106,174</u>	<u>-</u>	<u>-</u>
Joint ventures				
Related parties' current account (a)	12,946	13,222	12,946	13,222
Loan receivable (c)	33,962	33,837	33,962	33,837
Total	<u>46,908</u>	<u>47,059</u>	<u>46,908</u>	<u>47,059</u>
Total assets	<u>57,413</u>	<u>153,233</u>	<u>46,908</u>	<u>47,059</u>
Current	14,152	110,097	12,946	13,222
Noncurrent	43,261	43,136	33,962	33,837
Liabilities				
Subsidiaries				
Related parties' current account (b)	191,311	230,328	-	-
Total subsidiaries	<u>191,311</u>	<u>230,328</u>	<u>-</u>	<u>-</u>
Joint ventures				
Related parties' current account (b)	35,801	34,817	35,801	34,817
Loan payable (c)	15,860	15,860	15,860	15,860
Total	<u>51,661</u>	<u>50,677</u>	<u>51,661</u>	<u>50,677</u>
Total liabilities	<u>242,972</u>	<u>281,005</u>	<u>51,661</u>	<u>50,677</u>
Current	227,112	265,145	31,786	30,793
Noncurrent	15,860	15,860	19,875	19,884

a) The Company participates in real estate development projects with other partners, either directly or through related companies. These projects' management structure and cash management are centralized in the company leading the project, which also oversees the construction and budget progress. Thus, the project leader ensures that the necessary funds are

used and allocated as planned. The sources and uses of the projects' funds are reflected in these balances, to the extent of the equity interest held by each investor, which is not subject to inflation adjustments or finance charges imposed by each investor, and do not have a fixed maturity date. The purpose of these transactions is to streamline the business relationships that demand a joint management of amounts mutually owed by the parties and, consequently, the control over the movements of amounts mutually handed over, which are netted when the current account is closed. The average period of time to develop and complete the projects in which the funds are invested ranges from 18 to 24 months;

- b) Amount relating to funds transferred between the group companies, which will be derecognized through a capital increase or decrease;
- c) The intragroup loans between the Company and its joint ventures—detailed below—result from the need to meet cash requirements for the development of their corresponding activities and are subject to the finance charges set forth in the underlying agreements. Related-party transactions are conducted at arm's length and appropriate in order to preserve the interests of both parties involved in each transaction.

The table below shows the breakdown, type, and terms and conditions of the balances of intragroup loans and borrowings. The maturities of intragroup loans are contingent on the duration of the related projects.

	Parent		Consolidated		Type	Interest rate
	03/31/2018	12/31/2017	03/31/2018	12/31/2017		
Subsidiaries						
Fit 09 SPE Empr. Imob. Ltda.	9,299	9,299	-	-	Construction	120% to 126.5% of CDI p.a.
Loans to subsidiaries	9,299	9,299	-	-		
Loans to joint ventures						
Atua Construtora e Incorporadora S.A. (a)	12,167	12,167	12,167	12,167	Construction	112% to 113.5% of CDI
Fit 19 SPE Empr. Imobiliários Ltda. (b)	17,474	17,389	17,474	17,389	Construction	100% of CDI
Acedio SPE Empr. Imobiliários Ltda. (b)	4,321	4,281	4,321	4,281	Construction	100% of CDI
Mútuos a receber - "Joint venture"	33,962	33,837	33,962	33,837		
	43,261	43,136	33,962	33,837		

- (a) Amount related to a Company loan to 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 based at the agreed finance charges in light of the arbitration.
- (b) Amounts receivable across SPEs that are adjusted through August 2014 (date of last request in arbitration) using the contractually agreed financial charges. 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 to Fit 09 SPE Empr. Imob. Ltda. was eliminated for purposes of the consolidated interim financial information, and the balance changes shown arise from the new amounts to guarantee the companies' operations.

	Parent		Consolidated		Type	Interest rate
	03/31/2018	12/31/2017	03/31/2018	12/31/2017		
Loans to joint ventures						
Parque dos Pássaros	7,943	7,943	7,943	7,943	Construção	6% a.a.
Araçagy (Franere Gafisa 08)	7,917	7,917	7,917	7,917	Construção	6% a.a.
Borrowings payable	15,860	15,860	15,860	15,860		

7.2 Guarantees, collaterals and sureties

The financial transactions of the Tenda group are collateralized by guarantees or sureties in proportion to the Company's interests in the capital of such companies, totaling R\$354,220 as at March 31, 2017 (R\$375,306 as at December 31, 2017).

7.3 Transactions with related parties of the same group

The transactions between the Company and its subsidiaries amounted to R\$8,381 as at March 31, 2018 related to management and construction work management services (R\$14,101 in March 2017), which were recognized in line item 'Net operating revenue' in the Parent, and were fully eliminated from the consolidated interim financial information.

8. HELD-FOR-SALE NONCURRENT ASSETS

8.1 Land for sale

The Company, in line with its implemented strategic guidelines, opted for putting for sale the land not taken into consideration in the business plan approved for 2018. Similarly, it designed a specific plan for selling such land. The carrying amount of the land for sale, adjusted to market value, when applicable, after impairment tests, is as follows:

	Parent			Consolidated		
	Cost	Allowance for impairment	Net balance	Cost	Allowance for impairment	Net balance
Balance as at December 31, 2016	53,705	(10,218)	43,487	87,270	(12,043)	75,227
Additions	602	-	602	10,244	-	10,244
Reversals/write-offs	(10,082)	2,728	(7,354)	(10,245)	2,728	(7,517)
Balance as at March 31, 2017	44,225	(7,490)	36,735	87,269	(9,315)	77,954
Balance as at December 31, 2017	44,746	(9,535)	35,211	75,857	(11,030)	64,827
Additions	215	-	215	297	-	297
Reversals/write-offs (a)	(4,660)	-	(4,660)	(14,075)	-	(14,075)
Balance as at March 31, 2018	40,301	(9,535)	30,766	62,079	(11,030)	51,049

9. INVESTMENTS IN EQUITY INTERESTS

(i) Equity interests:

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Subsidiaries				
Wholly-owned	867,937	822,372	-	-
Due to management of material operations	17,075	16,980	-	-
Capitalized interest	4,787	4,858	-	-
	889,799	844,210	-	-
Joint ventures	65,525	65,417	65,525	65,417
	955,324	909,627	65,525	65,417

Variations in investments

Balance as at December 31, 2016	1,409,681	147,831
Share of profit of investees	18,420	89
Advance for future capital increase	12,626	-
Acquisition (sales) of equity interests (a)	701	(83,529)
Allowance for (reversal of) investment losses	(366)	-
Other investments	(916)	(916)
Balance as at March 31, 2017	1,440,146	63,475
Balance as at December 31, 2017	909,627	65,417
Share of profit of investees	46,868	84
Return of advance for future capital increase	(8)	-
Allowance for (reversal of) investment losses	(1,163)	24
Balance as at March 31, 2018	955,324	65,525

- (a) In March 2017 the Company recognized the control over investees Maria Inês SPE Empreendimentos Ltda., Fit 02 SPE Empreendimentos Imobiliários Ltda., 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.

Breakdown of investments as at March 31, 2018

EQUITY INTERESTS AT 03/31/2018

Subsidiaries	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity and advance for future capital increase	Net Revenue	Profit (loss) for the year	Equity interest %	Share of profit of investees	Investment balance
AC PART. LTDA.	1,633	23	62	78	1,516		(11)	100%	(11)	1,516
ASPLENIUM EMP. IMOB. LTDA.	1,891	2,619	217	249	4,044		82	100%	82	4,044
CITTÁ VILLE SPE EMP. IMOB. LTDA.	17,536	4	2,753	2,043	12,744		207	50%	103	6,372
COTIA 1 EMP. IMOB. LTDA.	1,901	53	172	-	1,782		41	100%	41	1,782
FGM INCORP. S/A	253	1	177	-	77		24	100%	24	77
FIT 01 SPE EMP. IMOB. LTDA.	944	75	218	-	801		(19)	100%	(19)	801
FIT 02 SPE EMP. IMOB. LTDA.	9,559	-	79	-	9,480		(13)	100%	(13)	9,480
FIT 03 SPE EMP. IMOB. LTDA.	125	-	-	-	125		11	100%	11	125
FIT 05 SPE EMP. IMOB. LTDA.	830	1	372	-	459		(85)	100%	(85)	459
FIT 06 SPE EMP. IMOB. LTDA.	7,896	-	715	-	7,181		(5)	100%	(5)	7,181
FIT 07 SPE EMP. IMOB. LTDA.	502	-	380	-	122		(40)	100%	(40)	122
FIT 10 SPE EMP. IMOB. LTDA.	2,078	175	245	-	2,008		(156)	100%	(156)	2,008
FIT 11 SPE EMP. IMOB. LTDA.	2,249	-	603	8	1,638		(16)	100%	(16)	1,638
FIT 16 SPE EMP. IMOB. LTDA.	21,636	180	353	-	21,463		(133)	100%	(133)	21,463
FIT 24 SPE EMP. IMOB. LTDA.	40	-	-	-	40		(6)	100%	(6)	40
FIT 25 SPE EMP. IMOB. LTDA.	3,214	56	976	-	2,294		(35)	100%	(35)	2,294
FIT 31 SPE EMP. IMOB. LTDA.	4,995	-	418	-	4,577		(90)	100%	(90)	4,577
FIT 32 SPE EMP. IMOB. LTDA.	2,578	665	106	-	3,137		55	100%	55	3,137
FIT 34 SPE EMP. IMOB. LTDA.	17,382	-	4	-	17,378		(17)	100%	(17)	17,378
FIT 35 SPE EMP. IMOB. LTDA.	226	50	65	-	211		(62)	100%	(62)	211
FIT 37 SPE EMP. IMOB. LTDA.	107	13	44	-	76		1	100%	1	76
FIT 38 SPE EMP. IMOB. LTDA.	79	15	4	-	90		(6)	100%	(6)	90
FIT 39 SPE EMP. IMOB. LTDA.	102	3	88	-	17		(2)	100%	(2)	17
FIT 40 SPE EMP. IMOB. LTDA.	880	212	44	27	1,021		-	100%	-	1,021
FIT 42 SPE EMP. IMOB. LTDA.	162	-	34	-	128		3	100%	3	128
FIT PALLADIUM SPE EMP. IMOB. LTDA.	50	6	2	-	54		(8)	100%	(8)	54
JD. SÃO LUIZ SPE INCORP. LTDA	62,512	4,099	347	393	65,871		86	100%	86	65,871
MARIA INÊS SPE EMP. IMOB. LTDA.	512	-	65	17	430		(183)	100%	(183)	430
SPE TENDA SP ITAQUERA LIFE EMP. IMOB. LTDA	306	26	19	-	313		(5)	100%	(5)	313
SPE TENDA SP JD. SÃO LUIZ LIFE EMP. IMOB. LTDA	285	36	26	-	295		(28)	100%	(28)	295
SPE TENDA SP OSASCO LIFE EMP. IMOB. LTDA	962	7	7	-	962		(31)	100%	(31)	962
SPE TENDA SP SALVADOR DALI EMP. IMOB. LTDA	116	10	10	-	116		(4)	100%	(4)	116
SPE TENDA SP VALÊNCIA EMP. IMOB. LTDA	375	15	1	-	389		(11)	100%	(11)	389
SPE TENDA SP VILA PARK EMP. IMOB. LTDA	1,144	43	111	-	1,076		37	100%	37	1,076
TENDA 25 SPE EMP. IMOB. LTDA.	15,290	-	-	-	15,290		1	70%	1	10,704
TENDA 28 SPE EMP. IMOB. LTDA.	638	-	17	-	621		292	100%	292	621
TENDA NEG. IMOB. S/A	943,852	366,093	291,820	299,990	718,135		46,002	100%	46,002	718,135
TENDA SPE 19 EMP. IMOB. LTDA	14	-	5	-	9		-	100%	-	9
Capitalized interest									(72)	4,787
Total Subsidiaries	1,124,854	374,480	300,559	302,805	895,970		45,876		45,700	889,799
Joint ventures	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity and advance for future capital increase	Net Revenue	Profit (loss) for the year	Equity interest %	Share of profit of investees	Investment balance
ACEDIO SPE EMP. IMOB. LTDA.	5,699	-	18	4,321	1,360	247	-	55%	-	748
CIPESA PROJ. 02 EMP. IMOB. SPE LTDA.	18,337	-	131	32	18,174	407	61	50%	30	9,087
CITTA IPITANGA SPE EMP. IMOB. S. LTDA.	1,097	2	342	661	96	-	(44)	50%	(22)	48
CITTA ITAPUÁ EMP. IMOB. S. SPE LTDA.	2,794	9	441	1,776	586	-	9	50%	5	293
FIT 13 SPE EMP. IMOB. LTDA.	18,020	3,618	654	-	20,984	92	99	50%	49	10,492
FIT. D. BOTÂNICO SPE EMP. IMOB. LTDA.	8,703	32	81	12	8,642	-	78	55%	42	4,753
GRAND PARK PQ. PÁSSAROS EMP. IMOB. LTDA.	5,569	26,830	1,855	1,656	28,888	-	268	50%	134	14,444
IMBUI I SPE EMP. IMOB. LTDA.	1,172	7,526	104	428	8,166	10	(80)	50%	(40)	4,083
SPE FRANERE GAFISA 08 EMP. IMOB. LTDA.	20,101	28,480	2,055	3,372	43,154	(1)	(183)	50%	(91)	21,577
Consolidated	81,492	66,497	5,681	12,258	130,050	755	208		107	65,525
Total Parent	1,206,346	440,977	306,240	315,063	1,026,020	755	46,084		45,807	955,324

Breakdown of investments as at December 31, 2017

EQUITY INTERESTS AT 12/31/2017

Subsidiaries	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Equity interest %	Share of profit of investees	Investment balance	
SPE TENDA SP ITAQUERA LIFE EMP. IMOB. LTDA	320	28	30	-	318	259	100%	259	318	
SPE TENDA SP OSASCO LIFE EMP. IMOB. LTDA	991	8	7	-	992	980	100%	980	992	
SPE TENDA SP SALVADOR DALI EMP. IMOB. LTDA	129	10	19	-	120	1,013	100%	1,013	120	
SPE TENDA SP VILA PARK EMP. IMOB. LTDA	1,191	42	194	-	1,039	341	100%	341	1,039	
SPE TENDA SP VALÊNCIA EMP. IMOB. LTDA	403	16	20	-	399	90	100%	90	399	
SPE TENDA SP JD. SÃO LUIZ LIFE EMP. IMOB. LTDA	316	38	31	-	323	176	100%	176	323	
COTIA 1 EMP. IMOB. LTDA.	1,869	64	192	-	1,741	(1,386)	100%	(1,386)	1,741	
FIT ROLAND GARROS EMP. IMOB. LTDA.	102	-	98	-	4	(270)	100%	(270)	4	
MARIA INÊS SPE EMP. IMOB. LTDA.	676	-	54	8	614	(65)	100%	(65)	614	
FIT 01 SPE EMP. IMOB. LTDA.	964	80	223	-	821	134	100%	134	821	
FIT 02 SPE EMP. IMOB. LTDA.	9,566	-	73	-	9,493	(60)	100%	(60)	9,493	
FIT 05 SPE EMP. IMOB. LTDA.	919	41	416	-	544	(666)	100%	(666)	544	
FIT 10 SPE EMP. IMOB. LTDA.	2,201	241	277	-	2,165	(1,009)	100%	(1,009)	2,165	
FIT 11 SPE EMP. IMOB. LTDA.	2,300	-	634	12	1,654	949	100%	949	1,654	
FIT PALLADIUM SPE EMP. IMOB. LTDA.	64	-	1	-	63	(192)	100%	(192)	63	
FIT 06 SPE EMP. IMOB. LTDA.	7,852	-	666	-	7,186	(1)	100%	(1)	7,186	
FIT 07 SPE EMP. IMOB. LTDA.	503	-	342	-	161	(218)	100%	(218)	161	
FIT 24 SPE EMP. IMOB. LTDA.	46	-	-	-	46	18	100%	18	46	
FGM INCORP. S/A	230	1	178	-	53	(345)	100%	(345)	53	
FIT 16 SPE EMP. IMOB. LTDA.	21,758	208	369	-	21,597	(1,654)	100%	(1,654)	21,597	
FIT 25 SPE EMP. IMOB. LTDA.	3,344	60	1,075	-	2,329	(1,774)	100%	(1,774)	2,329	
FIT 31 SPE EMP. IMOB. LTDA.	5,100	-	433	-	4,667	(247)	100%	(247)	4,667	
FIT 32 SPE EMP. IMOB. LTDA.	2,435	782	135	-	3,082	(9)	100%	(9)	3,082	
FIT 34 SPE EMP. IMOB. LTDA.	17,415	-	20	-	17,395	96	100%	96	17,395	
FIT 35 SPE EMP. IMOB. LTDA.	227	51	5	-	273	(74)	100%	(74)	273	
FIT 37 SPE EMP. IMOB. LTDA.	105	14	44	-	75	(77)	100%	(77)	75	
FIT 38 SPE EMP. IMOB. LTDA.	99	16	19	-	96	(91)	100%	(91)	96	
FIT 39 SPE EMP. IMOB. LTDA.	103	3	86	-	20	(47)	100%	(47)	20	
FIT 40 SPE EMP. IMOB. LTDA.	845	256	47	33	1,021	210	100%	210	1,021	
FIT 42 SPE EMP. IMOB. LTDA.	215	-	90	-	125	33	100%	33	125	
FIT 09 SPE EMP. IMOB. LTDA.	207	-	82	11	114	(176)	100%	(176)	114	
TENDA NEG. IMOB. S/A (Consolidated)	924,299	413,845	367,942	298,070	672,132	197,822	100%	197,822	672,132	
TENDA 28 SPE EMP. IMOB. LTDA.	346	-	18	-	328	328	100%	328	328	
AC PART. LTDA.	1,668	19	110	50	1,527	(1,326)	100%	(1,326)	1,527	
EVP PART. S.A.	102	-	5	-	97	-	100%	-	97	
ASPLENIUM EMP. IMOB. LTDA.	1,675	2,794	237	269	3,963	(1,158)	100%	(1,158)	3,963	
TENDA SPE 19 EMP. IMOB. LTDA	9	-	-	-	9	(90)	100%	(90)	9	
JD. SÃO LUIZ SPE INCORP. LTDA	62,140	4,438	366	427	65,785	(1,086)	100%	(1,086)	65,785	
TENDA 25 SPE EMP. IMOB. LTDA.	15,290	-	-	-	15,290	(90)	70%	(63)	10,703	
CITTÀ VILLE SPE EMP. IMOB. LTDA.	17,688	4	2,904	2,233	12,555	(4,102)	50%	(2,051)	6,278	
Capitalized interest								(4,922)	4,859	
Total Subsidiaries	1,105,712	423,059	377,442	301,113	850,216	186,236		183,392	844,211	
Joint ventures	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity and advance for future capital increase	Net Revenue	Profit (loss) for the year	Equity interest %	Share of profit of investees	Investment balance
ACEDIO SPE EMP. IMOB. LTDA.	5,648	-	7	4,281	1,360	1	(1)	55%	(1)	748
FIT JD. BOTÂNICO SPE EMP. IMOB. LTDA.	8,685	-	106	16	8,563	442	(14)	55%	(10)	4,710
IMBUI I SPE EMP. IMOB. LTDA.	1,263	7,526	116	428	8,245	47	(22)	50%	(11)	4,123
CITTA IPITANGA SPE EMP. IMOB. S LTDA.	1,136	2	337	660	141	33	4	50%	2	71
GRAND PARK PQ. PÁSSAROS EMP. IMOB. LTDA.	6,629	25,742	1,907	1,843	28,621	2,087	(1,602)	50%	(801)	14,311
CITTA ITAPUÁ EMP. IMOB. S SPE LTDA.	2,801	9	459	1,775	576	66	31	50%	16	288
SPE FRANERE GAFISA 08 EMP. IMOB. LTDA.	21,553	27,360	2,150	3,427	43,336	322	500	50%	250	21,668
CIPESA PROJ. 02 EMP. IMOB. SPE LTDA.	18,369	-	168	87	18,114	866	(976)	50%	(488)	9,057
FIT 13 SPE EMP. IMOB. LTDA.	18,014	3,526	655	-	20,885	-	(7)	50%	(3)	10,443
Consolidated	84,098	64,165	5,905	12,517	129,841	3,864	(2,087)		(1,046)	65,417
Amount in excess of carrying amount at acquisition date									(12)	-
Total Parent	1,189,810	487,224	383,347	313,630	980,057	3,864	184,149		182,334	909,627

(ii) Equity interests – equity deficiency

Breakdown of the allowance for losses on Investments as at March 31, 2018

ALLOWANCE FOR INVESTMENT LOSSES MAR 2018

Subsidiaries	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Equity interest %	Share of profit of investees	Investment balance
EVP PART. S.A.	-	-	-	-	(5)	(102)	100%	(102)	(5)
FIT 12 SPE EMP. IMOB. LTDA.	456	23	566	-	(87)	301	100%	301	(87)
FIT 22 SPE EMP. IMOB. LTDA.	6	-	21	-	(15)	(3)	100%	(3)	(15)
FIT BILD 09 SPE EMP. IMOB. LTDA.	3,160	-	903	9,337	(7,080)	97	75%	71	(5,309)
FIT ROLAND GARROS EMP. IMOB. LTDA.	100	-	105	-	(5)	(8)	100%	(8)	(5)
MÁRIO COVAS SPE EMP. IMOB. LTDA.	263	-	608	-	(345)	(25)	100%	(25)	(345)
SPE TENDA SP GUAIANAZES LIFE EMP. IMOB. LTDA	7	4	494	-	(483)	(8)	100%	(8)	(483)
TDA NEG. IMOB. LTDA.	137	-	2,198	-	(2,061)	53	100%	53	(2,061)
TENDA 24 SPE PART. S.A.	-	-	1	-	(1)	-	100%	-	(1)
TENDA 26 SPE PART. S.A.	-	-	1	-	(1)	-	100%	-	(1)
TENDA 30 SPE EMP. IMOB. LTDA	1	-	107	-	(106)	-	100%	-	(106)
TENDA 35 SPE PART. S/A	1	-	38	-	(37)	-	100%	-	(37)
TENDA 46 SPE EMP. IMOB. LTDA.	22,977	-	1,452	21,534	(9)	(9)	100%	(9)	(9)
TENDA 47 SPE EMP. IMOB. LTDA.	-	-	2	-	(2)	(2)	100%	(2)	(2)
TND NEG. IMOB. LTDA.	1,831	-	7,749	-	(5,918)	817	100%	817	(5,918)
	28,939		27	14,250	30,871	(16,155)	1,111	1,085	(14,384)
Joint ventures	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Equity interest %	Share of profit of investees	Investment balance
FIT CAMPOLIUM SPE EMP. IMOB. LTDA	7,540	-	29	17,474	(9,963)	(43)	55%	(24)	(5,480)
	7,540	-	29	17,474	(9,963)	(43)		(24)	(5,480)
Total allowance for investment losses	36,479	27	14,279	48,345	(26,118)	1,068		1,061	(19,864)

Breakdown of the allowance for losses on Investments as at December 31, 2017

ALLOWANCE FOR INVESTMENT LOSSES DEC 2017

	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Equity interest %	Share of profit of investees	Investment balance
Subsidiaries									
MÁRIO COVAS SPE EMP. IMOB. LTDA.	266	1	587	-	(320)	(811)	100%	(811)	(320)
FIT BILD 09 SPE EMP. IMOB. LTDA.	3,147	-	947	9,376	(7,176)	109	75%	83	(5,379)
FIT 12 SPE EMP. IMOB. LTDA.	138	23	550	-	(389)	(551)	100%	(551)	(389)
FIT 22 SPE EMP. IMOB. LTDA.	5	-	18	-	(13)	(63)	100%	(63)	(13)
TENDA 24 SPE PART. S.A.	-	-	1	-	(1)	(1)	100%	(1)	(1)
TENDA 26 SPE PART. S.A.	-	-	1	-	(1)	(1)	100%	(1)	(1)
SPE TENDA SP GUAIANAZES LIFE EMP. IMOB. LTDA	43	5	523	-	(475)	(524)	100%	(524)	(475)
TENDA 30 SPE EMP. IMOB. LTDA	1	-	107	-	(106)	(22)	100%	(22)	(106)
TND NEG. IMOB. LTDA.	1,526	-	8,262	-	(6,736)	2,644	100%	2,644	(6,736)
TENDA 35 SPE PART. S/A	3	-	35	-	(37)	(5)	100%	(5)	(37)
TDA NEG. IMOB. LTDA.	172	-	2,286	-	(2,114)	355	100%	355	(2,114)
	5,301	29	13,317	9,376	(17,368)	1,130		1,104	(15,571)
Joint ventures									
FIT CAMPOLIM SPE EMP. IMOB. LTDA	7,469	-	-	17,385	(9,920)	(107)	55%	(60)	(5,456)
	7,469	-	-	17,385	(9,920)	(107)		(60)	(5,456)
Total allowance for investment losses	12,770	29	13,317	26,761	(27,288)	1,023		1,044	(21,027)

10. PROPERTY AND EQUIPMENT

Description	Depreciation rate - % p.a.	Parent		Consolidated	
		03/31/2018	12/31/2017	03/31/2018	12/31/2017
Cost					
Hardware	20%	21,633	21,483	21,633	21,483
Leasehold improvements and facilities	25%	9,032	8,906	9,032	8,906
Furniture and fixtures	10%	3,385	3,353	3,385	3,353
Machinery and equipment	10%	2,765	2,729	2,765	2,729
Molds	20%	34,474	32,936	34,474	32,936
		71,289	69,407	71,289	69,407
Accumulated depreciation		(30,707)	(27,583)	(30,707)	(27,583)
		40,582	41,824	40,582	41,824

The residual value, useful lives, and depreciation methods were reviewed at the closing of year 2017, and no change was made. Assets are subject to periodical impairment testing.

Variations in property and equipment

	Parent					
	Hardware	Leasehold improvements and facilities	Furniture and fixtures	Machinery and equipment	Molds	Total
Cost						
Balance as at 12/31/2016	18,662	9,338	4,171	1,450	18,681	52,302
Additions	1,971	523	152	77	1,693	4,416
Write-offs	(521)	-	-	-	-	(521)
100% depreciated items	(1,247)	-	(45)	(10)	-	(1,302)
Cost as at 03/31/2017	18,865	9,861	4,278	1,517	20,374	54,895
Depreciation						
Balance as at 12/31/2016	(7,384)	(4,621)	(3,264)	(694)	(6,232)	(22,195)
Additions	(947)	(406)	(112)	(40)	(1,000)	(2,505)
100% depreciated items	1,247	-	45	10	-	1,302
Depreciation as at 03/31/2017	(7,084)	(5,027)	(3,331)	(724)	(7,232)	(23,398)
Balance as at 03/31/2017	11,781	4,834	947	793	13,142	31,497

Consolidated						
Cost	Hardware	Leasehold improvements and facilities	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
Additions	1,971	523	160	77	1,693	4,424
Write-offs	(521)	-	-	-	-	(521)
100% depreciated items	(1,247)	-	(45)	(10)	-	(1,302)
Cost as at 03/31/2017	18,865	9,861	4,354	1,517	20,374	54,971
Depreciation						
Balance as at 12/31/2016	(7,384)	(4,315)	(3,297)	(694)	(6,537)	(22,227)
Additions	(947)	(406)	(114)	(40)	(1,000)	(2,507)
100% depreciated items	1,247	-	45	10	-	1,302
Depreciation as at 03/31/2017	(7,084)	(4,721)	(3,366)	(724)	(7,537)	(23,432)
Balance as at 03/31/2017	11,781	5,140	988	793	12,837	31,539

Parent/Consolidated						
Cost	Hardware	Leasehold improvements and facilities	Furniture and fixtures	Machinery and equipment	Molds	Total
Balance as at 12/31/2017	21,483	8,906	3,353	2,729	32,936	69,407
Additions	150	236	32	36	1,538	1,992
Write-offs	-	(110)	-	-	-	(110)
Cost as at 03/31/2018	21,633	9,032	3,385	2,765	34,474	71,289
Depreciation						
Balance as at 12/31/2017	(9,007)	(3,809)	(2,492)	(895)	(11,380)	(27,583)
Additions	(1,013)	(355)	(64)	(69)	(1,718)	(3,219)
Write-offs	-	95	-	-	-	95
Depreciation as at 03/31/2018	(10,020)	(4,069)	(2,556)	(964)	(13,098)	(30,707)
Balance as at 03/31/2018	11,613	4,963	829	1,801	21,376	40,582

11. INTANGIBLE ASSETS

Parent/Consolidated						
	12/31/2016					03/31/2017
	Balance	Additions	write-offs	Amortization	100% amortized items	Balance
Software – cost	29,165	2,925	-	-	(578)	31,512
Software – amortization	(11,865)	-	-	(1,553)	578	(12,840)
Other	565	-	(211)	-	-	354
	17,865	2,925	(211)	(1,553)	-	19,026

Parent/Consolidated					
	12/31/2017			03/31/2018	
	Balance	Additions	Write-offs	Amortization	Balance
Software – cost	36,897	1,167	-	-	38,064
Software – amortization	(15,253)	-	-	(1,885)	(17,138)
	21,644	1,167	-	(1,885)	20,926

Refer mainly to the expenses on the acquisition and implementation of information systems and software licenses, amortized over a five-year period (20% per year).

Intangible assets with finite useful lives are amortized over their useful lives, and tested for impairment whenever there is indication of asset impairment. The amortization period and method for an intangible asset with finite useful life are reviewed at least at the end of each annual reporting period.

12. BORROWINGS AND FINANCING

Type of transaction	Maturity	Annual interest rate	Parent		Consolidated	
			03/31/2018	12/31/2017	03/31/2018	12/31/2017
National Housing System (SFH)	04/2018 to 12/2022	TR + 8.30% p.a.	26,233	22,064	104,489	92,395
Bank Credit Note (CCB)	04/2018 to 01/2021	CDI + 4.25% p.a. INCC-DI variance	1,385	15,934	3,481	20,126
Total			<u>27,618</u>	<u>37,998</u>	<u>111,027</u>	<u>116,163</u>
Current			2,858	17,315	14,205	31,033
Noncurrent			24,760	20,683	96,822	85,130

The current and noncurrent portions mature as follows:

Maturity	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
2018	2,300	17,315	11,638	31,033
2019	3,816	8,037	24,650	30,805
2020	8,727	9,562	39,823	38,290
2021	9,250	3,084	28,458	16,035
2022 and thereafter	3,525	-	6,458	-
	<u>27,618</u>	<u>37,998</u>	<u>111,027</u>	<u>116,163</u>

The Company is a party to loan and financing agreements with restrictive covenants that require compliance with certain economic and financial ratios. The noncompliance with such covenants may entail maturity acceleration.

As at March 31, 2018 the ratio required by such covenant is as follows:

	03/31/2018	12/31/2017
Net leverage ratio, calculated as total net financial debt to equity, which cannot exceed 15% (note 22.c).	-23.35%	-19.55%

Finance costs on borrowings and financing are capitalized at the cost of each construction project and land plot, according to the use of funds, and recognized in profit or loss proportionally to the units sold, as shown below. The capitalization rate used to determine the amount of the borrowing costs eligible for capitalization was 8.30% as at March 31, 2018 (8.30% as at December 31, 2017).

The following table shows a summary of finance costs and charges, and the portion capitalized in line item 'Properties for sale'.

	Parent		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Total finance charges for the period	5,201	2,299	4,742	5,194
Capitalized finance charges	(919)	505	(346)	(3,138)
Finance costs (note 25)	<u>4,282</u>	<u>2,804</u>	<u>4,396</u>	<u>2,056</u>
Finance charges allocated to line item 'Properties for sale':				
Opening balance	7,357	12,845	28,394	42,802
Capitalized finance charges	919	(505)	346	3,138
Finance charges charged to profit or loss (note 24)	(1,400)	839	(5,257)	(4,946)
Closing balance	<u>6,876</u>	<u>13,179</u>	<u>23,483</u>	<u>40,994</u>

13. DEBENTURES

Type of transaction	Maturity	Annual payout	Transaction costs		Parent/Consolidated	
			Incurred	To be incurred	03/31/2018	12/31/2017
Debentures	January 2021	CDI + 0.90%	207	8,337	266,810	154,002
Total debentures					<u>266,810</u>	<u>154,002</u>
			Parent/Consolidated			
			03/31/2018	12/31/2017		
Noncurrent Debentures (a)			275,147	160,071		
Transaction costs			<u>(8,337)</u>	<u>(6,069)</u>		
			<u>266,810</u>	<u>154,002</u>		

a) Variations resulting from the residual disbursement of third allotment of debentures.

On September 6, 2017, the Company launched the third issue of nonconvertible debentures, with maturity on January 15, 2021, in a single allotment, totaling R\$270,000. The debentures are securitized through real estate receivables certificates issued by Ares Serviços Imobiliários Ltda. and back the CRIs issued by Apice Securitizadora S/A.

The proceeds from this issuance will be used exclusively in real estate projects specifically targeted at the lower-income population segment.

The Company has restrictive covenants that restrict some decision-making, such as debt issue and the power to require the debt acceleration or loan refinancing if such restrictive covenants are not complied with.

As at March 31, 2018 the ratio required by such covenant is as follows:

	03/31/2018	12/31/2017
Net leverage ratio, calculated as total net financial debt less SFH loans to equity, which cannot exceed 15% (note 22.c).	-31.46%	-27.09%

14. PAYROLL, RELATED TAXES AND PROFIT SHARING

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Payroll and related taxes	2,000	2,472	6,469	7,652
Accrued payroll and related taxes	1,702	2,480	16,370	13,941
Employee profit sharing (a)	6,465	4,980	20,353	15,402
	<u>10,167</u>	<u>9,932</u>	<u>43,192</u>	<u>36,995</u>

a) The Company has a variable compensation program that grants its employees and management personnel and the employees and management personnel of its subsidiaries a share of the Company's profits. This program is linked to the fulfillment of specific goals, which are set, agreed-upon, and approved by the Board of Directors at the beginning of each year.

15. TAXES AND CONTRIBUTIONS

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Deferred PIS and COFINS (a)	2,804	3,926	8,600	9,324
Current PIS and COFINS	4,210	3,322	4,739	3,857
Other taxes payable	7,774	7,716	14,694	14,206
	<u>14,788</u>	<u>14,964</u>	<u>28,033</u>	<u>27,387</u>

a) The Company recognizes long-term deferred PIS and COFINS (taxes on revenue) in the line item 'Other payables and other amounts' amounting to R\$1,815 in Parent and R\$3,866 in consolidated (R\$2,556 in Parent and R\$4,104 in consolidated as at December 31, 2017).

16. PAYABLES FOR PURCHASE OF PROPERTIES AND ADVANCES FROM CUSTOMERS

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Payables for properties purchased	14,980	14,848	322,578	325,784
Developments and services	900	218	1,043	979
Physical barter - land	1,905	1,921	119,659	118,037
	<u>17,785</u>	<u>16,987</u>	<u>443,280</u>	<u>444,800</u>
Current	6,276	5,980	213,310	204,661
Noncurrent	11,509	11,007	229,970	240,139

The current and noncurrent portions mature as follows:

Maturity	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
2018	5,023	5,980	169,822	204,661
2019	6,186	6,726	139,140	118,388
2020	4,918	4,281	58,910	47,458
2021	1,658	-	28,799	74,293
2022 and thereafter	-	-	46,609	-
	<u>17,785</u>	<u>16,987</u>	<u>443,280</u>	<u>444,800</u>

17. INCOME TAX AND SOCIAL CONTRIBUTION

(a) Current income tax and social contribution

The reconciliation at the effective tax rate for the periods ended March 31, 2018 and 2017 is as follows:

	Parent		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Income before income tax and social contribution:	36,833	18,940	43,002	22,370
Income tax calculated at the statutory rate - 34%	34%	34%	34%	34%
	(12,523)	(6,440)	(14,621)	(7,606)
Net impact of subsidiaries taxed based on deemed income/RET	-	-	22,718	8,164
Other permanent differences	(1,313)	369	(1,420)	369
Unrecognized tax assets	1,079	(240)	(5,339)	(5,538)
Share of profit of investees	15,935	6,263	29	30
Tax credits utilized in the deterred taxes tax base	-	-	(930)	-
Other additions and deductions	(3,740)	48	(7,040)	48
Income tax and social contribution expenses (income)	<u>(562)</u>	<u>-</u>	<u>(6,603)</u>	<u>(4,533)</u>
Current tax expenses (income)	(562)	-	(5,829)	(2,509)
Deferred tax expenses (income)	-	-	(774)	(2,024)

(b) Deferred income tax and social contribution

The origin of deferred income tax and social contribution as at March 31, 2018 and December 31, 2017 is as follows:

Description	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Assets				
Tax loss carryforwards	242,693	244,208	244,219	244,208
Allowance for doubtful debts	19,065	19,007	21,171	21,306
Allowance for impairment of nonfinancial assets	5,109	6,058	5,201	5,846
Other provisions	5,903	6,617	11,036	10,985
Provision for contingencies	17,572	18,442	18,914	19,848
Temporary differences - CPC	1,364	1,557	5,228	2,312
Temporary differences – deferred PIS and COFINS	1,643	2,077	1,853	2,423
Recognized temporary differences and tax loss carryforwards	-	-	-	-
Unrecognized tax credits	(278,543)	(279,622)	(290,633)	(285,294)
Subtotal	14,806	18,344	16,989	21,634
Liabilities				
Revenue taxation on a cash and an accrual basis	(11,483)	(15,021)	(13,666)	(18,311)
Deferred income tax and social contribution (Earmarked assets, or RET)	-	-	(6,682)	(5,851)
Subtotal	(11,483)	(15,021)	(20,348)	(24,162)
Recognized in line item deferred taxes (liabilities)	-	-	(6,682)	(5,851)
Recognized in line item deferred taxes (assets)	3,323	3,323	3,323	3,323

The Company holds unrecognized income tax loss and social contribution loss carryforwards that can be offset against 30% of annual taxable income and carried forward indefinitely in the following amounts:

Description	Parent					
	03/31/2018			12/31/2017		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Tax loss carryforwards	713,802	713,802	-	718,259	718,259	-
Tax assets (25%, 9%)	178,451	64,242	242,693	179,565	64,643	244,208
Recognized tax assets (PERT)	(2,443)	(880)	(3,323)	(2,443)	(880)	(3,323)
Unrecognized tax assets on tax loss carryforwards	176,008	63,362	239,370	177,122	63,763	240,885

Description	Consolidated					
	03/31/2018			12/31/2017		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Tax loss carryforwards	718,291	718,291	-	718,259	718,259	-
Tax assets (25%, 9%)	179,573	64,646	244,219	179,565	64,643	244,208
Recognized tax assets	(2,443)	(880)	(3,323)	(2,443)	(880)	(3,323)
Unrecognized tax assets on tax loss carryforwards	177,130	63,766	240,896	177,122	63,763	240,885

18. PROVISION FOR CONTINGENCIES AND COMMITMENTS

18.1 Provision for contingencies

In the periods ended March 31, 2018 and 2017, the variations in the provision for contingencies are summarized as follows:

	Parent			
	Civil lawsuits	Labor lawsuits	Other	Total
Balance as at December 31, 2016	19,168	9,465	32	28,665
Additions (note 24)	4,041	1,804	2	5,847
Write-offs/transfers (note 24)	(3,728)	(1,695)	-	(5,423)
Balance as at March 31, 2017	19,481	9,574	34	29,089
Balance as at December 31, 2017	43,951	10,241	48	54,240
Additions (note 24)	6,835	1,645	4	8,484
Write-offs/transfers (note 24)	(9,366)	(1,640)	(36)	(11,042)
Balance as at March 31, 2018	41,420	10,246	16	51,682
Current	20,729	5,116	8	25,853
Noncurrent	20,691	5,130	8	25,829
	Consolidated			
	Civil lawsuits	Labor lawsuits	Other	Total
Balance as at December 31, 2016	30,341	14,303	306	44,950
Additions (note 24)	6,480	2,697	3	9,180
Write-offs/transfers (note 24)	(5,738)	(2,638)	-	(8,376)
Acquisition of control of investees	17	54	-	71
Balance as at March 31, 2017	31,100	14,416	309	45,825
Balance as at December 31, 2017	51,567	11,166	306	63,039
Additions (note 24)	7,716	1,974	4	9,694
Write-offs (note 24)	(10,927)	(1,937)	(36)	(12,900)
Balance as at March 31, 2018	48,356	11,203	274	59,833
Current	24,212	5,609	137	29,958
Noncurrent	24,144	5,594	137	29,875

18.2 Escrow Deposits

As at March 31, 2018, the Company and its subsidiaries have the following amounts deposited in courts:

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Civil lawsuits	21,852	20,117	22,232	20,489
Environmental lawsuits	87	87	89	88
Tax lawsuits	3,417	3,447	3,476	3,512
Labor lawsuits	6,382	6,153	6,492	6,266
	31,738	29,804	32,289	30,355
Current	10,597	10,557	10,793	10,752
Noncurrent	21,141	19,247	21,496	19,603

18.3 Lawsuits with a possible likelihood of an unfavorable outcome

As at March 31, 2018, the Company and its subsidiaries are aware of other civil, labor, tax and environmental lawsuits. Based on the history of probable lawsuits and the specific analysis of the main claims, the lawsuits with a likelihood of an unfavorable outcome classified as possible total R\$542,056 (R\$529,120 as at December 31, 2017), based on the historical average of the lawsuits adjusted for current estimates, for which the Company's Management believes it is not necessary to recognize a provision for potential losses. The change in the period is due to the revision of the involved amounts, as shown below.

	Consolidated	
	03/31/2018	12/31/2017
Civil lawsuits (a)	321,358	309,014
Tax lawsuits (b)	206,269	206,933
Labor lawsuits	12,770	11,317
Environmental lawsuits	1,659	1,856
	542,056	529,120

- (a) As at March 31, 2018, the Company and its subsidiaries are aware of civil lawsuits and risks based on the history of probable lawsuits and a specific analysis of main claims, the measurement of the lawsuits with a likelihood of an unfavorable decision estimated as possible total R\$321,358, mostly attributed to legacy projects.
- (b) The Company had received a tax assessment notice issued by the Brazilian Federal Revenue Service, in which it challenges the tax bases of income tax, social contribution, PIS and COFINS for FY 2010. The Company filed an objection to the tax assessment within the statutory deadline, which was partially upheld on March 30, 2017 by the lower administrative court, which reduced the tax assessment fine and rebate of the amounts paid as COFINS and PIS. Based on this decision, the Company filed an administrative appeal, which is pending the analysis by the Administrative Council of Tax Appeals ("CARF"). The likelihood of an unfavorable outcome in these disputes was estimated as possible by the legal counsel in charge and, accordingly, no provision was recognized in the interim financial information.

18.4 Commitments

In addition to the commitments referred to in notes 6, 12 and 13, the Company has the following commitments:

- (i) The Company is a party to agreements for the lease of 45 properties where its facilities are located, at a monthly average cost of R\$611, annually adjusted according to the IGP-M/FGV variation.

The lease terms range from one to five years and a fine may be imposed in case of contract termination corresponding to three-month rent or prorated to the remaining lease period. The future minimum lease payments estimate for commercial properties (cancellable leases) totals R\$3,113 (R\$4,143 as at December 31, 2017), as follows:

Payment estimate	Consolidated	
	03/31/2018	12/31/2017
2018	2,118	3,136
2019	846	858
2020	149	149
	<u>3,113</u>	<u>4,143</u>

- (ii) The Company, as at March 31, 2018, has long-term obligations amounting to R\$9,546 (R\$9,672 as at December 31, 2017), related to pledges from service providers used in real estate development projects.

19. EQUITY

19.1 Capital

As at March 31, 2018, the Company's authorized and paid-in capital was R\$1,094,171, represented by 54,035,100 registered common shares, with no par value (R\$1,094,171 represented by 54,035,100 registered common shares, with no par value as at December 31, 2017).

Capital	<u>1,094,171</u>
(-) Share issuance costs	(138)
Capital	<u>1,094,033</u>

19.2 Stock option plan

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

The granted options entitle their holders (management personnel and employees designated by the executive committee and approved by the Board of Directors) to purchase Company common shares, after vesting periods that range from three to ten years while employed by the Company (essential condition to exercise a stock option), and expire ten years after the grant date.

The fair value of the stock options is set on the grant date and recognized as expenses in profit or loss (as contra entry to equity), during the plan's vesting period, as the services are provided by the employees and management personnel.

The variations in the outstanding stock options in the period ended March 31, 2018 and in the year ended December 31, 2017, which include their related weighted average strike prices, are as follows:

	03/31/2018		12/31/2017	
	Number of stock options	Weighted average strike price for the period (reais)	Number of stock options	Weighted average strike price for the year (reais)
Outstanding stock options at the beginning of the period	5,479,451	6.74	5,489,848	6.53
Cancelled stock options	-	-	(162,079)	4.78
Granted stock options	-	-	190,102	12.84
Exercised stock options	(35,695)	4.78	(38,420)	4.78
Outstanding stock options at the beginning of the year	5,443,756	6.74	5,479,451	6.74

The fair value of the stock options granted in 2014 and 2017 totaled R\$20,515 (R\$8,971 in 2017), estimated based on the Black & Scholes pricing model, taking into consideration the following assumptions:

Program	Grant date	Strike price	Weighted average	Expected volatility (%) (*)	Expected stock option life (years)	Risk-free interest rate (%) (**)
1	08/11/2014	6.63	6.52	31.02%	1.08 years	11.66% to 11.81%
1	11/12/2014	6.63	6.53	31.30%	1.05 years	12.77% to 12.84%
2	05/09/2016	6.86	6.83	26.70%	3.01 years	12.67% to 12.77%
3	04/10/2017	8.13	8.13	24.65%	3.95 years	9.69% to 10.07%
4	10/02/2017	14.73	14.73	24.84%	-	9.52% to 9.88%
5	10/02/2017	24.25	24.25	24.84%	-	9.71% to 10.11%

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

(**) Risk-free market interest rate for the stock option period at the grant date.

The Company reviewed the number of stock options granted that will vest in 2018-2023, which generated expenses of R\$9,092 for the period.

Outstanding stock options			Vested stock options	
Number of stock options	Remaining contractual weighted average life (years)	Weighted average strike price for the year (R\$)	Number of stock options	Weighted average strike price for the year (R\$)
5,443,756	0.93	6.74	-	-

Total expenses recognized in the period ended March 31, 2018 was R\$9,775 (R\$489 as at December 31, 2017) and are disclosed in note 24.

20. INSURANCE

Tenda has insurance against engineering risk, barter guarantee, construction completion guarantee, and civil liability, associated to involuntary bodily harm caused to third parties, and property damages caused to tangible assets, as well as fire, lightning, electrical damage, natural phenomenon, and explosion hazards. The insurance coverage purchased is considered sufficient by Management to cover probable losses on its assets and/or liabilities. The table below shows the liabilities covered by insurance and the related amounts as at March 31, 2018:

Insurance line (in effect)	Coverage - R\$ thousand
Engineering risks and construction completion guarantee	1,744,703
Civil liability - Directors and Officers (D&O) (*)	241,605

(*) The effective period of the D&O civil liability policy is from February 25, 2018, renewed until February 25, 2019 by the Company.

Insurance line (future periods)	Coverage - R\$ thousand
Engineering risks and construction completion guarantee (effective from 04/2018 to 01/2021)	129,328

21. EARNINGS PER SHARE

The table below shows the calculation of basic and diluted earnings per share.

	03/31/2018	03/31/2017
Basic numerator		
Undistributed earnings	36,271	18,940
Undistributed earnings, available to the holders of common shares	36,271	18,940
Basic denominator (in thousand of shares)		
Weighted average number of shares	54,035	54,000
Basic earnings per share in Brazilian reais	0.67125	0.35074
Diluted numerator		
Undistributed earnings	36,271	18,940
Undistributed earnings, available to the holders of common shares	36,271	18,940
Diluted denominator (in thousand of shares)	54,035	54,000
Weighted average number of shares	3,991	3,720
Stock options	58,026	57,720
Diluted earnings per share in Brazilian reais	0.62508	0.32814

22. FINANCIAL INSTRUMENTS

The Company and its subsidiaries enter into transactions with financial instruments. These financial instruments are managed through operating strategies and internal control that aim at liquidity, profitability and security. Financial instruments for hedging purposes are contracted based on a periodic analysis of the risk exposure Management intends to mitigate (foreign exchange, interest rate, etc.) which are submitted to the competent Management bodies for approval and subsequent roll out of the presented strategy. The control policy consists of a permanent monitoring of contracted terms and conditions compared to market terms and conditions. The Company and its subsidiaries do not make investments involving derivatives or any other risk assets for speculative purposes. Gains and losses on these transactions are consistent with the policies and strategies designed by the Company's Management. The Company's and its subsidiaries' operations are subject to the following risk factors described below:

(a) Risk considerations

(i) Credit risk

The Company and its subsidiaries restrict their exposure to credit risks related to cash and cash equivalents by making their investments in prime financial institutions and in interest-bearing short-term investments.

With respect to trade receivables, the Company restricts its exposure to credit risks by selling to a broad customer base and continuously analyzing credit. Additionally, there is no material history of losses since there is a collateral on the units sold, represented by real estate unit, which can be repossessed in the case of default during the construction period. As at March 31, 2018 and December 31, 2017, there was no material credit risk concentration related to customers.

(ii) Derivatives

As at March 31, 2018, the Company does not conduct transactions involving derivative financial instruments.

(iii) Interest rate risk

Arises from the possibility of the Company and its subsidiaries incurring gains or losses due to fluctuations in the interest rates on their financial assets and financial liabilities. To mitigate this risk, the Company and its subsidiaries try to diversify their borrowings into fixed and floating rates. The interest rates on borrowings and financing are described in notes 12 and 13. The interest rates on short-term investments are described in note 4. Receivables from real estate development are subject to the National Civil Construction Index (INCC) and the General Market Price Index (IGP-M).

(iv) Liquidity risk

The liquidity risk arises from the possibility that the Company and its subsidiaries may not have sufficient funds to meet their obligations due to a mismatch in the settlement terms of their rights and obligations.

To mitigate the liquidity risks and optimize the weighted average cost of capital, the Company and its subsidiaries permanently monitor the debt levels according to the market standards and the compliance with the ratios (covenants) provided for in loan, financing and debenture agreements, to ensure that the cash generation and early funding, when necessary, are sufficient to honor their commitments, and avoid any liquidity risk for the Company and its subsidiaries (notes 12 and 13).

Most of the Company's financing is carried out with Caixa Econômica Federal under real estate pool funding schemes ("*crédito associativo*"), the "Minha Casa Minha Vida" federal housing program, and transfers at the end of the construction.

The maturities of borrowing, financing, trade payables, and debenture financial instruments are as follows:

Year ended December 31, 2017	Parent				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 12)	17,315	17,599	3,084	-	37,998
Debentures (note 13)	-	-	154,002	-	154,002
Trade payables	5,699	-	-	-	5,699
Payables for properties and advances from customers (note 16)	5,980	11,007	-	-	16,987
Intragroup borrowings payable (Note 7,1)	-	-	-	15,860	15,860
	28,994	28,606	157,086	15,860	230,546

Period ended March 31, 2018	Parent				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 12)	2,858	14,566	10,194	-	27,618
Debentures (note 13)	-	266,810	-	-	266,810
Trade payables	8,344	-	-	-	8,344
Payables for properties and advances from customers (note 16)	6,276	11,509	-	-	17,785
Intragroup borrowings payable (note 7,1)	-	-	-	15,860	15,860
	17,478	292,886	10,194	15,860	336,418

Year ended December 31, 2017	Consolidated				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 12)	31,033	69,095	16,035	-	116,163
Debentures (note 13)	-	-	154,002	-	154,002
Trade payables	22,749	-	-	-	22,749
Payables for properties and advances from customers (note 16)	204,661	165,846	74,293	-	444,800
Intragroup borrowings payable (note 7,1)	-	-	-	15,860	15,860
	258,443	234,941	244,330	15,860	753,574

Period ended March 31, 2018	Consolidated				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 12)	14,205	72,349	24,473	-	111,027
Debentures (note 13)	-	266,810	-	-	266,810
Trade payables	28,664	-	-	-	28,664
Payables for properties and advances from customers (note 16)	213,310	183,361	46,608	-	443,280
Intragroup borrowings payable (note 7,1)	-	-	-	15,860	15,860
	256,179	522,521	71,081	15,860	865,641

(v) Fair value hierarchy

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

Level 1: prices traded (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices in active markets included within Level 1, that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and

Level 3: inputs for assets or liabilities that are not based on observable market variables (unobservable inputs).

The fair value hierarchy level for the financial instrument assets measured at fair value through profit or loss of the Company, disclosed as at March 31, 2018 and December 31, 2017, is as follows:

	Parent			Consolidated		
	Fair value hierarchy					
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
As at December 31, 2017						
Financial assets						
Securities (note 4.2)	-	280,327	-	129,957	328,389	-
	Parent			Consolidated		
	Fair value hierarchy					
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
As at March 31, 2018						
Financial assets						
Securities (note 4.2)	-	461,572	-	179,157	436,140	-

In the period ended March 31, 2018 and the year ended December 31, 2017, there were no fair value measurement transfers between the Level 1 and Level 2 fair value measurements or transfers between the Level 3 and Level 2 fair value measurements.

(b) Fair value of financial instruments

(i) Fair value measurement

The estimated fair values were determined using observable market inputs and appropriate valuation techniques. However, considerable judgment is required to interpret market inputs and estimate fair value. Thus, the estimates presented herein are not an indication of the amounts that the Company could realize in the current market. The use of different market assumptions and/or estimate methodologies could have a significant impact on the estimated fair values.

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

- (i) The amounts of cash and cash equivalents, securities, trade receivables, and other receivables, trade payables, and other current liabilities approximate their fair values, recognized in the interim financial information.
- (ii) The fair value of bank loans and other financial debts is estimated through discounted future cash flows using available benchmark interest rates for similar and remaining debts or terms.

The main carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2018 and December 31, 2017, classified in Level 2 of the fair value hierarchy, are as follows:

	Parent			
	03/31/2018		12/31/2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents (note 4.1)	24,043	24,043	19,480	19,480
Securities and restricted short-term investments (note 4.2)	461,572	461,572	280,327	280,327
Trade receivables (note 5)	85,642	85,642	92,276	92,276
Intragroup loans receivable (note 7.1)	43,261	43,261	43,136	43,136
Financial liabilities				
Borrowings and financing (note 12)	27,618	26,296	37,998	37,874
Debentures (note 13)	266,810	269,198	154,002	163,733
Trade payables	8,344	8,344	5,699	5,699
Payables for properties and advances from customers (note 16)	17,785	17,785	16,987	16,987
Intragroup borrowings payable (note 7.1)	15,860	15,860	15,860	15,860
	Consolidated			
	03/31/2018		12/31/2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents (note 4.1)	45,097	45,097	39,377	39,377
Securities and restricted short-term investments (note 4.2)	615,297	615,297	458,346	458,346
Trade receivables (note 5)	427,317	427,317	396,841	396,841
Intragroup loans receivable (note 7.1)	33,962	33,962	33,837	33,837
Financial liabilities				
Borrowings and financing (note 12)	111,027	111,207	116,163	115,114
Debentures (note 13)	266,810	269,198	154,002	163,733
Trade payables	28,664	28,664	22,749	22,749
Payables for properties and advances from customers (note 16)	443,280	443,280	444,800	444,800
Intragroup borrowings payable (note 7.1)	15,860	15,860	15,860	15,860

(ii) Debt acceleration risk

As at March 31, 2018, the Company was a party to loan and financing agreements that contained restrictive covenants related to indebtedness and other ratios. 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 Company's capital management aims at maintaining the good credit rating from credit rating institutions and an optimum capital ratio sufficient to support the Company's business and maximize shareholder value.

The Company controls its capital structure and adjusts it to current economic conditions. To keep this structure adjusted, the Company can pay dividends, return on capital to shareholders, raise new borrowings and financing, issue debentures, etc.

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

	Parent		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Borrowings and financing (note 12)	27,618	37,998	111,027	116,163
Debentures (note 13)	266,810	154,002	266,811	154,002
(-) Cash and cash equivalents and securities (notes 4.1 and 4.2)	(485,615)	(299,807)	(660,394)	(497,723)
Net debt	(191,186)	(107,807)	(282,556)	(227,558)
Equity	1,204,668	1,158,692	1,209,843	1,163,739
Equity and net debt	1,013,482	1,050,885	927,287	936,181

(d) Sensitivity analysis

The sensitivity analysis of financial instruments for the year ended March 31, 2018, describes the risks that may cause material changes in the Company's profit or loss, in compliance with by CVM requirements, set out in Instruction 475/08, in order to show a 10%, 25% and 50% increase / decrease in the risk variable considered.

As at March 31, 2018, the Company has the following financial instruments:

- a) Short-term investments, borrowings and financing indexed to the CDI;
- b) Borrowings and financing indexed to the Benchmark Rate (TR);
- c) Trade and other receivable, borrowings and financing indexed to the National Civil Construction Index (INCC) and the General Market Price Index (IGP-M).

For the sensitivity analysis in the period ended March 31, 2018, the Company considered the interest rates of investments, borrowings and trade receivables, the Certificate of Interbank Deposit (CDI) rate at 6.39%, the Benchmark Rate at 0%, the National Civil Construction Index (INCC) at 3.60%, and the General Market Price Index (IGP-M) at 4.59%.

The scenarios considered were as follows:

Scenario I: Probable: 10% appreciation/depreciation of the risk variables used for pricing

Scenario II: Possible: 25% appreciation/depreciation of the risk variables used for pricing

Scenario III: Remote: 50% appreciation/depreciation of the risk variables used for pricing

As at March 31, 2018:

Transaction	Risk	Probable					
		I	II	III	III	II	I
		50% increase	25% increase	10% increase	10% decrease	25% decrease	50% decrease
Securities	CDI increase/decrease	14,820	7,410	2,964	(2,964)	(7,410)	(14,820)
Debentures	CDI increase/decrease	(8,255)	(4,127)	(1,651)	1,651	4,127	8,255
Bank Credit Note (CCB)	CDI increase/decrease	(105)	(52)	(21)	21	52	105
Net effect of CDI variance		6,460	3,231	1,292	(1,292)	(3,231)	(6,460)
Receivables from developments	INCC increase/decrease	4,104	2,052	821	(821)	(2,052)	(4,104)
Bank Credit Note (CCB)	INCC increase/decrease	(53)	(27)	(11)	11	27	53
Net effect of INCC variance		4,051	2,025	810	(810)	(2,025)	(4,051)
Receivables from developments	IGP-M increase/decrease	4,422	2,211	884	(884)	(2,211)	(4,422)

23. NET REVENUE

	Parent		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Gross revenue				
Property development and sale, barter, and provision for construction services	72,108	76,361	376,754	347,163
(Recognition) reversal of allowance for doubtful debts (note 5)	(205)	1,939	(2,943)	(5,083)
(Recognition) reversal of allowance for contract terminations (note 5)	487	19,451	852	3,397
Taxes on property sales and services	(3,360)	(7,582)	(8,590)	(20,790)
Net revenue	69,030	90,169	366,073	324,687

24. COSTS AND EXPENSES BY NATURE

Broken down as follows:

	Parent		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Real estate development and sale costs				
Construction costs	(30,709)	(17,104)	(168,356)	(146,977)
Land costs	(1,695)	(10,945)	(36,271)	(43,014)
Development costs	(5,246)	(4,029)	(18,011)	(18,800)
Capitalized finance charges (note 12)	(1,400)	839	(5,257)	(4,946)
Maintenance/warranties	(1,683)	(1,353)	(11,404)	(2,278)
Cost of properties on allowance for contract terminations recognition (note 6)	(1,134)	(15,295)	(3,102)	(1,357)
	<u>(41,867)</u>	<u>(47,887)</u>	<u>(242,401)</u>	<u>(217,372)</u>
Selling expenses:				
Product marketing expenses	(2,206)	(2,081)	(12,319)	(12,116)
Realtor and sales commissions	(2,969)	(2,814)	(16,585)	(16,389)
Cost of sales	(2,174)	(1,653)	(12,143)	(9,628)
Onlending costs	(322)	(402)	(1,799)	(2,339)
Registration costs	(123)	(124)	(689)	(724)
Realtor fees	(350)	(635)	(1,954)	(3,698)
Expenses on customer management (CRM)	(55)	(65)	(306)	(381)
Other selling expenses	(448)	(99)	(2,498)	(574)
	<u>(5,678)</u>	<u>(5,059)</u>	<u>(31,708)</u>	<u>(29,460)</u>
General and administrative expenses:				
Payroll and related taxes	(2,975)	(2,431)	(14,539)	(10,153)
Employee benefits	(263)	(228)	(1,286)	(952)
Travel and utilities	(45)	(74)	(219)	(307)
Expenses on services provided	(437)	(889)	(2,135)	(3,715)
Rentals and CAM fees	(167)	(251)	(817)	(1,050)
IT expenses	(25)	(393)	(137)	(1,637)
Stock option plan costs (note 19.2)	(9,775)	(489)	(9,775)	(489)
Expenses provision for profit sharing (note 26.2)	(1,485)	-	(4,951)	(4,734)
Other general and administrative expenses	(32)	(214)	(152)	109
	<u>(15,204)</u>	<u>(4,969)</u>	<u>(34,011)</u>	<u>(22,928)</u>
Other income (expenses), net:				
Depreciation and amortization	(3,386)	(3,270)	(3,386)	(3,272)
Expenses on payments of contingencies	(13,467)	(10,100)	(13,470)	(11,313)
Provision for contingencies (note 18)	2,558	(424)	3,206	(804)
Other income/(expenses) (a)	(3,731)	(16,120)	(4,554)	(16,594)
	<u>(18,026)</u>	<u>(29,914)</u>	<u>(18,204)</u>	<u>(31,983)</u>

- a) In March 2017 the Company acquired the control of FIT 03, FIT 11, FIT 34, and FIT 34, resulting in a loss of R\$11,309, settled through the offset against intragroup loans receivable.

25. FINANCE INCOME (COSTS)

	Parent		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Finance income				
Income from short-term investments	4,908	1,806	6,353	2,956
Finance income from intragroup loan (note 7.1)	-	116	-	132
Other finance income	2,098	946	3,294	2,556
	<u>7,006</u>	<u>2,868</u>	<u>9,647</u>	<u>5,644</u>
Finance costs				
Interest on borrowings, net of capitalization (note 12)	(4,282)	(2,804)	(4,396)	(2,056)
Finance costs from intragroup borrowings (note 7.1)	-	(505)	-	(505)
Banking expenses	(251)	(160)	(1,213)	(779)
Other finance costs	(763)	(1,219)	(869)	(2,967)
	<u>(5,296)</u>	<u>(4,688)</u>	<u>(6,478)</u>	<u>(6,307)</u>
Finance income (costs)	<u>1,710</u>	<u>(1,820)</u>	<u>3,169</u>	<u>(663)</u>

26. TRANSACTIONS WITH MANAGEMENT AND EMPLOYEES

26.1 Compensation of key management personnel

The amounts recognized in line item 'General and administrative expenses' for the periods ended March 31, 2018 and 2017 related to the compensation of key management personnel are as follows:

Compensation of key management personnel			
Period ended March 31, 2017	Board of Directors	Executive Committee	Total
Number of members	5	10	15
Fixed compensation for the period (in R\$)	300	1,713	2,013
Salary/management fees	250	1,266	1,516
Direct and indirect benefits	-	194	194
Other (social security)	50	253	303
Monthly compensation (in R\$)	100	571	671
Variable compensation for the period (in R\$)	-	1,792	1,792
Profit sharing (note 26.2)	-	1,357	1,357
Share-based compensation	-	435	435
Total compensation for the period (in R\$)	300	3,505	3,805

Compensation of key management personnel			
Period ended March 31, 2018	Board of Directors	Executive Committee	Total
Number of members	7	10	17
Fixed compensation for the period (in R\$)	420	1,797	2,217
Salary/management fees	350	1,328	1,678
Direct and indirect benefits	-	203	203
Other (social security)	70	266	336
Monthly compensation (in R\$)	140	599	739
Variable compensation for the period (in R\$)	-	11,038	11,038
Profit sharing (note 26.2)	-	1,429	1,429
Share-based compensation	-	9,609	9,609
Total compensation for the period (in R\$)	420	12,835	13,255

The overall compensation of the Company's key management personnel for 2018 was set at R\$35,313, as fixed and variable compensation, as approved at the Annual Shareholders' Meeting held on April 26, 2018.

26.2 Profit sharing

In the period ended March 31, 2018, the Company recognized a profit sharing expense amounting to R\$1,485 in the Parent and R\$4,951 in consolidated (R\$4,734 in consolidated as at March 31, 2017).

	Parent		Consolidated	
	03/31/2018	03/31/2017	03/31/2018	03/31/2017
Executive Committee	1,429	-	1,429	1,357
Other employees	56	-	3,522	3,377
	1,485	-	4,951	4,734

27. SEGMENT REPORTING

The Company's Management analyses its internal managerial reports to make decisions relating to the consolidated interim financial information, on the same basis that these statements are disclosed, i.e., a single segment and geography.

Therefore, since Management does not use any information system other than the quarterly information as at March 31, 2018 and the financial statements as at December 31, 2017, no specific disclosure will be presented, as defined in CPC 22.

As for the information on its main customers, since its residential real estate activity is targeted at the a single economic segment, the Company does not have any individual customer that represents 10% or more of its total consolidated revenue.

28. REAL ESTATE PROJECTS UNDER CONSTRUCTION – INFORMATION AND COMMITMENTS

In compliance with paragraphs 20 and 21 of ICPC 02, the recognized revenue amounts and incurred costs are stated in the statement of profit and loss, and the advances received in the line item 'Payables for purchase of properties and advances from customer'. The Company shows below information on the projects under construction as at March 31, 2018:

1) Unrecognized revenue from projects under construction:

	<u>Consolidated</u>
	<u>03/31/2018</u>
Unrecognized revenue from properties sold (i)	422,799
Budgeted costs of units sold to be incurred (ii)	<u>(233,860)</u>
Unrecognized profit	188,939
Unallocated revenue from properties sold	
Real estate projects under construction:	
Revenue from contracted sales	1,239,434
Unrecognized sales revenue	<u>(816,635)</u>
Unrecognized sales revenue (a)	422,799
(ii) Budgeted costs on units sold to be incurred	
Real estate projects under construction:	
Budgeted costs of units	(701,080)
Costs incurred on units	<u>467,220</u>
Budget costs to be incurred (b)	<u>(233,860)</u>
a) The unrecognized sales revenue of units sold is measured at the notional amount of the underlying contracts, plus the contractual adjustments and less contract terminations, not taking into consideration the effects of the taxes levied thereon and the present value adjustment, and does not include projects subject to restriction due to a suspension clause (legal period of 180 days during which the Company can cancel a development) and, therefore, not allocated to profit or loss.	
b) The budgeted costs of properties sold to be incurred do not include finance charges, which are allocated to properties for sale and profit or loss (cost of properties sold), proportionately to the real estate units sold, to the extent they are incurred, and the accrued warranties, which are allocated to real estate units sold according to the percentage-of-completion of the works.	

2) Budgeted costs of units in inventory to be incurred

	<u>Consolidated</u>
	<u>03/31/2018</u>
Budgeted costs of units	(424,654)
Costs incurred on units	<u>184,286</u>
Costs to be incurred	<u>(240,368)</u>

As at March 31, 2018, the percentage of assets consolidated in the interim financial information referring to projects included in the asset segregation structure was 63.79%.

29. NONCASH TRANSACTIONS AND RECONCILIATION OF FINANCING ACTIVITIES

a) Noncash transactions

The main investing and financing transactions that did not involve cash and cash equivalents (Parent and Consolidated), as contra entry to related parties, considered for purposes of preparing the statement of cash flows were as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>03/31/2018</u>	<u>03/31/2017</u>	<u>03/31/2018</u>	<u>03/31/2017</u>
Acquisition of control (note 9)	-	-	-	(83,529)
Acquisition of equity interests (note 9)	-	701	-	-
Advance for future capital increase (note 9)	-	12,626	-	-

b) Reconciliation of financing activities:

	Parent					
	Cash transactions				Noncash transactions	
	Opening balance 12/31/2016	New	Interest payment	Principal repayment	Interest and inflation adjustment -.	Closing balance 03/31/2017
Borrowings (note 12)	44,906	30,097	(1,555)	(14,651)	2,097	60,894
Intragroup loans	(47,044)	4,463	(116)	-	116	(42,581)
Intragroup borrowings	50,599	-	505	(38,822)	(505)	11,777
Total	48,461	34,560	(1,166)	(53,473)	1,708	30,090

	Parent					
	Cash transactions				Noncash transactions	
	Opening balance 12/31/2017	New	Interest payment	Principal repayment	Interest and inflation adjustment -.	Closing balance 03/31/2018
Borrowings (notes 12 and 13)	192,000	140,675	(670)	(40,133)	2,556	294,428
Intragroup loans (note 7.1)	(43,136)	(125)	-	-	-	(43,261)
Intragroup borrowings (note 7.1)	15,860	-	-	-	-	15,860
Total	164,724	140,550	(670)	(40,133)	2,556	267,027

	Consolidated					
	Cash transactions				Noncash transactions	
	Opening balance 12/31/2016	New	Interest payment	Principal repayment	Interest and inflation adjustment -.	Closing balance 03/31/2017
Borrowings (note 12)	134,994	106,058	(3,479)	(68,379)	4,238	173,432
Intragroup loans	(37,745)	4,463	(132)	-	132	(33,282)
Intragroup borrowings	50,599	-	505	(38,822)	(505)	11,777
Total	147,848	110,521	(3,106)	(107,201)	3,865	151,927

	Consolidated					
	Cash transactions				Noncash transactions	
	Opening balance 12/31/2017	New	Interest payment	Principal repayment	Interest and inflation adjustment -.	Closing balance 03/31/2018
Borrowings (notes 12 and 13)	270,165	209,785	(2,093)	(104,213)	4,193	377,837
Intragroup loans (note 7.1)	(33,837)	(125)	-	-	-	(33,962)
Intragroup borrowings (note 7.1)	15,860	-	-	-	-	15,860
Total	252,188	209,660	(2,093)	(104,213)	4,193	359,735

30. EVENTS AFTER THE REPORTING PERIOD

On April 5, 2018, the Board of Directors approved the Share Buyback Program, effective during one (1) year, starting April 30, 2018, the purpose of which is to create value for the Company's shareholders. A ceiling of 5,398,206 Company common shares was authorized and the shares bought back can be cancelled, sold, and/or used to pay the Company's Stock Option Plan or possible new stock option plans.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of
Construtora Tenda S.A.
São Paulo, SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Construtora Tenda S.A. ("Company") for the three-month period ended March 31, 2018, which comprises the balance sheet as of March 31, 2018, and the related statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) - Interim Financial Reporting, which takes into consideration the guidance contained in CVM/SNC/SEP Circular Letter 01/2018 regarding OCPC 04 - Application of Technical Interpretation ICPC 02 to Real Estate Development Entities in Brazil, on the recognition of revenue over time, and the consolidated interim financial information in accordance with IAS 34 - Interim Financial Reporting, which takes into consideration the guidance contained in CVM/SNC/SEP Circular Letter 01/2018 regarding OCPC 04, on the recognition of revenue over time, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial 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 in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 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 making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information prepared in accordance with CPC 21 (R1), which takes into consideration the guidance contained in CVM/SNC/SEP Circular Letter 01/2018

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1), which take into consideration the guidance contained in CVM/SNC/SEP Circular Letter 01/2018 regarding the application of OCPC 04, on the recognition of revenue over time, as well as for the presentation of such information in accordance with the standards issued by the CVM, applicable to the preparation of Interim Financial Information (ITR).

THIS DOCUMENT MUST BE DESTROYED OR RETURNED TO DELOITTE BRASIL AUDITORES INDEPENDENTES LTDA. AND IT MUST NOT BE REPRODUCED OR DISTRIBUTED IN ANY FORM WITHOUT PERMISSION

Conclusion on the consolidated interim financial information prepared in accordance with IAS 34, which takes into consideration the guidance contained in CVM/SNC/SEP Circular Letter 01/2018

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with IAS 34, which take into consideration the guidance contained in CVM/SNC/SEP Circular Letter 01/2018 regarding the application of OCPC 04, on the recognition of revenue over time, as well as for the presentation of such information in accordance with the standards issued by the CVM, applicable to the preparation of Interim Financial Information (ITR).

Emphasis of matter

We draw attention to note 2.1 to the interim financial information, which describes that this individual and consolidated interim financial information has been prepared in accordance with CPC 21 (R1) and IAS 34 taking into consideration the guidance contained in CVM/SNC/SEP Circular Letter 01/2018 regarding the application of OCPC 04 currently in effect, on the recognition of revenue over time, while the discussion process of OCPC 04 has not yet been completed. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The interim financial information referred to above include the individual and consolidated statements of value added for the three-month period ended March 31, 2018, prepared under the responsibility of the Company's Management and presented as supplemental information for IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the interim financial information to reach a conclusion on whether they were reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth by CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, May 10, 2018

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Roberto Torres dos Santos
Engagement Partner