



Construtora Tenda S.A.
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Notice to the Market

PREVIEW OF OPERATIONAL RESULTS 3Q18

**Growing results across our operations,
R\$ 577 million in launches , record Net Pre-Sales reaching R\$490
million and Sales over Supply (“Net SoS”) reached 32.0%.**

FOR IMMEDIATE RELEASE - Sao Paulo, October 16, 2018 – Construtora Tenda S.A., a leading Brazilian homebuilder and real estate developer focused on low-income residential projects within the government’s “Minha Casa, Minha Vida” (“MCMV”) housing program, 1.5 and 2 ranges, announces its preview of launches, gross sales, cancellations, net pre-sales, unit transfers, delivered units, construction sites and landbank for the third quarter of 2018. These results are preliminary, still subject to audit review.

HIGHLIGHTS

- Launches came to R\$576.7 million in 3Q18 and R\$1.4 billion in 9M18, 18% higher than in 3Q17 and 12% against 9M17.
- Net pre-sales reached R\$489.9 million this quarter, up 27% year-on-year and R\$1.4 billion in 9M18, an increase of 26% in relation to 2017.
- Sales over Supply (“Net SoS”) finished at 32% in the quarter, up 6.2 p.p. versus 3Q17; a negative variation of 1.5 p.p. against 2Q18.
- Landbank increased to R\$7.8 billion with the acquisition in volume of R\$ 1.2 billion in 3Q18, this result represents a 23% evolution of Landbank in relation to 3Q17.
- Tenda ended the 3Q18 with 43 sites under construction and 7.8 thousand units delivered in the year, a 20% growth in relation to 2017.



LAUNCHES

14 projects were launched in 3Q18, up 8% year-on-year, while PSV reached R\$576.7 million, up 18% versus 3Q17 and 7% against 2Q18.

Launches ¹	3Q18	2Q18	QoQ (%)	3Q17	YoY (%)	9M18	9M17	YoY (%)
Number of Launches	14	15	(6,7%) ↓	13	7,7% ↑	37	33	12,1% ↑
PSV (in R\$ million)	576,7	539,1	7,0% ↑	488,4	18,1% ↑	1.382,1	1.236,8	11,7% ↑
Number of units	4.160	4.052	2,7% ↑	3.388	22,8% ↑	10.064	8.500	18,4% ↑
Average price per unit (in R\$ thousand)	138,6	133,0	4,2% ↑	144,1	(3,8%) ↓	137,3	145,5	(5,6%) ↓
Average size of launches (in units)	297	270	10,0% ↑	261	14,0% ↑	272	258	5,6% ↑

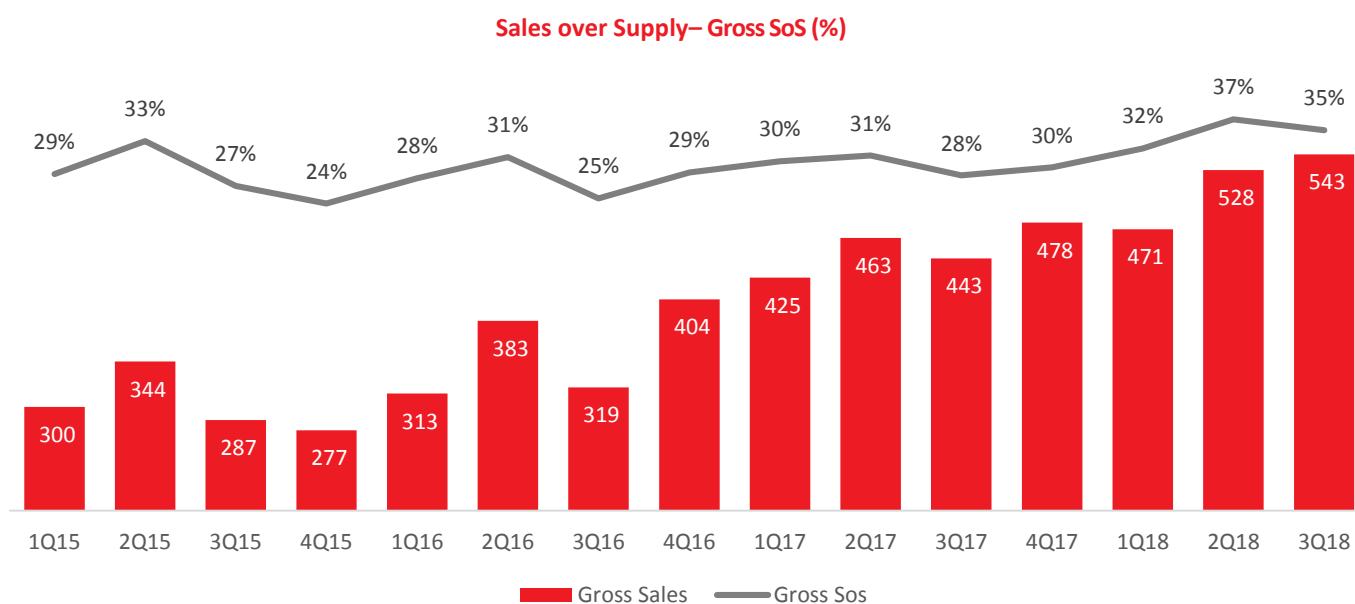
1) Tenda holds 100% equity interest in projects launched.

GROSS SALES

Gross sales totaled R\$543.5 million this quarter, an increase of 23% in the 3Q17 comparison and 3% against 2Q18.

Sales over Supply (“Gross SoS”) reached 35% in 3Q18, a 6.5 p.p. increase over the same period last year and down 1.6 p.p. against 2Q18.

Gross Sales	3Q18	2Q18	QoQ (%)	3Q17	YoY (%)	9M18	9M17	YoY (%)
PSV (in R\$ million)	543,5	528,1	2,9% ↑	443,1	22,6% ↑	1.542,8	1.330,6	16,0% ↑
Number of units	3.980	3.823	4,1% ↑	3.098	28,5% ↑	11.196	9.387	19,3% ↑
Average price per unit (in R\$ thousand)	136,5	138,1	(1,2%) ↓	143,0	(4,5%) ↓	137,8	141,7	(2,8%) ↓
Gross SoS	35,0%	36,6%	(1,6 p.p.) ↓	28,4%	6,5 p.p. ↑	62,7%	58,3%	4,5 p.p. ↑





CANCELLATIONS AND NET PRE-SALES

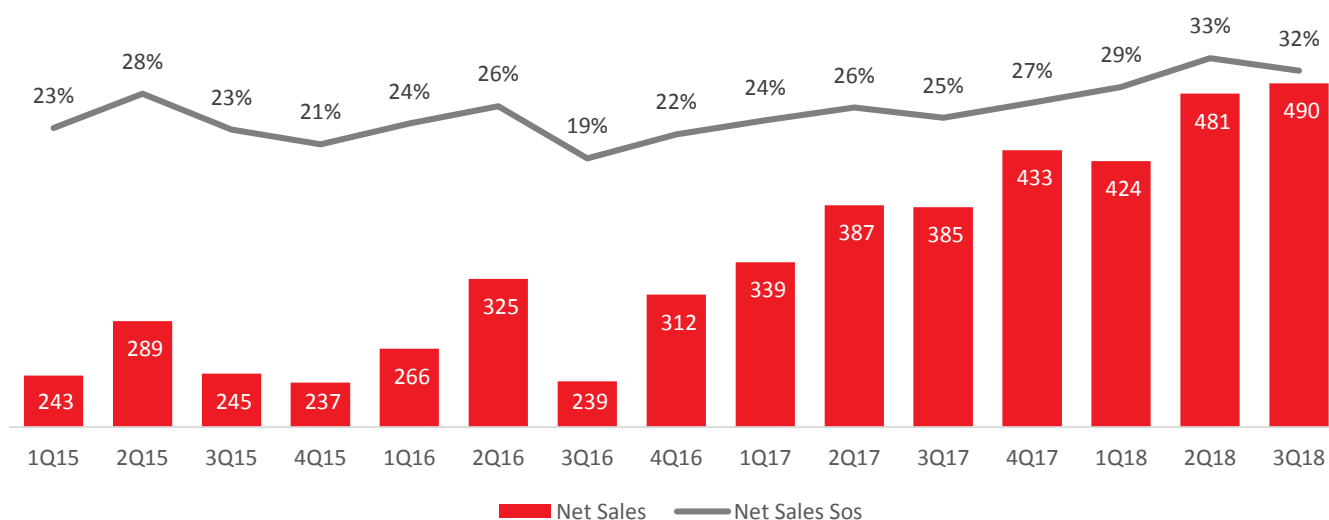
Cancellations over gross sales ratio ended at 10% in 3Q18, consistent with the level presented in the last quarters, attesting the stability of this level of cancellations.

Sales over Supply ("Net SoS") reached 32% in 3Q18, a 6.8 p.p. increase over the same period last year and down 1.8 p.p. quarter-on-quarter.

(in R\$ million)	3Q18	2Q18	QoQ (%)	3Q17	YoY (%)	9M18	9M17	YoY (%)
Gross Sales	543,5	528,1	2,9% ↑	443,1	22,6% ↑	1.542,8	1.330,6	16,0% ↑
Cancellations	53,6	46,9	14,3% ↑	57,9	(7,4%) ↓	147,5	219,4	(32,8%) ↓
Net Pre-Sales	489,9	481,3	1,8% ↑	385,3	27,1% ↑	1.395,3	1.111,2	25,6% ↑
% Launch ¹	66,9%	39,7%	27,2 p.p. ↑	67,7%	(0,9 p.p.) ↓	39,7%	41,8%	(2,2 p.p.) ↓
% Inventory	33,1%	60,3%	(27,2 p.p.) ↓	32,3%	0,9 p.p. ↑	60,3%	58,2%	2,2 p.p. ↑
Cancellations / Gross Sales	9,9%	8,9%	1,0 p.p. ↑	13,1%	(3,2 p.p.) ↓	9,6%	16,5%	(6,9 p.p.) ↓
Net SoS	31,5%	33,3%	(1,8 p.p.) ↓	24,7%	6,8 p.p. ↑	56,7%	48,7%	8,1 p.p. ↑

(in units)	3Q18	2Q18	QoQ (%)	3Q17	YoY (%)	9M18	9M17	YoY (%)
Gross Units Sold	3.980	3.823	4,1% ↑	3.098	28,5% ↑	11.196	9.387	19,3% ↑
Cancelled Units	395	341	15,8% ↑	419	(5,7%) ↓	1.077	1.594	(32,4%) ↓
Net Units Sold	3.585	3.482	3,0% ↑	2.679	33,8% ↑	10.119	7.793	29,8% ↑
Cancellations / Gross Sales	9,9%	8,9%	1,0 p.p. ↑	13,5%	(3,6 p.p.) ↓	9,6%	17,0%	(7,4 p.p.) ↓

Sales over Supply – Net SoS (%)





UNITS TRANSFERRED, DELIVERED AND CONSTRUCTION SITES

PSV transferred totaled R\$439.5 million this quarter, up 15% versus 3Q17 and down 2% against 2Q18, reflecting the problems generated by the lack of reallocation of the FGTS budget in the states of São Paulo and Rio de Janeiro. Tenda ended the quarter with 43 construction sites and 2.6 thousand units delivered, totaling 7.8 thousand units delivered in 2018, a 20% growth against 2017.

Transfers, Deliveries and Construction Sites	3Q18	2Q18	QoQ (%)	3Q17	YoY (%)	9M18	9M17	YoY (%)
PSV Transferred (in R\$ million)	439,5	448,9	(2,1%) ↓	381,8	15,1% ↑	1.301,5	1.056,2	23,2% ↑
Transferred Units	3.567	3.574	(0,2%) ↓	2.986	19,5% ↑	10.396	8.370	24,2% ↑
Delivered Units	2.632	3.720	(29,2%) ↓	1.672	57,4% ↑	7.756	6.455	20,2% ↑
Construction Sites	43	39	10,3% ↑	40	7,5% ↑	43	40	7,5% ↑

LANDBANK

The Company's landbank continues to increase, with a 24% growth year-on-year, representing a total of R\$7.8 billion in PSV. In this quarter, 29 phases/projects were acquired, distributed in the regions where the Company operates, representing the potential launch of R\$1.3 billion in PSV. We note that all projects in our landbank are eligible within the range 2, and in some cases, within range 1.5 of the "Minha Casa, Minha Vida" housing program".

Landbank ¹	3Q18	2Q18	QoQ (%)	3Q17	YoY (%)	9M18	9M17	YoY (%)
Number of Projects	229	214	7,0% ↑	193	18,7% ↑	229	193	18,7% ↑
PSV (in R\$ million)	7.843,3	7.130,9	10,0% ↑	6.333,7	23,8% ↑	7.843,3	6.333,7	23,8% ↑
Acquisitions / Adjustments (in R\$ million)	1.289,1	798,0	61,5% ↑	1.716,4	(24,9%) ↓	2.530,4	3.108,8	(18,6%) ↓
Number of Units	53.746	49.123	9,4% ↑	42.975	25,1% ↑	53.746	42.975	25,1% ↑
Average price per unit (in R\$ thousands)	145,9	145,2	0,5% ↑	147,4	(1,0%) ↓	145,9	147,4	(1,0%) ↓
% Swap Total	25,2%	27,9%	(2,7 p.p.) ↓	27,2%	(2,0 p.p.) ↓	25,2%	27,2%	(2,0 p.p.) ↓
% Swap Units	12,2%	14,4%	(2,2 p.p.) ↓	17,1%	(5,0 p.p.) ↓	12,2%	17,1%	(5,0 p.p.) ↓
% Swap Financial	13,0%	13,5%	(0,5 p.p.) ↓	10,1%	2,9 p.p. ↑	13,0%	10,1%	2,9 p.p. ↑

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



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About Tenda

Construtora Tenda S.A. (B3: TEND) is Brazil's second largest homebuilder focused on low-income residential projects listed at the Novo Mercado, B3's highest corporate governance level. The Company concentrates its activities in seven metropolitan regions of Brazil, uniquely operating within the 1.5 and 2 ranges of the "Minha Casa, Minha Vida" federal government housing program. With a sustainable growth strategy, excellence in execution and strong business model, Tenda has been able to deliver solid cash generation and growing profits, sustaining its vision of offering to investors the highest returns in the housing sector.