EARNINGS
RELEASE
4Q16 & 2016

Conference Call
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FOR IMMEDIATE RELEASE - São Paulo, March 13, 2017 – Construtora Tenda S.A., one of Brazil's leading homebuilders focused on the low income segment, today reported financial results for the quarter and year ended December 31, 2016.

TENDA RELEASES 4Q16 RESULTS

MANAGEMENT COMMENTS AND HIGHLIGHTS

2016 has been marked by a severe political and economic distress and still very difficult scenario for the Brazilian real estate market. However, performance within the low-income segment has been more resilient amid such scenario and allowed us to reap the benefits of our appropriate strategy.

Tenda has adopted since 2013 a New Model of business, based on four strategic pillars: (1) utilization of aluminum molds in its works, ensuring high quality and cost efficiency; (2) transfer sales system, in which all units sold are immediately available to be transferred to financial institutions; (3) contracted launches, which facilitates the transfer of sales and mitigates project's technical and legal risks; and (4) sales at own store, thus, allowing greater efficiency in sales and marketing expenses.

Since then, Tenda has sought gains of scale, by intensifying the volume of launches and the use of strategies to ensure a solid sales speed. The New Model consolidation has allowed Tenda to improve its operating and financial performance over time, as we have already seen since 2015 and again in 4Q16.

Over the past four years, Tenda launched 91 projects or phases, representing a total of R$3.4 billion in PSV, already including the R$1.3 billion launched in 2016. Of this total, Tenda has delivered R$1.8 billion in PSV, comprised of 44 projects/phases, always achieving the performance and profitability drivers set out for the New Model. All projects launched in 2013 have been completed and delivered on schedule and out of 14 projects launched in 2014, there is only one to be delivered over the upcoming months. Only in 2016, Tenda doubled total construction sites. The Company started 2016 with 18 sites and ended the year with 36 works in progress.

Thus, we are making real for our clients the dream of home ownership, in more than 18 cities, located in six Brazilian states in which we focus our performance. Currently, we have 36 owned stores and a qualified sales team to orient each client in the property acquisition process, offering a customized service.

The New Model enabled not only a consistent increase in the number of launches, but also a continued good sales speed index, measured by SoS indicator in the last 12 months being kept at a level above 50% during 2016. Such sales speed is the highest in our market, and we have been able to sustain it over the past two years with an increase on our marketing and sales efforts that have been, up to a certain extent, sufficient to counter a more adverse market scenario.

As mentioned in our previous quarterly disclosure, Tenda reviewed its unilateral dissolution process for sales not transferred after a period exceeding three months of sales. In this new process, we proactively cancelled contracts after the confirmation of client's transfer ineligibility. We estimate that this new process should uphold the number of dissolutions at levels above normal for the next quarters (around 25% of gross revenue) before eventually returning to the 15% level that we expect under the New Model.

One of the positive effects of higher sales revenue was the improved adjusted gross margin, which achieved 38.0% in 4Q16, maintaining the good performance seen in 2016. The adjusted gross margin in 2016 was 33.3%, with 2.8 percentage points gain compared to previous year. The adjusted EBITDA totaled R$47.4 million, with adjusted EBITDA margin of 16.5% in 4Q16, also with significant increase quarter-on-quarter and year-on-year. In 2016, Tenda's adjusted EBITDA totaled R$ 130.2 million, with margin of 12.4%, almost the double of margin recorded in 2015. These results directly derive from the implementation of Tenda's New Model, which combines the operating efficiency of a streamlined operating structure with gains of scale to improve productivity.

The good operating performance allowed us to deliver net income of R$20.2 million in 4Q16, reversing the loss reported in 4Q15. It is important to mention that 4Q16 results were negatively impacted by R$12.3 million non-recurring payment to Gafisa related to expenses of the spin-off process. In 2016, Tenda recorded a net income of R$56.7 million, up 86.8% over 2015.

The operating cash generation totaled R$55.9 million in 4Q16 and R$138.8 million in 2016. It is worth noting that fourth quarter cash generation was impacted by a strike in the financial sector in September, creating a restrained volume of transfers which was normalized in 4Q16.

The successful implementation of Tenda's New Model is evidenced by solid operating results and improved profitability. The consistency of recent results achieved reinforces our confidence in the appropriate strategy, in Tenda's ability of execution and its position in Brazil's low-income housing sector, which has solid fundamentals and offers meaningful growth opportunities.

We are ready for expansion. Tenda has a landbank with estimated PSV of R$4.5 billion, well diversified and distributed by six Metropolitan Regions in which we operate, corresponding to 138 projects and equivalent to 32,000 units.

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

The Management

Tenda

Operating and Financial Profitability Supported by Increased Scale and the Improved Performance of the New Model

Table 1- Tenda Segment – Operating and Financial Highlights (R$ 000 and % Tenda)

	4Q16	3Q16	Q/Q(%)	4Q15	Y/Y(%)	12M16	12M15	Y/Y(%)
Launches	373,876	325,393	15%	302,635	24%	1,342,490	1,088,941	23%
Net pre-sales	311,691	238,686	31%	237,452	31%	1,141,866	1,016,131	12%
Net pre-sales of Launches	239,191	167,443	43%	192,275	24%	557,970	507,570	10%
Sales over Supply (SoS)	22.31%	18.84%	347 bps	20.77%	154 bps	51.27%	53.04%	-177 bps
Delivered projects (Units)	2,668	1,811	47%	1,480	80%	6,838	5,711	20%
Net Revenue	286,906	270,509	6%	206,822	39%	1,052,710	850,962	24%
Adjusted Gross Profit[1]	109,091	94,760	15%	61,927	76%	351,062	260,162	35%
Adjusted Gross Margin[1]	38.02%	35.03%	299 bps	29.94%	808 bps	33.35%	30.57%	278 bps
Adjusted EBITDA[2]	47,358	38,202	24%	1,465	3133%	130,173	62,203	109%
Adjusted EBITDA Margin[2]	16.51%	14.12%	238 bps	0.71%	1580 bps	12.37%	7.31%	506 bps
Net Income	-5,523	-12,173	-55%	565	-1078%	-20,043	5,774	-447%
Net Income (Loss)	20,190	23,045	-12%	-12,991	-255%	56,651	30,320	87%
Backlog Revenues	241,625	269,361	-10%	266,463	-9%	241,625	266,463	-9%
Backlog Results[3]	110,349	115,869	-5%	117,772	-6%	110,349	117,772	-6%
Backlog Margin[3]	45.67%	43.02%	265 bps	44.20%	147 bps	45.67%	44.20%	147 bps
Cash and availability[5]	223,487	254,509	-12%	234,274	-5%	223,487	234,274	-5%
Net Debt	-88,493	-55,111	61%	14,056	-730%	-88,493	14,056	-730%
Adjusted Net Debt [6]	11,507	-55,111	121%	14,056	-18%	11,507	14,056	-18%
Shareholders' Equity	1,049,126	1,128,446	-7%	1,090,936	-4%	1,049,126	1,090,936	-4%
Shareholders' Equity + minority	1,075,622	1,158,067	-7%	1,126,814	-5%	1,075,622	1,126,814	-5%
Total Assets	1,862,149	1,902,091	-2%	1,905,660	-2%	1,862,149	1,905,660	-2%
Net Debt / (SE + Minority)	-8.23%	-4.76%	-347 bps	1.25%	-947 bps	-8.23%	1.25%	-947 bps
Adjusted Net Debt[6]/ (SE + Minority)	1.07%	-4.76%	583 bps	1.25%	-18 bps	1.07%	1.25%	-18 bps

1) Adjusted by capitalized interests.
2) Adjusted by expenses with stock option plans (non-cash), minority shareholders. Tenda does not hold equity interest in Alphaville.
3) Backlog results net of PIS/COFINS taxes (3.65%), and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638.
4) Backlog results comprise the projects restricted by condition precedent.
5) Cash and cash equivalents and securities.
6) Net debt adjusted by the payment obligations from the capital reduction in December 14, 2016. This obligation is recorded in the Balance Sheet as Other Non-current Liabilities.

Operating Results | Launches and Sales

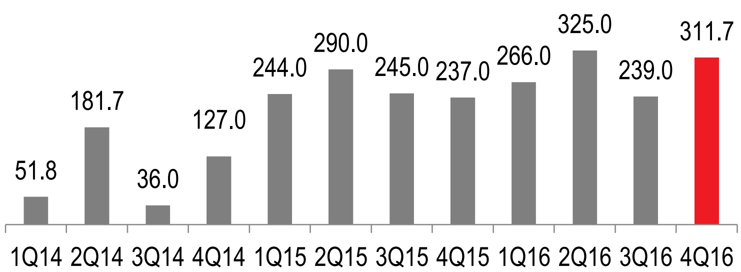
In this fourth quarter, we performed 11 launches of projects/phases totalling R$373.9 million in the states of São Paulo, Rio de Janeiro, Minas Gerais, Bahia, Pernambuco and Rio Grande do Sul. The launches value increase 23.5% compared to 4Q15 and 14.9% compared to the last quarter.

During 2016, the launches value reached R$ 1,342.5 million, an increase of 23.3% compared to 2015.

Launches (R$ milion)

The gross sales reached R$403.5 million and dissolutions totaled R$91.8 million, resulting in total net pre-sales of R$ 311.7 million in 4Q16, an increase of 31.3% y-o-y and 30.6% compared to 3Q16. In 2016, gross sales reached R$ 1,417.9 million, while distracted volume was R$ 276.0 million, resulting in net pre-sales of R$ 1,141.9 million. Net pre-sales increased 12.4% over the previous year. From the total, 51.1% were related to the remaining units.

Net Pre-Sales (R$ million)



Sales Breakdown 2016

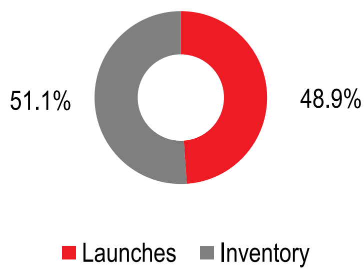
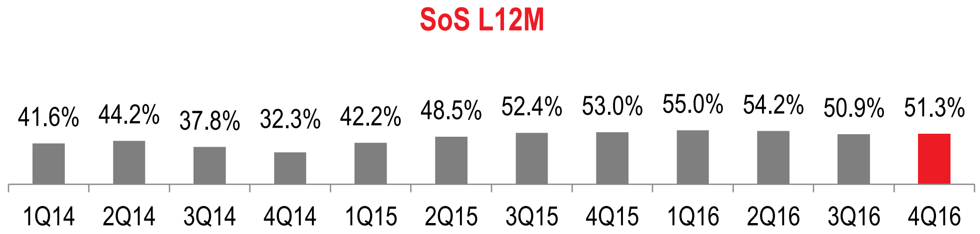


Table 2 – Launches and Pre-sales (R$ 000)

	4Q16	3Q16	Q/Q(%)	4Q15	Y/Y(%)	12M16	12M15	Y/Y(%)
Launches	373,876	325,393	15%	302,635	24%	1,342,490	1,088,941	23%
Pre-Sales	311,691	238,686	31%	237,452	31%	1,141,866	1,016,131	12%

Sales Over Supply (SoS)

Sales velocity (measured by "sales over supply" indicator or "SoS") was 22.3% in 4Q16 and 51.3% in the last 12 months. Throughout 2016, we managed to keep the SoS above the 50% level, despite the launches acceleration. This indicator demonstrates the good operational performance provided by the Tenda New Model.



SoS is naturally higher in New Model projects than in legacy projects, as shown in Tables 4 and 5 below. With the end of the legacy project units inventory, the tendency is that the SoS remain at a high level.

Table 3. SoS Gross Revenue (Ex-Dissolutions)

	4Q15	1Q16	2Q16	3Q16	4Q16
New Model	27.4%	29.7%	32.2%	26.5%	30.3%
Legacy	13.3%	20.7%	25.0%	16.0%	17.9%
Total	24.4%	28.0%	31.1%	25.1%	28.9%

Table 4. SoS Net Revenue

	4Q15	1Q16	2Q16	3Q16	4Q16
New Model	24.9%	26.9%	28.9%	21.2%	24.8%
Legacy	5.2%	10.7%	11.9%	3.2%	2.9%
Total	20.9%	23.9%	26.4%	18.8%	22.3%

Dissolutions

The level of dissolutions in the Tenda segment totaled R$91.8 million in 4Q16, up 130.2% compared to 4Q15 and increased 14.8% compared to 3Q16. In 2016, up 43.7% in total dissolutions y-o-y.

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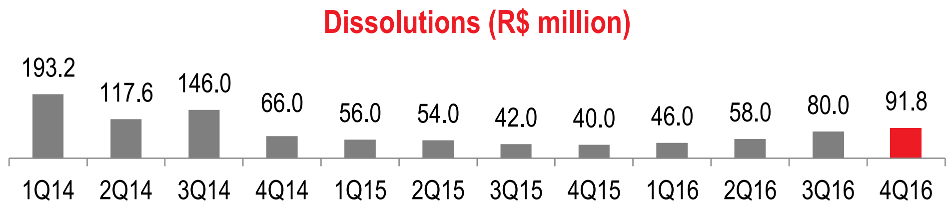

The increase in the dissolutions volume is a result of the changes in the unilateral distractions process performed by Tenda, which directly impacted sales not tranferred for a period exceeding three months. The previous process was being ineffective and an above-expected number of units remained distracting after a period deemed adequate by the Company. In this new process, Tenda proactively initiates cancellation of the contracts after confirmation of the ineligibility of the client before the financial institution. We anticipate that this factor should temporarily keep the Company's level of distraction at higher than expected levels over the coming quarters before returning to the appropriate levels of Tenda's New Business Model.

Table 5 - PSV Dissolutions (R$ 000 and % of total gross sales)

	4Q15	% GS	1Q16	% GS	2Q16	% GS	3Q16	% GS	4Q16	% GS
New Model	22,201	8.0%	25,736	8.2%	33,905	8.9%	58,802	18.5%	67,924	16.8%
Legacy	17,686	6.4%	20,490	6.6%	24,030	6.3%	21,194	6.7%	23,908	5.9%
Total	**39,887**	**14.4%**	**46,226**	**14.8%**	**57,934**	**15.1%**	**79,995**	**25.1%**	**91,832**	**22.8%**

Tenda continues to finalize sales of legacy projects (pre-2013), maintaining the policy to dissolve contracts with ineligible clients, with financial institutions, for subsequent resale to new qualified customers. During the quarter, 641 units were cancelled and returned to inventory, and 407 units from previously dissolved contracts were resold to qualified customers over the same period. In 2016 they were cancelled and 1,862 units returned to the inventory, and 1,412 units from dissolutions were resold to new qualified customers over the same period.

Transfers

In the New Model, Tenda has as one of its pillars the transferred sales, which allows for a period of only 90 days from the sales contract and the effctive transfer to the financial institution.

In the 4Q16, 2,551 units were transferred to financial institutions, representing R$321.1 million in net pre-sales, which represented 56.1% increase compared to 4Q15 and 53.7% compared to previous quarter. This growth was a result of transfers' accumulation, a consequence of the banking strike that lasted throughout September and created difficulties to the execution of the tranfers in 3Q16. In 2016, R$ 1,058.2 million were transferred, a volume 19.0% above from 2015. Of this total, R$ 913.1 million refers to the New Model, with volume 35.3% up from 2015.

Table 6 – PSV Transferred (R$ 000)

	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
New Model	67,621	114,939	199,423	194,719	165,692	236,120	205,410	179,807	291,716
Legacy	74,773	59,110	61,566	53,912	40,050	30,642	56,184	29,020	29,349
Total	**142,393**	**174,049**	**260,989**	**248,631**	**205,741**	**266,762**	**261,594**	**208,827**	**321,064**

1) PSV transferred refers to the conclusion of the transfer operation.
2) PSV = Potential sales volume of the units.

Delivered Projects

During 4Q16, Tenda delivered 11 projects/phases, totalling 2.668 units and representing R$ 371.1 million in Pre-Sales Volume ("PSV"). In 2016 were delivered 34 projects/phases, with a total of 6,838 units and R$ 973.3 million in PSV.

Inventory

The inventory was evaluated with a market value of R$1,085.4 million at the end of the 4Q16, up 5.5% compared to R$1,028.5 million at the end of 3Q16. Inventory related to the legacy projects totaled R$154.9 million or 14.3% of the total of Tenda inventory, down 3.1% compared to 3Q16 and 31.5% compared to 4Q15. In the same period, inventory units within the Minha Casa Minha Vida (MCMV) program totaled R$ 1,067.8 million, or 98.4% of total inventory, while units outside the program totaled R$17.5 million, a decrease of 18.7% q-o-q and of 82.4% y-o-y.

Table 7 – Inventory at Market Value (R$ 000) – by Region

	Inventory 3Q16	Launches	Dissolutions	Pre-Sales	Adjustments[1]	Inventory 4Q16	% Q/Q
São Paulo	186,955	100,504	17,546	-103,352	1,807	203,460	9%
Rio Grande do Sul	175,319	69,892	13,277	-59,754	-959	197,776	13%
Rio de Janeiro	292,693	0	21,246	-99,295	-4,703	209,942	-28%
Bahia	184,633	95,472	11,532	-54,399	78	237,315	29%
Pernambuco	60,330	77,917	7,150	-38,950	-56	106,391	76%
Minas Gerais	101,262	30,091	16,485	-40,656	-601	106,581	5%
Other	27,279	0	4,596	-7,117	-864	23,894	-12%
Total Tenda	**1,028,471**	**373,876**	**91,832**	**-403,523**	**-5,298**	**1,085,357**	**6%**
MCMV	1,006,920	373,876	83,538	-392,207	-4,284	1,067,843	6%
Out of MCMV	21,550	0	8,294	-11,315	-1,014	17,515	-19%

1) The quarter adjustments reflect updates related to project scope, expected launch date and price adjustments during the period.

Table 8 – Inventory at Market Value – Work Status(R$ 000)

	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished Units[1]	Total 4Q16
New Model – MCMV	410,424	182,228	208,860	101,365	27,605	930,483
Legacy – MCMV	0	0	64,316	0	73,045	137,360
Legacy – Out of MCMV	0	0	0	0	17,515	17,515
Total Tenda	**410,424**	**182,228**	**273,176**	**101,365**	**118,164**	**1,085,357**

1) Inventory at market value includes projects in partnership. This index is not comparable to the accounting inventory, due to the implementation of new accounting practices pursuant to CPC's 18, 19 and 36.

Regarding inventory projects, Tenda is still awaiting regularization for a suspended project with a total PSV of R$64.3 million to move forward with construction. The decrease in the importance of the legacy projects inventory is an important factor in improving margins, as the legacy projects' impact on the gross margins becomes smaller.

Tenda Landbank

The landbank for future development (or "landbank") has PSV of approximately R$4.5 billion, and is comprised of 138 different projects/phases, equivalent to more than 32,000 units, with a very diversified mix of regions, which 27% in Bahia, 25% in São Paulo, 24% in Rio de Janeiro, 12% in Rio Grande do Sul, 7% in Pernambuco and 6% in Minas Gerais.

Table 9 – Landbank (R$ 000)

	PSV (% Tenda)	% Swap Total	% Swap Units	% Swap Financial	Potential Units (% Tenda)	Potential Units (100%)
São Paulo	1,239,049	10.9%	6.1%	4.9%	7,969	8,012
Rio Grande do Sul	506,105	24.5%	12.5%	12.0%	3,829	3,880
Rio de Janeiro	1,047,065	27.8%	17.9%	9.9%	7,682	7,771
Bahia	1,128,007	8.5%	7.8%	0.7%	8,893	8,932
Pernambuco	284,699	18.2%	0.0%	18.2%	2,256	2,256
Minas Gerais	256,836	23.5%	23.5%	0.0%	1,822	1,856
Total	**4,461,760**	**17.2%**	**10.4%**	**6.8%**	**32,451**	**32,707**

[1] Swap percentage over the historical cost of land acquisition.

[2] Potential Units are net of swaps and refer to Tenda's and/or its partners' stake in the projects.

Table 10 – Changes in the Landbank (3Q16 x 4Q16 - R$ 000)

	Initial Landbank	Land Acquisition	Launches	Adjustments	Final Landbank
São Paulo	1,029,487	309,256	-100,504	810	1,239,049
Rio Grande do Sul	573,080	0	-69,892	2,917	506,105
Rio de Janeiro	920,235	126,830	0	0	1,047,065
Bahia	1,090,939	130,834	-95,472	1,705	1,128,007
Pernambuco	334,677	28,080	-77,917	-142	284,699
Minas Gerais	255,649	33,395	-30,091	-2,117	256,836
Total	**4,204,066**	**628,396**	**-373,876**	**3,174**	**4,461,760**

In 4Q16, Tenda acquired 23 new land plots with a potential PSV of R$628.4 million. These had an acquisition cost of R$47.7 million, of which 56% to be paid in cash and 44% to be paid via swap. In addition to the acquisitions mentioned, the positive result of a new feasibility study allowed the landbank to be reinstated into a land that was previously directed for sale, with potential PSV of approximately R$35 million.

New Model Update and Turnaround

The Company continues to operate in six metropolitan regions: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife. Tenda has a total of 91 projects/phases and a launched PSV of R$3.4 billion since 2013. Below is a brief description of the average performance of these projects, per region.

Table 11 – New Model Monitoring 2013 – 2016

	SP	RJ	BA	PE	MG	RS	2013
Number of Projects	4	1	2	-	-	-	7
Units launched	1,380	300	779	-	-	-	2,459
Total PSV (R$ 000)	189.7	40.4	83.9	-	-	-	314

Units Sold	1,379	281	771	-	-	-	2,431
% Sold	100%	94%	99%	-	-	-	99%
SoS Avg (Month)	11%	5%	6%	-	-	-	9%
Transfers	1,379	270	763	-	-	-	2,412
% Transferred (Sales)	100%	90%	98%	-	-	-	98%
Work Progress	100%	100%	100%	-	-	-	100%

	SP	RJ	BA	PE	MG	RS	2014
Number of Projects	4	4	4	1	1	-	14
Units launched	720	1,511	1,220	432	432	-	4,315
Total PSV (R$ 000)	117.8	224.8	151.5	58.8	60.4	-	613
Units Sold	706	1,418	1,191	427	387	-	4,129
% Sold	98%	94%	98%	99%	90%	-	96%
SoS Avg (Month)	13%	5%	7%	6%	4%	-	7%
Transfers	705	1,319	1,171	413	378	-	3,986
% Transferred (Sales)	99%	88%	96%	96%	88%	-	92%
Work Progress	100%	100%	99%	100%	100%	-	100%

	SP	RJ	BA	PE	MG	RS	2015
Number of Projects	10	7	5	3	2	3	30
Units launched	2,180	1,751	1,584	944	372	880	7,711
Total PSV (R$ 000)	338.2	252.6	198.5	122.3	53.2	123.6	1,088
Units Sold	2,125	1,208	1,309	829	338	814	6,623
% Sold	97%	69%	83%	88%	91%	93%	86%
SoS Avg (Month)	14%	5%	8%	6%	9%	10%	9%
Transfers	2,055	1,010	1,146	662	302	648	5,823
% Transferred (Sales)	95%	58%	74%	71%	81%	73%	76%
Work Progress	92%	83%	82%	92%	79%	87%	87%

	SP	RJ	BA	PE	MG	RS	2016
Number of Projects	8	7	9	4	5	8	41
Units launched	1,681	1,738	2,280	1200	1020	1,900	9,819
Total PSV (R$ 000)	266	246	283	150	138	260	1342
Units Sold	1017	741	669	441	394	629	3,891
% Sold	60%	43%	29%	37%	39%	33%	40%
SoS Avg (Month)	11%	7%	7%	8%	8%	7%	8%
Transfers	803	496	521	302	286	374	2,782
% Transferred (Sales)	51%	33%	23%	26%	36%	22%	28%
Work Progress	44%	42%	31%	34%	45%	36%	38%

Financial Result

Revenues

Tenda's 4Q16 net revenue reached R$ 286.9 million, increased 38.7% compared to 4Q15 and 6.1% compared to 3Q16. This strong growth in net revenue is explained by the new launches already made under the New Model. It is important to note that practically all the revenue is attributable to the projects launched in the last three years, as shown in the table below.

Table 12 – Tenda - Pre-Sales and Recognized Revenues (R$ 000)

	4Q16				4Q15			
Launches	Pre-Sales	% Sales	Revenue	% Revenue	Pre-Sales	% Sales	Revenue	% Revenue
2016	239,191	77%	194,465	68%	0	0%	0	0%
2015	59,214	19%	119,731	42%	192,275	81%	133,363	64%
2014	8,026	3%	13,934	5%	31,081	13%	62,673	30%
2013	633	0%	498	0%	59	0%	-1,949	-1%
≤ 2012	4,627	1%	-41,721	-15%	14,037	6%	12,735	6%
Total	311,691	100%	286,906	100%	237,452	100%	206,822	100%
New Model	4,627	1%	-41,721	-15%	14,037	6%	12,734	6%
Legacy	307,064	99%	328,627	115%	223,415	94%	194,088	94%

Gross Profit and Margin

4Q16 gross profit totaled R$95.9 million, up from R$58.7 million in 4Q15 and R$ 90.9 million in 3Q16. Gross margin for the quarter reached 33.4%, compared to 28.4% in 4Q15 and 33.6% in 3Q16. The adjusted gross margin went up to 38.0% in 4Q16 compared to 35.0% in 3Q16 and 29.9% y-o-y. The adjusted gross margin increase was due to the impact of the sale of legacy plot lands with high profitability, as well as cost savings recorded in the last quarter of the year. It is worth noting that these impacts are not recurrent.

The table below shows Tenda's gross margin breakdown in 4Q16.

Table 13 – Gross Margin (R$ 000)

	4Q16	3Q16	Q/Q(%)	4Q15	Y/Y(%)	12M16	12M15	Y/Y(%)
Net Revenue	286,906	270,509	6%	206,822	39%	1,052,710	850,962	24%
Gross Profit	95,923	90,930	5%	58,660	64%	323,005	245,378	32%
Gross Margin	33.4%	33.6%	-18 bps	28.4%	507 bps	30.7%	28.8%	185 bps
(-) Financial Costs	13,168	3,830	244%	3,267	303%	28,057	14,784	90%
Adjusted Gross Profit	**109,091**	**94,760**	**15%**	**61,927**	**76%**	**351,062**	**260,162**	**35%**
Adjusted Gross Margin	38.0%	35.0%	299 bps	29.9%	808 bps	33.3%	30.6%	278 bps

Selling, General and Administrative Expenses (SG&A)

During 4Q16, selling, general and administrative expenses (SG&A) totaled R$53.0 million, an increase of 35.7% compared to 4Q15 and 11.6% compared to the previous quarter. Year-to-date, SG&A expenses reached R$ 180.2

million, an increase of 20.7% y-o-y, mainly due to more intense selling efforts, as a result of an increase in the number of launches.

Selling expenses reached R$25.4 million in 4Q16, up 38.4% from 4Q16 and 0.6% from 3Q16. The value accumulated in 2016 reached R$ 90.5 million, increased 38.6% compared to 2015. This performance is due to a higher launched volume and increased gross sales, as well as to the higher credit constraint from financial institutions, which reduced the conversion of visits into sales throughout the year. In response to this more adverse scenario, we have increased our marketing and sales expenses with a view to maintaining the Company's SoS, as previously mentioned.

In 4Q16, general and administrative expenses increased 33.3% compared to 4Q15 and 25.9% in the sequential comparison. In 12M16, general and administrative expenses totaled R$89.7 million, up 6.9% from the last year. It is worth remembering that in 4Q16 we had a non-recurring impact of R$ 6.2 million due to expenses related to the separation between Tenda and Gafisa. Excluding these effects, we would have reported a y-o-y drop of 0.5% in General and Administrative Expenses, confirming the scalability and the potential for efficiency gains of our business model.

Table 14 – SG&A Expenses (R$ 000)

	4Q16	3Q16	Q/Q (%)	4Q15	Y/Y(%)	12M16	12M15	Y/Y(%)
Selling Expenses	25.4	25.6	0.6%	18.3	38.4%	90.5	65.3	38.6%
General & Admin Expenses	27.6	21.9	25.9%	20.7	33.3%	89.7	84.0	6.9%
Total SG&A Expenses	53.0	47.5	11.6%	39.1	35.7%	180.2	149.3	20.7%
Launches	373,876	325,393	15%	302,635	24%	1,342,490	1,088,941	23%
Net Pre-Sales	311,691	238,686	31%	237,452	31%	1,141,866	1,016,131	12%
Net Revenue	286,906	270,509	6%	206,822	39%	1,052,710	850,962	24%

The Other Operating Revenues/Expenses totaled a expanse of R$3.7 million, a strong reduction both related to 4Q15 (-81.6%) and 3Q16 (-64%), due to the decrease of litigation expenses due to the reversal of previous unfavorable decisions and more higher volumes of out-of-court agreements, as shown in the following table.

Table 15 – Tenda Segment– Other Revenues/Operating Expenses (R$ 000)

	4Q16	3Q16	Q/Q (%)	4Q15	Y/Y(%)	12M16	12M15	Y/Y(%)
Litigation Expenses	(843)	(7,703)	(89.1%)	(8,356)	(89.9%)	(21,228)	(27,256)	(22.1%)
Other	(2,904)	(2,806)	3.5%	(12,003)	(75.8%)	(15,515)	(25,311)	(38.7%)
Total	**(3,747)**	**(10,509)**	**(64.3%)**	**(20,359)**	**(81.6%)**	**(36,743)**	**(52,567)**	**(30.1%)**

Adjusted EBITDA

As a result of the effects previously discussed, the adjusted EBITDA for the Stock Options Plan (Stock Options) totaled R$47.4 million in 4Q16, compared to R$1.5 million in 4Q15 and R$ 38.2 million in 3Q16. Adjusted EBITDA in 2016 reached R$ 130.2 million, more than the double of R$ 62.2 million in the previous year.

Adjusted EBITDA margin was 16.5% in the quarter, compared to 0.7% in 4Q15 and 14.1% in the previous quarter. In 2016, the adjusted EBITDA margin reached 12.4%

In this quarter we were negatively impacted by the Equity Income account, which was negative R$5.5 million in the 4Q16, compared to the positive result of R$0.9 million in the 3Q16 and negative R$1.6 million in the 4Q15. In 2016, Equity Income was negative in R$ 5.5 million in the 4Q16, compared to positive R$ 1.8 million in 2015. This negative result was caused by the recording of contingencies and receivables provisions in two non-controlled subsidiaries, Parque dos Pássaros and Araçagy, which negatively impacted Equity Income and EBITDA in R$6.5 million.

Table 16 - Tenda – Adjusted EBITDA (R$ 000)

	4Q16	3Q16	Q/Q (%)	4Q15	Y/Y(%)	12M16	12M15	Y/Y(%)
Net (Loss) Profit	**20,190**	**23,045**	**(12%)**	**(12,991)**	**(255%)**	**56,651**	**30,320**	**87%**
(+) Financial results	5,523	12,173	(55%)	(565)	(1078%)	20,043	(5,774)	(447%)
(+) Income taxes	7,932	2,885	175%	5,751	38%	20,966	6,522	221%
(+) Depreciation & Amortization	3,180	2,889	10%	3,941	(19%)	12,299	14,835	(17%)
(+) Capitalized interests	13,168	3,830	244%	3,267	303%	28,057	14,784	90%
(+) Expenses with stock Option Plan	490	489	0%	534	(8%)	1,539	2,139	(28%)
(+) Minority Shareholders	(3,125)	(7,109)	(56%)	1,528	(305%)	(9,382)	(623)	1406%
Adjusted EBITDA	**47,358**	**38,202**	**24%**	**1,465**	**3133%**	**130,173**	**62,203**	**109%**
Net Revenue	**286,906**	**270,509**	**6%**	**206,822**	**39%**	**1,052,710**	**850,962**	**24%**
Adjusted EBITDA Margin	17%	14%	238 bps	1%	1,580 bps	12%	7%	506 bps

1) EBITDA is adjusted by expenses associated with stock option plans, as this is a non-cash expense.

Backlog of Revenues and Results

The backlog of results to be recognized under the "percentage of completion" (or "PoC") method was R$110.3 million in 4Q16. The consolidated margin for the quarter was 45.7%.

Table 17 - Backlog Results (REF) (R$ 000)

	4Q16	3Q16	Q/Q(%)	4Q15	Y/Y(%)
Backlog Revenues	241,625	269,361	-10%	266,463	-9%
Backlog Costs (units sold)	(131,276)	(153,492)	-14%	(148,691)	-12%
Backlog Results	**110,349**	**115,869**	**-5%**	**117,772**	**-6%**
Backlog Margin	45.7%	43.0%	265 bps	44.2%	147 bps

[1] Backlog results net of PIS/COFINS taxes and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638
[2] Backlog results comprise the projects restricted by condition precedent.

Net Income

As a consequence of the net revenue growth and the gross margin and adjusted EBITDA margin expansion, due to gains in scale and productivity increase with the maturity of the New Tenda Model, net income in 4Q16 was R$20.2 million, reversing the loss of R$ (13.0) million in 4Q15 and down 12.4% compared to R$ 23.0 million in 3Q16. The net income in 2016 totaled R$ 56.7 million, an increase of 86.8% y-o-y.

It is important to mention that in this quarter we had an increase on Income Tax (IR) and Social Contribution on Net Income (CSLL) expenses as a result of the higher profitability of the parent company and the subsidiaries. In 4Q16 total income tax (IR + CSLL) expense was R$8.6 million, compared to R$ 1.0 million in the 3Q16 and R$3.4 million in the 4Q15. In 2016, the income tax expense reached R$16.1 million, 64% above the R$9.8 million recorded in 2015.

Table 18 - Tenda – Net Income (R$ 000)

	4Q16	3Q16	Q/Q(%)	4Q15	Y/Y(%)	12M16	12M15	Y/Y(%)
Adjusted Gross Income	109.1	94.8	15%	61.9	76%	351.1	260.2	35%
Adjusted Gross Margin (%)	38.0%	35.0%	299 bps	29.9%	808 bps	33.3%	30.6%	278 bps
Net Income	**20.2**	**23.0**	**(12%)**	**(13.0)**	**(255%)**	**56.7**	**30.3**	**87%**

UPDATE ON THE SEPARATION PROCESS OF THE GAFISA AND TENDA UNITS

With over 45 years of history and more than 75,000 units delivered, Tenda is one of Brazil's leading homebuilders and real estate developers operating in the popular housing segment. The Company concentrates its activities in 6 of the largest metropolitan regions of the country. Currently, the Company has more than 36 stores and its own sales force.

Tenda is controlled by Gafisa Group, one of Brazil's leading residential and development construction companies. Founded over 60 years ago, Gafisa's brand is also one of the most respected in the Brazilian real estate market. The Group, besides Gafisa brand focused on the middle and upper class segments, also holds a 30% interest in Alphaville, a leading urban developer, operating in the sale of residential lots throughout the country.

During 2016, Gafisa S.A. has continued working on the separation process of the Gafisa and Tenda business units. Since studies began in February 2014, several activities have been undertaken to enable these two business units to become independent, both from an operational viewpoint and in terms of capital structure.

During 4Q16, Gafisa initiated Tenda's secondary tender offer of shares, but the operation was cancelled and culminated with the sale of up to 30% of Tenda's shares to the Private Equity fund Jaguar Growth Asset Management, LLC, with an additional 20% increase in preemptive rights for acquisition of shares of the Company under same economic conditions.

As part of the agreement with Jaguar, Gafisa, as shareholder of Tenda, approved, on December 14, 2016 a capital reduction of R$100 million, without cancelling the shares and refunding the total amount to Gafisa, half payable until December 31, 2018 and the remaining balance until December 31, 2019.

At the Extraordinary Shareholders' Meeting held on February 20, 2017, Gafisa's shareholders approved the reverse split of Gafisa's shares, at the ratio of 13.483023074 to one share, as part of the procedures necessary to conduct Tenda's spin-off process. Subsequently, a second Extraordinary Shareholders' Meeting was held which approved Gafisa's capital reduction, delivering to the Company's shareholders one Tenda's common share for each one of Gafisa's common share held thereby after reverse split, excluding the treasury shares and shareholders' preemptive rights in the process of selling Tenda's shares.

Preemptive Rights

Gafisa offered to its shareholders the Preemptive Rights, at the proportion of their respective equity interest in the Company's capital stock, to acquire up to 50% of Tenda's capital stock for R$8.13 per share, for cash payment, upon the exercise of Preemptive Rights, subject to the conclusion of Gafisa's Capital Reduction of up to 27,000,000 common shares representing 50% of Tenda's capital stock. Those registered as the Company's shareholders as of March 16, 2017 will be eligible to Preemptive Right (after-hours trading).

The term to exercise the preemptive rights shall be 30 days as of March 17, 2017 (inclusive), i.e., until April 15, 2017 (inclusive). The Company's shareholders intending to negotiate their Preemptive Rights may do it once initiated the term to exercise the Preemptive Right, and they shall do it with the advance necessary, so that to allow that the subscription rights assigned still may be exercised within referred term.

Conclusion of Operation

The outcome of operation is subject to the conclusion of preemptive rights exercise by Gafisa's shareholders which will offer its shareholders an overallotment corresponding to 20% of Tenda's capital. It is worth mentioning that Jaguar may back down the operation, without any penalties, if less than 20% of Tenda's shares become available for acquisition after the exercise of preemptive right.

The expectation is, once completed the operation, Tenda's shares will be listed at BM&FBovespa.

This release contains forward-looking statements about the business prospects, estimates for operating and financial results and Tenda's growth prospects. These are merely projections and, as such, are based exclusively on the expectations of management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors; therefore, they are subject to change without prior notice.

Financial Statements

	4T16	3T16	T/T (%)	4T15	A/A (%)	12M16	12M15	A/A (%)
Net Revenue	286,906	270,509	6%	206,822	39%	1,052,710	850,962	24%
Operating Costs	(190,983)	(179,579)	6%	(148,162)	29%	(729,705)	(605,584)	20%
Gross Profit	**95,923**	**90,930**	**5%**	**58,660**	**64%**	**323,005**	**245,378**	**32%**
Gross Margin	33%	34%	(18) bps	28%	507 bps	31%	29%	185 bps
Operating Expenses	**(65,403)**	**(59,936)**	**9%**	**(64,937)**	**1%**	**(234,727)**	**(214,933)**	**9%**
Selling Expenses	(25,394)	(25,554)	(1%)	(18,348)	38%	(90,490)	(65,311)	39%
General and Administrative Expenses	(27,614)	(21,928)	26%	(20,723)	33%	(89,739)	(83,971)	7%
Other Operating Revenue/Expenses	(3,747)	(10,509)	(64%)	(20,359)	(82%)	(36,743)	(52,567)	(30%)
Depreciation and Amortization	(3,180)	(2,889)	10%	(3,941)	(19%)	(12,299)	(14,835)	(17%)
Equity Income	(5,468)	944	(679%)	(1,566)	249%	(5,456)	1,751	(412%)
Operational Result	**30,520**	**30,994**	**(2%)**	**(6,277)**	**(586%)**	**88,278**	**30,445**	**190%**
Financial Income	3,391	6,471	(48%)	7,051	(52%)	27,257	46,825	(42%)
Financial Expenses	(8,914)	(18,644)	(52%)	(6,486)	37%	(47,300)	(41,051)	15%
Net Income Before taxes on Income	**24,997**	**18,821**	**33%**	**(5,712)**	**(538%)**	**68,235**	**36,219**	**88%**
Deferred Taxes	651	(1,863)	(135%)	(2,321)	(128%)	(4,877)	3,313	(247%)
Income Tax and Social Contribution	(8,583)	(1,022)	740%	(3,430)	150%	(16,089)	(9,835)	64%
Net Revenue	**17,065**	**15,936**	**7%**	**(11,463)**	**(249%)**	**47,269**	**29,697**	**59%**
Operating Costs	(3,125)	(7,109)	(56%)	1,528	(305%)	(9,382)	(623)	1406%
Gross Profit	**20,190**	**23,045**	**(12%)**	**(12,991)**	**(255%)**	**56,651**	**30,320**	**87%**

Balance Sheet

	4T16	3T16	T/T(%)	4T15	A/A(%)
Current Assets					
Cash and cash equivalents	28,414	60,777	-53%	21,653	31%
Securities	195,073	193,732	1%	212,621	-8%
Receivables from clients	250,474	348,383	-28%	438,226	-43%
Properties for sale	563,576	539,537	4%	490,484	15%
Other accounts receivable	104,606	104,856	0%	104,656	0%
Land for sale	75,227	71,310	5%	101,490	-26%
	1,217,370	**1,318,595**	**-8%**	**1,369,130**	**-11%**
Long-term Assets					
Receivables from clients	176,673	126,254	40%	41,189	329%
Properties for sale	211,711	199,559	6%	243,520	-13%
Other	60,556	58,091	4%	45,356	34%
	448,940	**383,904**	**17%**	330,065	**36%**
Intangible, Property and Equipment	48,008	46,294	4%	43,116	11%
Investments	147,831	153,298	-4%	163,349	-9%
Total Assets	**1,862,149**	**1,902,091**	**-2%**	**1,905,660**	**-2%**
Current Liabilities					
Loans and financing	41,333	19,298	114%	8,899	364%
Debentures	0	102,793	-100%	201,877	-100%
Obligations for Purchase of Land and Advances from customers	131,280	138,362	-5%	138,223	-5%
Material and service suppliers	31,664	26,978	17%Q	13,669	132%
Taxes and Contributions	30,510	33,415	-9%	40,341	-24%
Other	118,751	105,556	13%	99,940	19%
	353,538	**426,402**	**-17%**	**502,949**	**-30%**
Long-term liabilities					
Loans and financings	93,661	77,307	21%	37,554	149%
Debentures	0	0	0%	0	0%
Obligations for Purchase of Land and Advances from customers	104,343	85,842	22%	102,412	2%
Deferred taxes	11,437	12,088	-5%	**5,045**	127%
Provision for contingencies	44,950	51,768	-13%	55,716	-19%
Other	178,598	90,617	97%	75,170	138%
	432,989	**317,622**	**36%**	**275,897**	**57%**
Shareholders' Equity					
Shareholders' Equity	1,049,126	1,128,446	-7%	1,090,936	-4%
Minority Shareholders	26,496	29,621	-11%	35,878	-26%
	1,075,622	**1,158,067**	**-7%**	**1,126,814**	**-5%**
Total liabilities and Shareholders' Equity	**1,862,149**	**1,902,091**	**-2%**	**1,905,660**	**-2%**