

Construtora Tenda S.A.
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NIRE 35.300.348.206

Notice to the Market

OPERATIONAL PREVIEW 4Q17 and 2017

Launches expansion to R\$1.7 billion and acquisition of R\$3.9 billion in potential PSV of landbank in 2017.

4Q17 highlights include record net pre-sales of R\$434 million and net SoS of 26.9%.

FOR IMMEDIATE RELEASE - São Paulo, January 17, 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, today announced its launches, gross sales, cancellations, net pre-sales, unit transfers, delivered units, construction sites and landbank for the fourth quarter and full year 2017. These results are preliminary and unaudited, subject to audit review.

HIGHLIGHTS

- Landbank increased to R\$6.7 billion with the acquisition of R\$3.9 billion in 2017, R\$820 million during the 4Q17.
- Launches totaled R\$459 million in 4Q17 and R\$1.7 billion in 2017, an increase of 26% year-on-year.
- Net pre-sales reached R\$434 million in this quarter and R\$1.5 billion in 2017, a 35% rise year-on-year. Sales over Supply (“Net SoS”) reached 26.9% in 4Q17 and 56.7% in 2017.
- Delivered units totaled 3.2 thousand in 4Q17 and 9.7 thousand in 2017, a 95% growth quarter-on-quarter and 42% year-on-year.

LAUNCHES

PSV launches reached R\$459 million in 4Q17. The year of 2017 ended with a 26% growth compared to 2016, totaling R\$1.7 billion, due to the growth strategy in the six metropolitan regions where the Company operates and the beginning of Curitiba's operations (Paraná State) this last quarter.

Launches ¹	4Q17	3Q17	QoQ (%)	4Q16	YoY (%)	2017	2016	YoY (%)
Number of Launches	12	13	(7.7%) ↓	11	9.1% ↑	45	41	9.8% ↑
PSV (in R\$ million)	458.3	488.4	(6.1%) ↓	373.9	22.6% ↑	1,695.2	1,342.5	26.3% ↑
Number of units	3,268	3,388	(3.5%) ↓	2,748	18.9% ↑	11,768	9,819	19.8% ↑
Average price per unit (in R\$ thousand)	140.3	144.1	(2.7%) ↓	136.1	3.1% ↑	144.0	136.7	5.4% ↑
Average size of launches (in units)	272	261	4.5% ↑	250	9.0% ↑	262	239	9.2% ↑

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

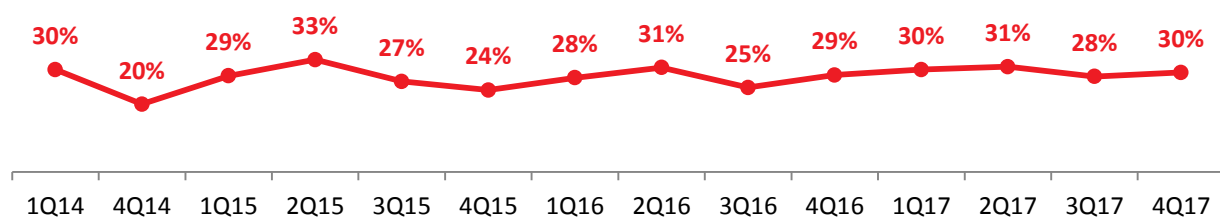
GROSS SALES

Gross sales totaled R\$478 million in 4Q17 and R\$1.8 billion in 2017, an increase of 28% in the annual comparison due to better product availability in the areas of operation.

Sales over Supply ("Gross SoS") reached 29.6% in 4Q17 and 66.4% in 2017, a 3 p.p. increase year-on-year, supported by market resilience.

Gross Sales	4Q17	3Q17	QoQ (%)	4Q16	YoY (%)	2017	2016	YoY (%)
PSV (in R\$ million)	477.7	443.1	7.8% ↑	403.5	18.4% ↑	1,808.2	1,417.9	27.5% ↑
Number of units	3,355	3,098	8.3% ↑	2,860	17.3% ↑	12,742	10,059	26.7% ↑
Average price per unit (in R\$ thousand)	142.37	143.04	(0.5%) ↓	141.1	0.9% ↑	141.9	141.0	0.7% ↑
Gross SoS	29.6%	28.4%	1.2 p.p. ↑	28.9%	0.7 p.p. ↑	66.4%	63.7%	2.7 p.p. ↑
New Business Model	31.3%	30.7%	0.6 p.p. ↑	30.3%	1.0 p.p. ↑	67.9%	63.1%	4.7 p.p. ↑
Legacy	11.9%	7.9%	3.9 p.p. ↑	17.9%	(6.0 p.p.) ↓	39.9%	68.8%	(28.9 p.p.) ↓

Sales over Supply – Gross SoS (%)



CANCELLATIONS AND NET PRE-SALES

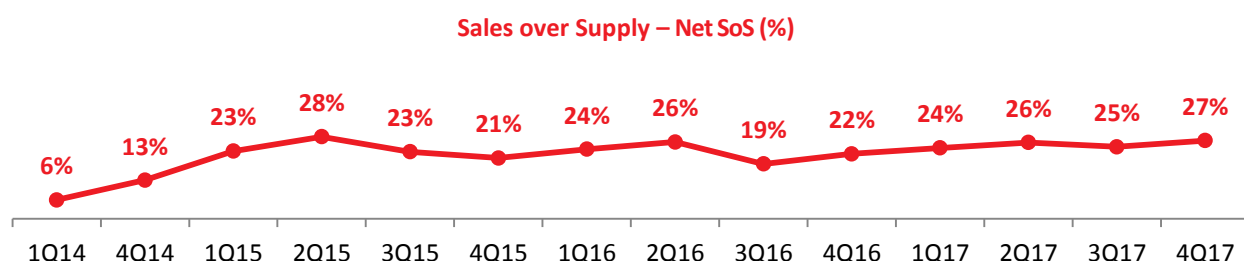
Cancellations over gross sales ratio in 4Q17 represented 9% of gross sales, down 14 p.p. year-on-year and 3 p.p. when compared to 3Q17. In 2017, cancellations over gross sales ratio represented 15%, down 5 p.p. compared to 2016, returning to a stable operating level, as anticipated over the last quarters.

Sales over Supply (“Net SoS”) reached 26.9% in 4Q17 and 56.7% in 2017, a 5 p.p increase year-on-year.

(in R\$ million)	4Q17	3Q17	QoQ (%)	4Q16	YoY (%)	2017	2016	YoY (%)
Gross Sales	477.7	443.1	7.8% ↑	403.5	18.4% ↑	1,808.2	1,417.9	27.5% ↑
New Business Model	460.8	430.8	7.0% ↑	375.0	22.9% ↑	1,749.6	1,274.8	37.2% ↑
Legacy	16.8	12.3	36.7% ↑	28.5	(41.1%) ↓	58.7	143.1	(59.0%) ↓
Cancellations	44.2	57.9	(23.6%) ↓	91.8	(51.9%) ↓	263.6	276.4	(4.6%) ↓
New Business Model	37.1	48.7	(23.8%) ↓	67.9	(45.3%) ↓	219.7	186.4	17.9% ↑
Legacy	7.1	9.1	(22.7%) ↓	23.9	(70.5%) ↓	43.9	90.0	(51.3%) ↓
Net Pre-Sales	433.5	385.3	12.5% ↑	311.7	39.1% ↑	1,544.6	1,141.5	35.3% ↑
% Launch ¹	82.4%	67.7%	14.7 p.p. ↑	76.7%	5.7 p.p. ↑	53.2%	48.9%	4.4 p.p. ↑
% Inventory	17.6%	32.3%	(14.7 p.p.) ↓	23.3%	(5.7 p.p.) ↓	46.8%	51.1%	(4.4 p.p.) ↓
Cancellations / Gross Sales	9.2%	13.1%	(3.8 p.p.) ↓	22.8%	(13.5 p.p.) ↓	14.6%	19.5%	(4.9 p.p.) ↓
Net SoS	26.9%	24.7%	2.1 p.p. ↑	22.3%	4.6 p.p. ↑	56.7%	51.3%	5.4 p.p. ↑
New Business Model	28.8%	27.2%	1.6 p.p. ↑	24.8%	4.0 p.p. ↑	59.4%	53.9%	5.4 p.p. ↑
Legacy	6.9%	2.0%	4.8 p.p. ↑	2.9%	4.0 p.p. ↑	10.1%	25.5%	(15.4 p.p.) ↓

(in units)	4Q17	3Q17	QoQ (%)	4Q16	YoY (%)	2017	2016	YoY (%)
Gross Units Sold	3,355	3,098	8.3% ↑	2,860	17.3% ↑	12,742	10,059	26.7% ↑
Cancelled Units	321	419	(23.4%) ↓	653	(50.8%) ↓	1,915	1,924	(0.5%) ↓
Net Units Sold	3,034	2,679	13.3% ↑	2,207	37.5% ↑	10,827	8,135	33.1% ↑
Cancellations / Gross Sales	9.6%	13.5%	(4.0 p.p.) ↓	22.8%	(13.3 p.p.) ↓	15.0%	19.1%	(4.1 p.p.) ↓

1) Launches of current year.



UNITS TRANSFERRED, DELIVERED AND CONSTRUCTION SITES

PSV transferred totaled R\$359 million in 4Q17 and R\$1.4 billion in 2017, up 34% year-on-year. An amount of 3.2 thousand units were delivered in 4Q17 and 9.7 thousand units were delivered in 2017, a 95% growth quarter-on-quarter and 42% year-on-year. It is worth mentioning that we ended 2017 with 38 ongoing construction sites, all of them on schedule.

Transfers, Deliveries and Construction Sites	4Q17	3Q17	QoQ (%)	4Q16	YoY (%)	2017	2016	YoY (%)
PSV Transferred (in R\$ million)	358.8	381.8	(6.0%) ↓	321.1	11.8% ↑	1,415.0	1,058.2	33.7% ↑
New Business Model	353.2	374.5	(5.7%) ↓	291.7	21.1% ↑	1,371.9	913.1	50.3% ↑
Legacy	5.6	7.3	(22.6%) ↓	29.3	(80.8%) ↓	43.1	145.2	(70.3%) ↓
Transferred Units	2,806	2,986	(6.0%) ↓	2,551	10.0% ↑	11,176	8,270	35.1% ↑
New Business Model	2,765	2,932	(5.7%) ↓	2,338	18.3% ↑	10,855	7,210	50.6% ↑
Legacy	41	54	(24.1%) ↓	213	(80.8%) ↓	321	1,060	(69.7%) ↓
Delivered Units	3,252	1,672	94.5% ↑	2,668	21.9% ↑	9,707	6,838	42.0% ↑
Construction Sites	38	40	(5.0%) ↓	38	0.0% ↑	38	38	0.0% ↑

LANDBANK

The Company's landbank rose 6% quarter-on-quarter and 50% year-on-year. In this quarter, 13 phases/projects were acquired, distributed in the regions where the Company operates, representing potential launches of R\$820 million. We note that all projects of our landbank are feasible within the range 2, and in some cases, may be adapted to range 1.5 of the "Minha Casa, Minha Vida" housing program.

Landbank ¹	4Q17	3Q17	QoQ (%)	4Q16	YoY (%)	2017	2016	YoY (%)
Number of Projects	206	193	6.7% ↑	138	49.3% ↑	206	138	49.3% ↑
PSV (in R\$ million)	6,695.0	6,333.7	5.7% ↑	4,461.8	50.1% ↑	6,695.0	4,461.8	50.1% ↑
Acquisitions / Adjustments (in R\$ million)	819.7	1,716.4	(52.2%) ↓	631.6	29.8% ↑	3,928.4	1,071.3	266.7% ↑
Number of Units	45,795	42,975	6.6% ↑	32,707	40.0% ↑	45,795	32,707	40.0% ↑
Average price per unit (in R\$ thousands)	146.2	147.4	(0.8%) ↓	136.4	7.2% ↑	146.2	136.4	7.2% ↑
% Swap Total	28.4%	27.2%	1.1 p.p. ↑	17.2%	11.1 p.p. ↑	28.4%	17.2%	11.1 p.p. ↑
% Swap Units	17.7%	17.1%	0.6 p.p. ↑	10.4%	7.3 p.p. ↑	17.7%	10.4%	7.3 p.p. ↑
% Swap Financial	10.6%	10.1%	0.5 p.p. ↑	6.8%	3.8 p.p. ↑	10.6%	6.8%	3.8 p.p. ↑

1) Tenda owns 100% equity interest of 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 the six largest metropolitan regions of Brazil, where it is leader with average market share of 19%, uniquely operating within the 1.5 and 2 ranges of the "Minha Casa, Minha Vida" ("My House, My Life") 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 low-income segment.