



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

Notice to the Market

PREVIEW OF OPERATIONAL RESULTS 2Q18

Growing results across all operation, Net Pre-Sales and Net SoS had record performances, reaching R\$ 481 million and 33%, respectively

FOR IMMEDIATE RELEASE - Sao Paulo, July 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, ranges 1.5 and 2, today announced the preview of its launches, gross sales, cancellations, net pre-sales, unit transfers, delivered units, construction sites and landbank for the first half of 2018. These results are preliminary, therefore, still subject to audit review.

HIGHLIGHTS

- Launches came to R\$539.1 million in the 2Q18 and R\$805.4 million in the 1H18, 21% higher than 2Q17 and 8% higher against 1H17.
- Net pre-sales reached R\$481.3 million in this quarter, up 14% year-on-year and R\$905.5 million in the 1H18, an increase of 25% over 1H17.
- Sales over Supply (“Net SoS”) reached 33% in this quarter, up 4.2 p.p. versus 2Q17, in the 1H18 SoS reached 49%, a positive variation of 8.5 p.p. against the same period in 2017.
- Landbank increased to R\$7.1 billion with the acquisition, in the 2Q18, of R\$798.6 million in pre-sale volume, ending the 1H18 with R\$1.2 billion in PSV. This result represents a 40% evolution of Landbank PSV compared with 1H17.
- Tenda ended the 2Q18 with 39 sites under construction a 15% growth versus 2Q17 and delivered 3.7 thousand units this quarter, 165% growth when comparing with 1Q18 and 74% increase against 2Q17.



LAUNCHES

Fifteen projects were launched in the 2Q18, up 25% year-on-year and 15% in the first six-month period, while PSV reached R\$539.1 million, up 21% versus 2Q17 and 102% against 1Q18.

Launches ¹	2Q18	1Q18	QoQ (%)	2Q17	YoY (%)	1S18	1S17	YoY (%)
Number of Launches	15	8	87.5% ↑	12	25.0% ↑	23	20	15.0% ↑
PSV (in R\$ million)	539.1	266.3	102.4% ↑	446.4	20.8% ↑	805.4	748.5	7.6% ↑
Number of units	4,052	1,852	118.8% ↑	3,052	32.8% ↑	5,904	5,112	15.5% ↑
Average price per unit (in R\$ thousand)	133.0	143.8	(7.5%) ↓	146.3	(9.0%) ↓	136.4	146.4	(6.8%) ↓
Average size of launches (in units)	270	232	16.7% ↑	254	6.2% ↑	257	256	0.4% ↑

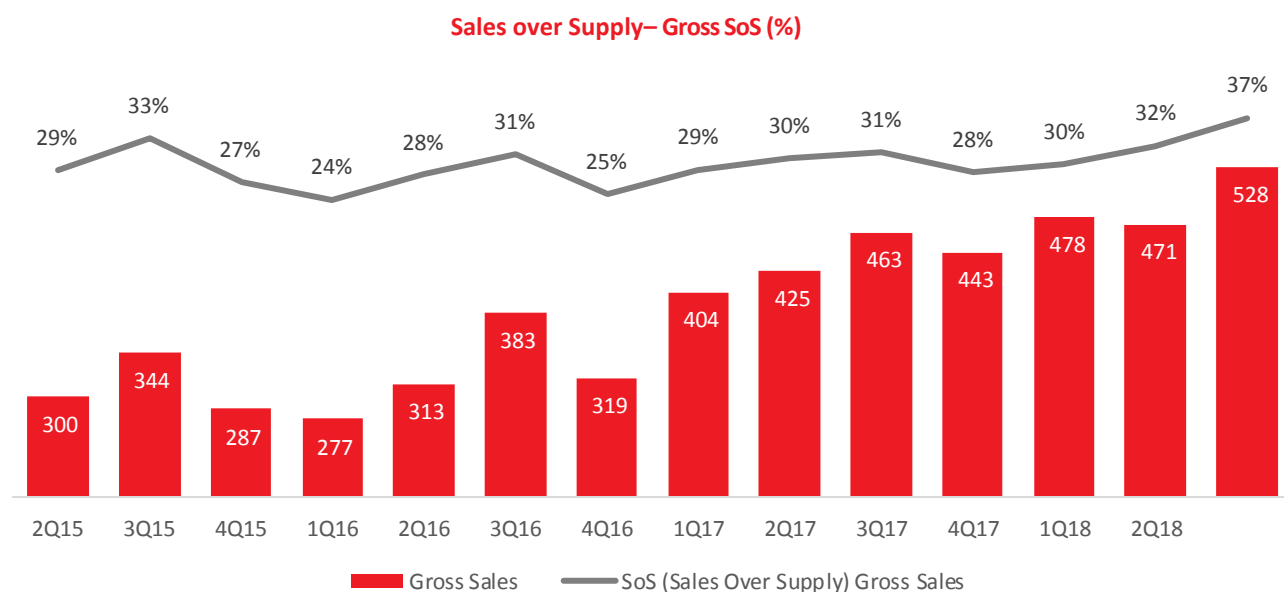
1) Tenda holds 100% equity interest in projects launched.

GROSS SALES

Gross sales totaled R\$528.1 million in the 2Q18, an increase of 14% in the annual comparison and 13% in the first six-month period accumulated.

Sales over Supply ("Gross SoS") reached 37% in the 2Q18, a 5.2 p.p. increase year-on-year, and up 4.2 p.p. against 1Q18. The good result of Gross Sales and SoS were credited to Feirão Caixa that occurred in May, 2018.

Gross Sales	2Q18	1Q18	QoQ (%)	2Q17	YoY (%)	1S18	1S17	YoY (%)
PSV (in R\$ million)	528,1	471,2	12,1% ↑	462,8	14,1% ↑	999,4	887,4	12,6% ↑
Number of units	3.823	3.393	12,7% ↑	3.255	17,5% ↑	7.216	6.289	14,7% ↑
Average price per unit (in R\$ thousand)	138,1	138,9	(0,5%) ↓	142,2	(2,8%) ↓	138,5	141,1	(1,9%) ↓
Gross SoS	36,6%	32,4%	4,2 p.p. ↑	31,3%	5,2 p.p. ↑	53,5%	48,9%	4,6 p.p. ↑





CANCELLATIONS AND NET PRE-SALES

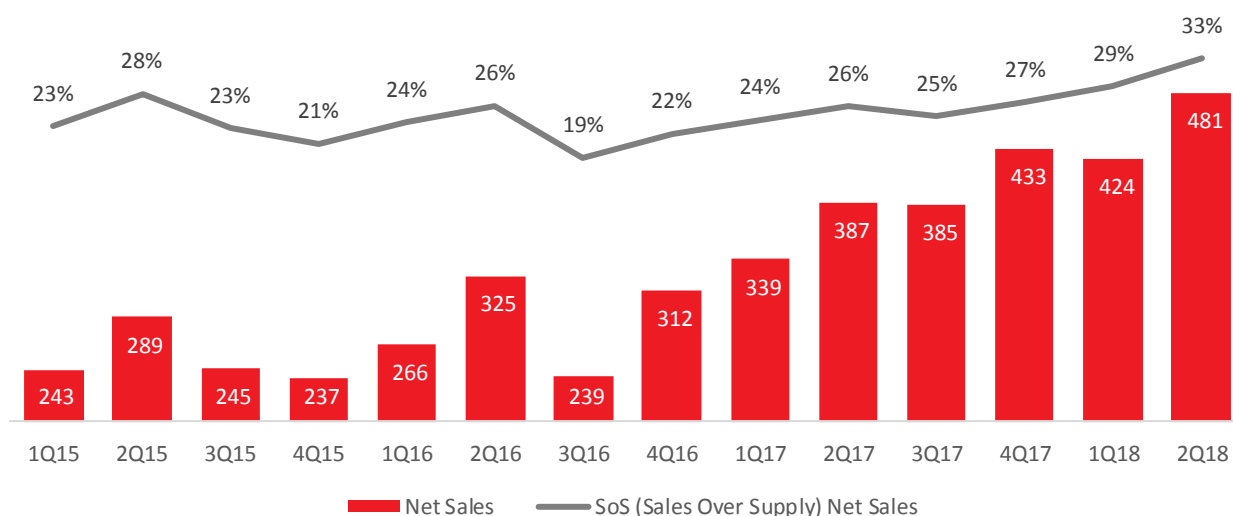
Cancellations over gross sales ratio ended at 9% in the 2Q18, consistent with the level presented in the last quarters, attesting its stability.

Sales over Supply (“Net SoS”) reached 33.3% in the 2Q18, a 7.1 p.p. increase year-on-year and up 4.2 p.p. quarter-on-quarter.

(in R\$ million)	2Q18	1Q18	QoQ (%)	2Q17	YoY (%)	1S18	1S17	YoY (%)
Gross Sales	528.1	471.2	12.1% ↑	462.8	14.1% ↑	999.4	887.4	12.6% ↑
Cancellations	46.9	47.0	(0.3%) ↓	75.8	(38.2%) ↓	93.9	161.6	(41.9%) ↓
Net Pre-Sales	481.3	424.2	13.5% ↑	387.0	24.4% ↑	905.5	725.9	24.7% ↑
% Launch ¹	39.7%	8.2%	31.4 p.p. ↑	38.6%	1.1 p.p. ↑	25.0%	28.1%	(3.1 p.p.) ↓
% Inventory	60.3%	91.8%	(31.4 p.p.) ↓	61.4%	(1.1 p.p.) ↓	75.0%	71.9%	3.1 p.p. ↑
Cancellations / Gross Sales	8.9%	10.0%	(1.1 p.p.) ↓	16.4%	(7.5 p.p.) ↓	9.4%	18.2%	(8.8 p.p.) ↓
Net SoS	33.3%	29.1%	4.2 p.p. ↑	26.2%	7.1 p.p. ↑	48.5%	40.0%	8.5 p.p. ↑

(in units)	2Q18	1Q18	QoQ (%)	2Q17	YoY (%)	1S18	1S17	YoY (%)
Gross Units Sold	3,823	3,393	12.7% ↑	3,255	17.5% ↑	7,216	6,289	14.7% ↑
Cancelled Units	341	341	0.0% ↑	554	(38.4%) ↓	682	1,175	(42.0%) ↓
Net Units Sold	3,482	3,052	14.1% ↑	2,701	28.9% ↑	6,534	5,114	27.8% ↑
Cancellations / Gross Sales	8.9%	10.1%	(1.1 p.p.) ↓	17.0%	(8.1 p.p.) ↓	9.5%	18.7%	(9.2 p.p.) ↓

Sales over Supply – Net SoS (%)





UNITS TRANSFERRED, DELIVERED AND CONSTRUCTION SITES

PSV transferred totaled R\$448.9 million in the 2Q18, up 27% year-on-year and 9% quarter-on-quarter, result of the stability of operations maintained with financial institutions and improvements in the transfer process that reduced the time between the selling and loan execution.

Tenda ended this quarter with 39 construction sites and delivered 3.7 thousand units in this quarter, 165% growth when compared against 1Q18 and 74% higher against 2Q17.

Transfers, Deliveries and Construction Sites	2Q18	1Q18	QoQ (%)	2Q17	YoY (%)	1S18	1S17	YoY (%)
PSV Transferred (in R\$ million)	448.9	413.1	8.7% ↑	354.1	26.8% ↑	862.0	674.4	27.8% ↑
Transferred Units	3,574	3,255	9.8% ↑	2,807	27.3% ↑	6,829	5,384	26.8% ↑
Delivered Units	3,720	1,404	165.0% ↑	2,136	74.2% ↑	5,124	4,783	7.1% ↑
Construction Sites	39	41	(4.9%) ↓	34	14.7% ↑	39	34	14.7% ↑

LANDBANK

In the 2Q18, the Company's landbank sustained its increase, with a 40% growth year-on-year totaling R\$7.1 billion in PSV. In the 2Q18, 21 phases/projects across the regions where the Company operates were acquired, representing the potential launch of R\$798.6 million in PSV. We note that all projects of our landbank are feasible within range 2, and in some cases, may be adapted to range 1.5 of the "Minha Casa, Minha Vida" housing program.

Landbank ¹	2Q18	1Q18	QoQ (%)	2Q17	YoY (%)	1S18	1S17	YoY (%)
Number of Projects	214	208	2.9% ↑	163	31.3% ↑	214	163	31.3% ↑
PSV (in R\$ million)	7,130.9	6,872.0	3.8% ↑	5,105.6	39.7% ↑	7,130.9	5,105.6	39.7% ↑
Acquisitions / Adjustments (in R\$ million)	798.0	443.4	80.0% ↑	1,035.3	(22.9%) ↓	1,241.3	1,392.4	(10.8%) ↓
Number of Units	49,123	47,219	4.0% ↑	36,575	34.3% ↑	49,123	36,575	34.3% ↑
Average price per unit (in R\$ thousands)	145.2	145.5	(0.3%) ↓	139.6	4.0% ↑	145.2	139.6	4.0% ↑
% Swap Total	27.9%	28.8%	(0.9 p.p.) ↓	22.6%	5.3 p.p. ↑	27.9%	22.6%	5.3 p.p. ↑
% Swap Units	14.4%	17.8%	(3.4 p.p.) ↓	15.0%	(0.7 p.p.) ↓	14.4%	15.0%	(0.7 p.p.) ↓
% Swap Financial	13.5%	11.0%	2.5 p.p. ↑	7.6%	6.0 p.p. ↑	13.5%	7.6%	6.0 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 the six largest metropolitan regions of Brazil, uniquely operating within the ranges 1.5 and 2 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 housing segment.