



Construtora Tenda S.A.
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Notice to the Market

PREVIEW OF OPERATIONAL RESULTS 4Q18 & 2018

With land acquisitions of R\$4.11 billion and launches of R\$1.91 billion in PSV, Tenda ended 2018 with R\$8.89 billion in landbank.

The Company reached R\$1.85 billion net pre-sales in 2018

FOR IMMEDIATE RELEASE – São Paulo, January 15, 2019 – Construtora Tenda S.A. (“Company”, “Tenda”), a leading Brazilian homebuilder and real estate developer focused on low-income residential projects operating within the 1.5 and 2 ranges of the “Minha Casa, Minha Vida” (“MCMV”) federal government housing program, today announced a preview of its operational results (launches, gross sales, cancellations, net pre-sales, transferred units, delivered units, construction sites and landbank) for the fourth quarter of 2018. These results are preliminary, subject to audit review.

HIGHLIGHTS

- Landbank increased to R\$8.89 billion in PSV, up 32.8% year-on-year, with acquisitions of R\$1.58 billion in 4Q18.
- Launches totaled PSV of R\$530.6 million in 4Q18 and R\$1.91 billion in 2018, up 12.8% year-on-year.
- Net pre-sales in 4Q18 fell by 6.2% quarter-on-quarter as some launches were postponed for the last week of the year to guarantee that units launched would fit the new MCMV regulations. As a result, net VSO for the quarter totaled 28.6%, the lowest level of the year. In 2018, net pre-sales reached PSV of R\$1.85 billion, up 20.1% year-on-year.
- PSV transferred dropped by 21.1% quarter-on-quarter, due to the need of relocating funds from the FGTS (Government Severance Indemnity Fund for Employees) budget among cities and shortage of subsidies to the 1.5 Range of MCMV Program at the year’s end. Despite a challenging 4Q18, PSV transferred increased by 16.5% year-on-year.
- 10.244 units were delivered in 2018, up 5.5% year-on-year.



LAUNCHES

In 4Q18, the volume of launches totaled R\$530.6 million in PSV. Thus, Tenda reached 49 projects launched in 2018, or R\$1.91 billion in PSV.

12 projects were launched in 4Q18, being *Parque Cerrado I* the first launched in the metropolitan region of Goiânia since the adoption of Tenda's current business model, in 2013. Projects containing units within the 1.5 Range of the MCMV were launched at the end of 2018 and are in compliance with the program's new regulations for 2019, as announced on December 31, 2018.

Launches ¹	4Q18	3Q18	QoQ (%)	4Q17	YoY (%)	2018	2017	YoY (%)
Number of Launches	12	14	(14.3%) ↓	12	0.0%	49	45	8.9% ↑
PSV (in R\$ million)	530.6	576.7	(8.0%) ↓	458.3	15.8% ↑	1,912.7	1,695.2	12.8% ↑
Number of units	3,572	4,160	(14.1%) ↓	3,268	9.3% ↑	13,636	11,768	15.9% ↑
Average price per unit (in R\$ '000s)	148.5	138.6	7.2% ↑	140.3	5.9% ↑	140.3	144.0	(2.6%) ↓
Average size of launches (in units)	298	297	0.2% ↑	272	9.3% ↑	278	262	6.4% ↑

1) Tenda owns 100% equity interest in projects launched

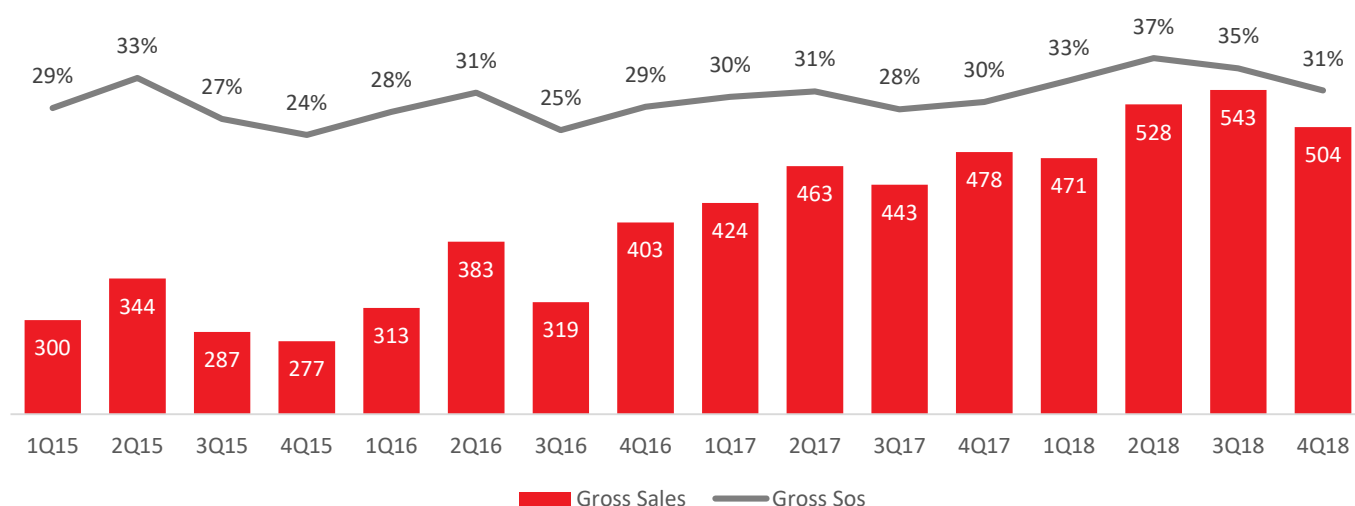
GROSS SALES

Gross sales totaled in PSV, R\$504.3 million in 4Q18 and R\$2.05 billion in 2018, an increase of 13.3% in the annual comparison.

Sales over Supply ("Gross SoS") reached 31.4% in 4Q18, up 1.8 p.p. year-on-year, but down 3.5 p.p. quarter-on-quarter.

Gross Sales	4Q18	3Q18	QoQ (%)	4Q17	YoY (%)	2018	2017	YoY (%)
PSV (in R\$ million)	504.3	543.5	(7.2%) ↓	477.7	5.6% ↑	2,047.2	1,807.5	13.3% ↑
Number of units	3,685	3,980	(7.4%) ↓	3,355	9.8% ↑	14,881	12,736	16.8% ↑
Average price per unit (in R\$ thousand)	136.9	136.5	0.2% ↑	142.4	(3.9%) ↓	137.6	141.9	(3.1%) ↓
Gross SoS	31.4%	35.0%	(3.6 p.p.) ↓	29.6%	1.8 p.p. ↑	68.3%	66.3%	2.0 p.p. ↑

Gross Sales (PSV, R\$ million) and Gross SoS (%)





CANCELLATIONS AND NET PRE-SALES

Cancellations over gross sales ratio ended 4Q18 at 8.9% (and 9.4% in 2018). In 2018, cancellations over gross sales ratio varied between 8.9% and 10.0%, below 2017 (14.5%).

Net pre-sales totaled in PSV, R\$459.5 million in 4Q18 and R\$1.85 billion in 2018, up 20.1% year-on-year. Sales over Supply ("Net SoS") reached 28.6% in 4Q18, up 1.7 p.p. year-on-year and down 2.9 p.p. quarter-on-quarter. To avoid the sales of units that might not be suitable for the new MCMV regulations, the Company concentrated its launches in the last week of 2018, negatively impacting both net sales and Net SoS.

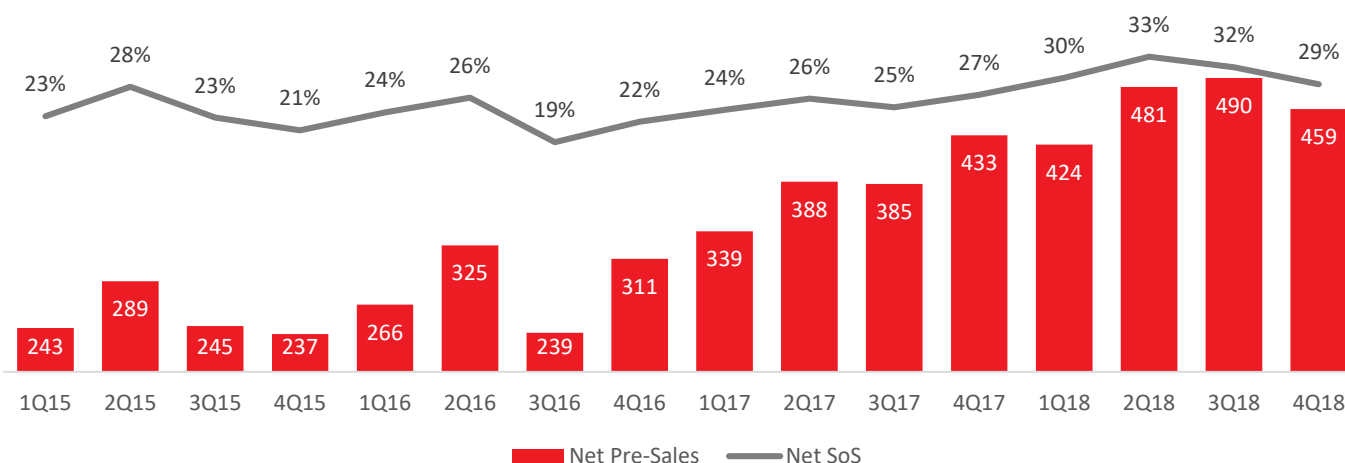
Guidance 2018 – Aiming at aligning information and providing figures predictability to the market, the Company opted for releasing its guidance. Concerning net pre-sales, we estimate a fluctuation between the minimum of R\$ 1,650.0 million and the maximum of R\$1,850.0 million. According to preview of operational results, the ratio came slightly above the upper limit of guidance, totaling R\$1,854.8 million. The 0.3% deviation in relation to the upper limit of guidance is mainly due to the drop in the cancellations/gross sales ratio, which in 4Q18 reached the lowest level of the Company's historical series (8.9%).

(in R\$ million)	4Q18	3Q18	QoQ (%)	4Q17	YoY (%)	2018	2017	YoY (%)
Gross Sales	504.3	543.5	(7.2%) ↓	477.7	5.6% ↑	2,047.2	1,807.5	13.3% ↑
Cancellations	44.9	53.6	(16.3%) ↓	44.2	1.6% ↑	192.4	262.7	(26.8%) ↓
Net Pre-Sales	459.5	489.9	(6.2%) ↓	433.5	6.0% ↑	1,854.8	1,544.9	20.1% ↑
% Launch ¹	66.2%	66.9%	(0.7 p.p.) ↓	82.4%	(16.2 p.p.) ↓	46.2%	53.2%	(7.0 p.p.) ↓
% Inventory	33.8%	33.1%	0.7 p.p. ↑	17.6%	16.2 p.p. ↑	53.8%	46.8%	7.0 p.p. ↑
Cancellations / Gross Sales	8.9%	9.9%	(1.0 p.p.) ↓	9.2%	(0.3 p.p.) ↓	9.4%	14.5%	(5.1 p.p.) ↓
Net SoS	28.6%	31.5%	(2.9 p.p.) ↓	26.9%	1.7 p.p. ↑	61.8%	56.7%	5.1 p.p. ↑

(in units)	4Q18	3Q18	QoQ (%)	4Q17	YoY (%)	2018	2017	YoY (%)
Gross Units Sold	3,685	3,980	(7.4%) ↓	3,355	9.8% ↑	14,881	12,736	16.8% ↑
Cancelled Units	338	395	(14.4%) ↓	321	5.3% ↑	1,415	1,907	(25.8%) ↓
Net Units Sold	3,347	3,585	(6.6%) ↓	3,034	10.3% ↑	13,466	10,829	24.4% ↑
Cancellations / Gross Sales	9.2%	9.9%	(0.7 p.p.) ↓	9.6%	(0.4 p.p.) ↓	9.5%	15.0%	(5.5 p.p.) ↓

1) Launches in current year

Net Pre-Sales (PSV, R\$ million) and Net SoS (%)





UNITS TRANSFERRED, DELIVERED AND CONSTRUCTION SITES

PSV transferred totaled R\$346.8 million in 4Q18 and R\$1.65 billion in 2018, up 16.5% year-on-year. The 21.1% quarter-on-quarter drop is mainly due to the need of relocating funds from the FGTS (Government Severance Indemnity Fund for Employees) budget among cities and shortage of subsidies to the 1.5 Range of MCMV Program at the year's end. These two factors have already been addressed for 2019.

We ended 4Q18 with 2,488 units delivered, totaling 10,244 units delivered in 2018, up 5.5% year-on-year. We ended the quarter with 44 construction sites.

Transfers, Deliveries and Construction Sites	4Q18	3Q18	QoQ (%)	4Q17	YoY (%)	2018	2017	YoY (%)
PSV Transferred (in R\$ million)	346.8	439.5	(21.1%) ↓	358.8	(3.3%) ↓	1,648.3	1,415.0	16.5% ↑
Transferred Units	2,808	3,567	(21.3%) ↓	2,806	0.1% ↑	13,204	11,176	18.1% ↑
Delivered Units	2,488	2,632	(5.5%) ↓	3,252	(23.5%) ↓	10,244	9,707	5.5% ↑
Construction Sites	44	43	2.3% ↑	38	15.8% ↑	44	38	15.8% ↑

LANDBANK

Tenda ended 2018 with a total landbank of R\$8.89 billion in PSV, 32.8% higher than in 2017.

In 4Q18, 36 phases/projects were acquired, distributed in the regions where the Company operates, representing potential launch of R\$1.58 billion in PSV. We reiterate that all the projects of our landbank are feasible within the Range 2, and, in some cases, may be adapted to the 1.5 Range of the MCMV housing program.

Landbank ¹	4Q18	3Q18	QoQ (%)	4Q17	YoY (%)	2018	2017	YoY (%)
Number of Projects	253	229	10.5% ↑	206	22.8% ↑	253	206	22.8% ↑
PSV (in R\$ million)	8,893.6	7,843.3	13.4% ↑	6,695.0	32.8% ↑	8,893.6	6,695.0	32.8% ↑
Acquisitions/Adjustments (in R\$ million)	1,580.8	1,289.1	22.6% ↑	819.7	92.9% ↑	4,111.2	3,928.4	4.7% ↑
Number of Units	60,124	53,746	11.9% ↑	45,795	31.3% ↑	60,124	45,795	31.3% ↑
Average price per unit (in R\$ thousands)	147.9	145.9	1.4% ↑	146.2	1.2% ↑	147.9	146.2	1.2% ↑
% Swap Total	24.2%	25.2%	(1.0 p.p.) ↓	28.4%	(4.2 p.p.) ↓	24.2%	28.4%	(4.2 p.p.) ↓
% Swap Units	11.1%	12.2%	(1.1 p.p.) ↓	17.7%	(6.6 p.p.) ↓	11.1%	17.7%	(6.6 p.p.) ↓
% Swap Financial	13.0%	13.0%	0.0 p.p.	10.6%	2.4 p.p. ↑	13.0%	10.6%	2.4 p.p. ↑

1) Tenda owns 100% equity interest in its landbank



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About Tenda

Construtora Tenda S.A. (B3:TEND3) 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 eight metropolitan regions of Brazil, uniquely operating within the 1.5 and 2 ranges of the "Minha Casa, Minha Vida" ("MCMV") 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.