

Gafisa S.A.
Form 6-K
April 07, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN ISSUER PURSUANT TO RULE 13a-16
OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934**

For the month of April, 2017

Commission File Number: 001-33356)

Gafisa S.A.

(Exact name of registrant as specified in its charter)

Gafisa S.A.

(Translation of Registrant's name into English)

Av. Nações Unidas No. 8,501, 19th Floor

05425-070 – São Paulo, SP – Brazil

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

Yes _____ No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes _____ No

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Information Statement in connection with
spin-off of Construtora Tenda S.A.

March 23, 2017

Dear Gafisa S.A. Shareholder:

We are pleased to report that the previously announced repositioning of Gafisa S.A., or “Gafisa”, through the separation of its wholly-owned subsidiary, Construtora Tenda S.A., a corporation (*sociedade anônima*) established under the laws of the Federative Republic of Brazil, or “Tenda”, from our remaining businesses is expected to become effective by the end of May 2017. Tenda will become a public company independent from Gafisa with respect to its operations and capital structure, and will hold, through its subsidiaries, the assets and liabilities associated with Gafisa’s affordable entry-level housing segment in Brazil. Tenda has initiated the process to list its shares on the São Paulo Stock Exchange (*BM&F Bovespa S.A. – Bolsa de Valores Mercadorias e Futuros*), or “BM&FBOVESPA”, so that the Tenda shares are accepted for trading by no later than May 31, 2017.

As part of the separation, 50% of Tenda’s total capital stock, or the “Offered Shares”, will be sold and the remaining 50% of Tenda’s total capital stock will be transferred to Gafisa shareholders through a reduction in Gafisa’s total capital stock.

In connection with the sale, on December 14, 2016, Gafisa entered into a share purchase and sale agreement, or the “SPA”, with Jaguar Real Estate Partners, LP, or “Jaguar”, pursuant to which Gafisa will sell Tenda shares representing up to 30% of the total capital stock of Tenda, at a price equal to R\$8.13 per share, or the “Price per Share”. Pursuant to the SPA, Gafisa will receive cash proceeds totaling R\$231.7 million, valuing Tenda’s capital stock at R\$539.0 million. Jaguar is an exempt limited partnership controlled by a real estate private equity company focused exclusively on emerging markets outside the United States, which was founded by investment professionals with significant real estate market expertise and over 15 years of experience in Brazil.

Pursuant to Article 253, I, of the Brazilian corporate law No. 6,404, dated December 15, 1976, as amended, or the “Brazilian Corporate Law,” Gafisa will offer to its shareholders to the extent legally permissible in the jurisdiction of such shareholder a preemptive right to acquire the Offered Shares (including the shares to be sold to Jaguar pursuant to the SPA), in the proportion of their respective stakes in Gafisa’s capital stock, at the Price per Share, to be paid when such preemptive right is exercised. The record date to be considered for the shareholders entitled to acquire the Offered Shares will be the business day in São Paulo, Brazil, immediately prior to the beginning of the term for the exercise of the preemptive right, as of close of business in Brazil on March 16, 2017, or the “Preemptive Right Record Date”.

PREEMPTIVE RIGHTS ARE NOT AVAILABLE TO US HOLDERS OF GAFISA SHARES, TO HOLDERS OF GAFISA AMERICAN DEPOSITARY SHARES, OR ADSs, OR TO HOLDERS OF GAFISA GLOBAL DEPOSITARY SHARES, OR GDSs.

Holders of ADSs, or the “Gafisa ADS holders”, may not exercise any preemptive rights to acquire the Offered Shares. Accordingly, Citibank, N.A., in its capacity as depositary institution for the Gafisa ADS program, or the “ADS Depositary,” has agreed to use commercially reasonable efforts to sell the preemptive rights attributable to the Gafisa shares represented by Gafisa ADSs on behalf of the Gafisa ADS holders and to distribute the net cash proceeds (if any) of such sale in U.S. dollars to the Gafisa ADS holders, in each case upon the terms of the deposit agreement for the Gafisa ADS program.

Similarly, holders of Gafisa GDSs, or the “Gafisa GDS holders”, may not exercise any preemptive rights to acquire the Offered Shares. Accordingly, Citibank, N.A. in its capacity as depositary institution for the Gafisa GDS program, or the “GDS Depositary,” has agreed to use commercially reasonable efforts to sell the preemptive rights attributable to the Gafisa shares represented by Gafisa GDSs on behalf of the Gafisa GDS holders and to distribute the net cash proceeds (if any) of such sale in U.S. dollars to the Gafisa GDS holders, in each case upon the terms of the deposit agreement for Gafisa GDS program.

A reduction of Gafisa’s capital stock in the form of a distribution of Tenda common shares representing 50% of Tenda’s total capital stock to Gafisa shareholders will be completed by way of a *pro rata* distribution to Gafisa shareholders of record as of open of business in São Paulo, Brazil, on a business day in São Paulo, Brazil, following the end of the 60-day period set forth in Article 174 of Brazilian Corporate Law, or the “Distribution Record Date,” such business day to be specified in the capital reduction notice to be issued by Gafisa to its shareholders following the end of such 60-day period, or the “Capital Reduction Shareholder Notice,” and expected to be on or about April 27, 2017. Each Gafisa shareholder of record will receive one share of Tenda common stock for every one share of Gafisa common stock held by such shareholder, after the reverse split, on the Distribution Record Date. Pursuant to the Gafisa ADS and GDS programs, each ADS and each GDS corresponds to two (2) Gafisa common shares and, therefore, for every one ADS and one GDS you own, after the reverse split on the Distribution Record Date, you will receive two (2) shares of Tenda common stock on the distribution date. The distribution of the Tenda shares will be made in book-entry form, which means that no physical share certificates will be issued. Following the distribution, shareholders may request that their shares of Tenda common stock be transferred to a brokerage or other account at any time. No fractional shares of Tenda common stock will be issued. You do not need

to take any action to receive your shares of Tenda common stock. Gafisa's common stock will continue to trade on the New York Stock Exchange in the form of Gafisa ADSs under the ticker symbol "GFA" and on the BM&FBOVESPA under the ticker symbol "GFSA3."

The Tenda shares of common stock that are to be distributed to the ADS Depository as part of the reduction of Gafisa's capital stock will not be converted into American depositary shares for distribution to the Gafisa ADS holders. At the request of Gafisa, the ADS Depository will give the Gafisa ADS holders of record as of 5:00 pm (New York City time) on the same date that is established as the Distribution Record Date, or the "Distribution Record Date for Gafisa ADS holders", the opportunity to request to receive in a brokerage or custody account, previously established by such holders in Brazil, the Tenda shares that the ADS Depository has received from Gafisa in the Gafisa capital stock reduction in respect of the Gafisa shares represented by such Gafisa ADS holders. The ADS Depository will establish the period to request Tenda shares to be from open of business in New York City on the date that is one business day following the Distribution Record Date for Gafisa ADS holders through close of business in New York City on the 10th business day in New York City following such date, or the "Tenda Share Request Period."

GAFISA ADS HOLDERS WILL RECEIVE THE NET CASH PROCEEDS FROM THE SALE OF SUCH TENDA SHARES AS DESCRIBED BELOW IF SUCH GAFISA ADS HOLDERS DO NOT REQUEST, DURING THE TENDA SHARE REQUEST PERIOD, TO RECEIVE TENDA SHARES IN A BROKERAGE OR CUSTODY ACCOUNT PREVIOUSLY ESTABLISHED BY SUCH GAFISA ADS HOLDERS IN BRAZIL.

After the Tenda Share Request Period, the ADS Depository will use commercial reasonable efforts to sell the Tenda shares that have not been requested by Gafisa ADS holders or that it has not been able to deliver successfully to Gafisa ADS holders that have made a request to receive Tenda shares of common stock. Tenda shares requested by Gafisa ADS holders will be delivered only in Brazil into duly established custody and brokerage accounts. No delivery of Tenda shares will be made outside of Brazil. After the sale of Tenda shares, the ADS Depository will arrange for the conversion of the net cash proceeds from the sale into U.S. dollars upon the terms of the deposit agreement for the Gafisa ADSs and will remit the net cash proceeds (after deduction of applicable fees, taxes and expenses) in U.S. dollars to the applicable ADSs holders who have not requested nor received the Tenda shares. **No action is required of the Gafisa ADS holders at this point.** Promptly after the Distribution Record Date for Gafisa ADS holders, the ADS Depository will distribute to Gafisa ADS holders as of such record date instructions on how to request to receive the Tenda shares of common stock that the ADS Depository has received in respect of the Gafisa shares represented by ADSs. In the case of ADSs held through DTC, such instructions will be delivered to DTC for distribution to its participants.

Note that the Brazilian broker or custodian must be a foreign corporation for U.S. income tax purposes, such as a Brazilian "*sociedade anônima*".

The Tenda shares of common stock that are to be distributed to the GDS Depository as part of the reduction of Gafisa's capital stock will not be converted into American or Global depositary shares for distribution to Gafisa GDS holders.

At the request of Gafisa, the GDS Depository will give the Gafisa GDS holders of record as of 5:00 pm (New York City time) on the same date that is established as the Distribution Record Date, or the “Distribution Record Date for Gafisa GDS holders”, the opportunity to request to receive in a brokerage or custody account, previously established by such holders in Brazil, the Tenda shares that the GDS Depository has received from Gafisa in the Gafisa capital stock reduction on terms identical to those described for Gafisa ADS holders above. Gafisa GDS holders will receive the net cash proceeds from the sale of such Tenda shares as described below if Gafisa GDS holders do not request, during the Tenda Share Request Period, to receive Tenda shares in a brokerage or custody account previously established by such Gafisa GDS holders in Brazil. **No action is required of the Gafisa GDS holders at this point.** Promptly, after the Distribution Record Date for Gafisa GDS holders, the GDS Depository will distribute to Gafisa GDS holders as of such record date instructions on how to request to receive the Tenda shares of common stock that the GDS Depository has received in respect of the Gafisa shares represented by Gafisa GDSs. In the case of GDSs held through DTC, such instructions will be delivered to DTC for distribution to its participants.

No action is required by you at this point. A shareholders’ meeting was held by Gafisa on February 20, 2017 where the aforementioned matters were approved. The enclosed information statement, which we are mailing to all Gafisa shareholders, describes the separation in detail and contains important information about Tenda, including its audited consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013 and its unaudited interim consolidated financial information as of and for the nine months ended September 30, 2016 and 2015. We urge you to read this information statement carefully.

We want to thank you for your continued support of Gafisa.

Sincerely,

Sandro Rogério da Silva Gamba
President and Chief Executive Officer
GAFISA S.A.

March 23, 2017

Dear Future Tenda Shareholder:

It is our pleasure to welcome you as a future shareholder of Construtora Tenda S.A. Upon separation from Gafisa, we will be a stand-alone public company focused primarily on the construction and marketing of affordable entry-level housing segment in Brazil. While we will be an independent public company following the separation, our business has a strong history of financial and operating performance.

We operate in the affordable entry-level housing segment, which represented approximately 60.9% of the total value of Gafisa's launches for the nine months ended September 30, 2016. Our affordable entry-level housing segment is tailored to families with monthly household incomes between approximately R\$1,600 and R\$4,650 and the units developed under this segment have on average between 42 and 60 square meters of indoor private area and two to three bedrooms. We believe the separation is the next step in a plan by our and Gafisa's management to create value to our and Gafisa's shareholders. The two companies have distinct strategic and operating profiles which can be better achieved separately.

Our management team is excited about the opportunities ahead of us, and we are committed to unlocking the full potential of Tenda. We invite you to learn more about our company and our plans by reading the enclosed material and look forward to updating you on our progress.

Sincerely,

Rodrigo Osmo

President and Chief Executive Officer

CONSTRUTORA TENDA S.A.

Information Statement

Construtora Tenda S.A.

Common Stock

Gafisa S.A., or “Gafisa”, is furnishing this Information Statement in connection with the separation of the business units of Gafisa and Construtora Tenda S.A., a corporation (*sociedade anônima*) established under the laws of the Federative Republic of Brazil, or “Tenda”, into two independent public companies, both with respect to their operations and capital structure. Tenda is currently a wholly owned subsidiary of Gafisa. Tenda has initiated the process to list its shares on the BM&FBOVESPA so that the Tenda shares are accepted for trading by no later than the date they are to be delivered to shareholders of Gafisa.

The separation seeks to: (i) enable shareholders to allocate resources between Gafisa and Tenda in line with their interests and investment strategies; (ii) enable Gafisa and Tenda to respond faster to the opportunities in their target markets; (iii) establish sustainable capital structures for each of Gafisa and Tenda, based on each company’s risk profile and strategic priorities; (iv) give greater visibility to the market on the individual performance of each of Gafisa and Tenda, enabling better assessment of intrinsic value; and (v) increase the ability of Gafisa and Tenda to attract and retain talent, through the development of appropriate cultures and compensation structures consistent with their different business strategies and plans, providing a better alignment with the specific results of each business.

Upon the separation, Gafisa will continue to be a publicly traded company and Tenda will become a public company independent from Gafisa and will hold, through its subsidiaries, the assets and liabilities associated with Gafisa’s affordable entry-level housing segment in Brazil.

As part of the separation, the Offered Shares will be sold and the remaining 50% of Tenda’s total capital stock will be transferred to Gafisa shareholders through a reduction in Gafisa’s total capital stock.

In connection with the sale, on December 14, 2016, Gafisa entered into the SPA with Jaguar, pursuant to which Gafisa will sell shares representing up to 30% of the total capital stock of Tenda, at a price equal to the Price per Share. Pursuant to the SPA, Gafisa will receive cash proceeds totaling R\$231.7 million, valuing Tenda’s capital stock at R\$539.0 million. Jaguar is an exempt limited partnership controlled by a real estate private equity company focused exclusively on emerging markets outside the United States, which was founded by investment professionals with significant real estate market expertise and over 15 years of experience in Brazil.

Pursuant to Article 253, I, of the Brazilian Corporate Law, Gafisa shall offer to its shareholders a preemptive right to acquire the Offered Shares (including the shares to be sold to Jaguar pursuant to the SPA), in the proportion of their respective stakes in Gafisa's capital stock, at the Price per Share, to be paid when such preemptive right is exercised. The record date to be considered for the shareholders entitled to acquire the Offered Shares will be the Preemptive Right Record Date.

Gafisa ADS holders may not exercise any preemptive rights to acquire the Offered Shares. Accordingly, Citibank, N.A., in its capacity as depositary institution for Gafisa ADS program, has agreed to use commercially reasonable efforts to sell the preemptive rights attributable to the Gafisa shares represented by Gafisa ADSs on behalf of the Gafisa ADS holders and to distribute the net cash proceeds (if any) of such sale in U.S. dollars to the Gafisa ADS holders, in each case upon the terms of the deposit agreement for the Gafisa ADS program.

Similarly, Gafisa GDS holders, may not exercise any preemptive rights to acquire the Offered Shares. Accordingly, Citibank, N.A. in its capacity as GDS Depositary has agreed to use commercially reasonable efforts to sell the preemptive rights attributable to the Gafisa shares represented by Gafisa GDSs on behalf of the Gafisa GDS holders and to distribute the net cash proceeds (if any) of such sale in U.S. dollars to the Gafisa GDS holders, in each case upon the terms of the deposit agreement for Gafisa GDS program.

PREEMPTIVE RIGHTS ARE NOT AVAILABLE TO US HOLDERS OF GAFISA SHARES, TO GAFISA ADS HOLDERS OR TO GAFISA GDS HOLDERS.

In connection with the reduction of Gafisa's capital stock in the form of a distribution of Tenda common shares representing 50% of Tenda's total capital stock to Gafisa shareholders, Gafisa will distribute the shares of Tenda common shares on a *pro rata* basis to the holders of Gafisa common shares. Each holder of Gafisa common stock will receive one share of common stock of Tenda for every one share of Gafisa common stock held after the reverse split, at the Distribution Record Date.

The Tenda shares of common stock that are to be distributed to the ADS Depository as part of the reduction of Gafisa's capital stock, will not be converted into American depositary shares for distribution to the Gafisa ADS holders. At the request of Gafisa, the ADS Depository will give Gafisa ADS holders of record as of the Distribution Record Date for Gafisa ADS holders, the opportunity to request to receive in a brokerage or custody account, previously established by such holders in Brazil, the Tenda shares that the ADS Depository has received from Gafisa in the Gafisa capital stock reduction in respect of the Gafisa shares represented by such Gafisa ADS holders during the Tenda Share Request Period.

GAFISA ADS HOLDERS WILL RECEIVE THE NET CASH PROCEEDS FROM THE SALE OF SUCH TENDA SHARES AS DESCRIBED BELOW IF SUCH GAFISA ADS HOLDERS DO NOT REQUEST, DURING THE TENDA SHARE REQUEST PERIOD, TO RECEIVE TENDA SHARES IN A BROKERAGE OR CUSTODY ACCOUNT PREVIOUSLY ESTABLISHED BY SUCH GAFISA ADS HOLDERS IN BRAZIL.

After the Tenda Share Request Period, the ADS Depository will use commercial reasonable efforts to sell the Tenda shares that have not been requested by Gafisa ADS holders or that it has not been able to deliver successfully to Gafisa ADS holders that have made a request to receive Tenda shares of common stock. Tenda shares requested by Gafisa ADS holders will be delivered only in Brazil into duly established custody and brokerage accounts. No delivery of Tenda shares will be made outside of Brazil. After the sale of Tenda shares, the ADS Depository will arrange for the conversion of the net cash proceeds from the sale into U.S. dollars upon the terms of the deposit agreement for the Gafisa ADSs and will remit the net cash proceeds (after deduction of applicable fees, taxes and expense) in U.S. dollars to the applicable ADSs holders who have not requested nor received the Tenda shares. **No action is required of the Gafisa ADS holders at this point.** Promptly after the Distribution Record Date for Gafisa ADS holders, the ADS Depository will distribute to Gafisa ADS holders as of such record date instructions on how to request to receive the Tenda shares of common stock that the ADS Depository has received in respect of the Gafisa shares represented by ADSs. In the case of ADSs held through DTC, such instructions will be delivered to DTC for distribution to its participants.

Note that the Brazilian broker or custodian must be a foreign corporation for U.S. income tax purposes, such as a Brazilian "*sociedade anônima*".

The Tenda shares of common stock that are to be distributed to the GDS Depository as part of the reduction of Gafisa's capital stock will not be converted into American or Global depositary shares for distribution to Gafisa GDS holders. At the request of Gafisa, the GDS Depository will give the Gafisa GDS holders of record as of the Distribution Record Date for Gafisa GDS holders the opportunity to request to receive in a brokerage or custody account, previously established by such holders in Brazil, the Tenda shares that the GDS Depository received from Gafisa in the Gafisa capital reduction on terms identical to those described for Gafisa ADS holders above. Gafisa GDS holders will receive the net cash proceeds from the sale of such Tenda shares as described below if Gafisa GDS holders do not request, during the Tenda Share Request Period, to receive Tenda shares in a brokerage or custody account previously established by such Gafisa GDS holders in Brazil. **No action is required of the Gafisa GDS holders at this point.** Promptly, after the Distribution Record Date for Gafisa GDS holders, the GDS Depository will distribute to Gafisa GDS holders as of such record date instructions on how to request to receive the Tenda shares of common stock that

the GDS Depositary has received in respect of the Gafisa shares represented by Gafisa GDSs. In the case of GDSs held through DTC, such instructions will be delivered to DTC for distribution to its participants.

Immediately after Gafisa completes the distribution, Tenda will be an independent company from Gafisa. Gafisa shareholders will not be required to pay any consideration for the shares of Tenda common stock they receive in the distribution, and they will not be required to surrender or exchange shares of their Gafisa common stock or take any other action in connection with the distribution.

The distributions of Tenda common shares and rights to acquire the Offered Shares (and the sale of such securities by the Depositary for the benefit of U.S. holders) will be taxable transactions for U.S. federal income tax purposes. See “The Separation—Certain U.S. Federal Income Tax Considerations.”

As Gafisa owns all of the outstanding shares of Tenda’s common stock, there currently is no public trading market for Tenda common stock.

In reviewing this Information Statement, you should carefully consider the matters described in “Risk Factors” beginning on page 18 of this Information Statement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or the separation, passed upon the merits or fairness of the separation or passed upon the adequacy or accuracy of the disclosure in this Information Statement. Any representation to the contrary is a criminal offense.

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this Information Statement is March 23, 2017.

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Note Regarding The Use of Certain Terms

We use the following terms to refer to the items indicated:

“We,” “us,” “our,” “Company” and “Tenda,” unless the context requires otherwise, refer to Construtora Tenda S.A., the entity that at the time of the distribution will hold, through its subsidiaries, the assets and liabilities associated with Gafisa’s affordable entry-level housing segment and whose issued shares Gafisa will sell to Jaguar and distribute to its shareholders in connection with the separation. Where appropriate in context, the foregoing terms also include the subsidiaries of this entity; the use of these terms may be used to describe Gafisa’s affordable entry-level housing segment prior to completion of the separation.

Except where the context otherwise requires, the term “Gafisa” refers to Gafisa S.A., the entity that owns Tenda prior to the separation and after the separation will continue to be a separate publicly traded company consisting primarily of its operations in the development of residential units.

“Jaguar” refers to Jaguar Real Estate Partners, LP, an exempt limited partnership, organized under the laws of Cayman Island, or one of its Affiliates.

The term “separation” refers to the separation of the Gafisa and Tenda business units into two independent public companies, both with respect to their operations and capital structure. Gafisa will continue to be a publicly traded company and Tenda will become a public company independent from Gafisa, holding, through its subsidiaries, the assets and liabilities associated with Gafisa’s affordable entry-level housing segment in Brazil.

References to “common shares” refer to the common shares of the Company, except where the context requires otherwise.

Except where the context otherwise requires, the term “distribution” refers to the distribution of shares of Tenda common shares owned by Gafisa to shareholders of Gafisa as of the Distribution Record Date.

The term “distribution date” means the date on which the distribution occurs.

References to “general sales value” (*valor geral de vendas – VGV*) refers to the total amount that can potentially be obtained from the sale of all units of a specific real estate development at their initial asking prices. Investors should note that general sales value is an estimate and may not be realized, as the actual prices at which we sell units may differ significantly from the asking prices that we use to calculate general sales value. In addition, the total number of units sold may be lower than the number of units launched. General sales values is an indicator commonly used in our industry, but it does not have a standardized meaning and, therefore, our calculation of general sales value might

differ significantly from other real estate developers' calculations of it or similar terms. General sales value should not be considered an estimate or projection of revenue to be recognized in a present or future time period.

When used in this Information Statement, "contracted sales" refers to the sales for which a sales agreement with a customer has been executed, either for finished or unfinished units.

References to "net contracted sales" for any given period correspond to contracted sales less the total value of contract cancellations for such period.

References to our "sales over supply ratio", or SoS ratio, for any given period corresponds to the volume of net contracted sales divided by our inventory of units offered to the market in such period, in each case calculated by reference to the general sales value.

References to "legacy projects" correspond to our former projects which had been launched prior to 2013 and which had until then suffered from a high level of sales cancellations, constructions delays and poor operating and financial performance.

References to our “current business model” correspond to our new business model which is built on four pillars: (i) contracted launches; (ii) pass-through sales; (iii) direct salesforce and showrooms; and (iv) aluminum-mold technology. See “Summary—Overview.”

References to “minimum wage” in this Information Statement correspond to the lowest monthly wage in Brazil as permitted by Brazilian law, which is established according to the State laws of each State of Brazil.

We make statements in this Information Statement about market estimates, our competitive position and market share in, and the market size of, the markets in which we operate. We make these statements on the basis of internal data and information from public sources we believe are reliable. Except as indicated otherwise, we have included information from reports prepared by public sources such as the Industry’s Federation of the State of Sao Paulo (*Federação das Indústrias do Estado de São Paulo*), or FIESP, the Central Bank, the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*), or IBGE, and the Getúlio Vargas Foundation (*Fundação Getúlio Vargas*), or FGV, among others. We have no reason to believe any of this information is inaccurate in any material respect, for which reason neither we nor Gafisa have independently verified this information.

The term “Brazil” refers to the Federative Republic of Brazil. The phrase “Brazilian government” refers to the federal government of the Federative Republic of Brazil. The term “Central Bank” refers to the Central Bank of Brazil (*Banco Central do Brasil*). All references to “real”, “reais” or “R\$” are to the Brazilian real, the official currency of Brazil, and all references to “U.S. dollar”, “U.S. dollars” or “U.S.\$” are to U.S. dollars, the official currency of the United States. Unless otherwise stated, all numbers included in this Information Statement are expressed in *reais*. This Information Statement contains translations of various *real* amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations by us that the *real* amounts actually represent, have been or could be converted into U.S. dollars at the rates indicated or at any other rate. Unless otherwise indicated, we have converted the *real* amounts using a rate of R\$3.2462 to U.S.\$1.00, the U.S. dollar selling rate as of September 30, 2016 as reported by the Central Bank. For more information.

Incorporation by Reference

The SEC allows us to “incorporate by reference” information into this information statement. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this information statement, except for any information superseded by information that is included directly in this document or incorporated by reference subsequent to the date of this document.

We incorporate by reference into this information statement our Annual Report on Form 20-F for the year ended December 31, 2016, to be filed with the SEC (File No. 001-33356), which we refer to as our “2016 Annual Report”.

All annual reports we file with the SEC pursuant to the Exchange Act on Form 20-F after the date of this information statement and prior to the distribution of the shares of Tenda shall be deemed to be incorporated by reference into this information statement and to be part hereof from the date of filing of such documents. We incorporate by reference any Form 6-K submitted to the SEC after the date of this information statement.

Any statement contained in this information statement or in a document incorporated or deemed incorporated by reference into this information statement will be deemed to be modified or superseded for purposes of this information statement to the extent that a statement contained in any such subsequent document modifies or supersedes that statement. Any statement that is modified or superseded in this manner will no longer be a part of this information statement, except as modified or superseded.

We will provide without charge to each person to whom this information statement has been delivered, upon the written or oral request of any such person to us, a copy of any or all of the documents referred to above that have been or may be incorporated into this information statement by reference, including exhibits to such documents. Requests for such copies should be directed to:

Investors Relations Office

Av. Nações Unidas, 8501, 19th floor

São Paulo – SP 05425-070

Federative Republic of Brazil

Phone: (55 11) 3025-9305

Summary

This summary highlights selected information from this Information Statement relating to Tenda, Tenda's separation from Gafisa, the sale of Tenda's common shares by Gafisa to Jaguar, and the distribution of Tenda's common shares to Gafisa's shareholders. For a more complete understanding of our businesses and the separation and sale, you should read the entire Information Statement carefully, particularly the discussion set forth under "Risk Factors" of this Information Statement, our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013 and related notes, our unaudited interim consolidated financial statements as of September 30, 2016 and for the nine months ended September 30, 2016 and 2015 and related notes, and our unaudited pro forma condensed combined financial statements and related notes, all of which are included elsewhere in this Information Statement.

Except as otherwise indicated or unless the context otherwise requires, the information included in this Information Statement, including the financial statements of Tenda above mentioned, assumes the completion of all the transactions referred to in this Information Statement in connection with the separation and distribution.

Our Business

Upon completion of our separation from Gafisa, Tenda's business will consist primarily of our business in the affordable entry-level housing segment. We believe we are one of Brazil's largest real estate developers based on the general sales value of new projects launched and net contracted sales in the last 12 months, which totaled R\$1.3 billion and R\$1.1 billion, respectively. We develop and build residential units in Band 2 of the Brazilian government's "My House, My Life" (*Minha Casa Minha Vida*) housing program, or the MCMV program. We have exclusively focused our operations in six of the largest metropolitan areas in Brazil (São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife).

The MCMV program was created by the Brazilian government in April 2009 with the objective of reducing the housing deficit in Brazil through government financing and subsidies for low-income housing. The MCMV program is divided into three main income bands (which we refer to as Band 1, Band 2 and Band 3), with a focus on providing affordable housing for families with monthly incomes of up to R\$4,650. In March 2010, the Brazilian government launched the second phase of the MCMV program (*Programa de Aceleração de Crescimento – PAC*), which was implemented from 2011 to 2014 and which financed and built approximately 2.3 million housing units, with approximately 1.4 million additional housing units currently under construction. On March 30, 2016, the Brazilian government launched the third phase of the MCMV program, which aims to build approximately two million housing units by 2018, including 800,000 housing units for families in Band 2.

In 2015, we launched 30 Band 2 housing projects totaling R\$1.1 billion in general sales value and R\$1.0 billion in net contracted sales. In 2015, our SoS ratio, was 53.0%, the highest ratio among all publicly traded real estate developers, according to data published by the CVM and BM&FBOVESPA. For the year ended December 31, 2015, we had net operating revenue of R\$851.0 million, with an adjusted gross income margin of 30.6%, and net income attributable to our controlling shareholder of R\$30.3 million. For the nine months ended September 30, 2016, we launched 30 projects with R\$968.6 million and R\$830.2 million in general sales value and net contracted sales, respectively, and our SoS ratio was 44.7%, compared to an SoS ratio of 48.7% for the same period in 2015. For the nine months ended September 30, 2016, we had net operating revenue of R\$765.8 million, with an adjusted gross income margin of 31.6% and net income attributable to our controlling shareholder of R\$36.5 million.

We operate in six of the largest metropolitan regions of Brazil, as shown in the map below.

Since 2013, we have launched 81 housing projects totaling R\$3.0 billion in general sales value and of these projects we have delivered 42 projects totaling R\$1.4 billion and 9,854 units. The table below sets forth the number of units we launched for the periods and regions indicated:

	Nine months ended September 30, 2016	Year ended December 31, 2015	2014	2013
	(number of units)			
Sao Paulo	1,057	2,180	720	1,380
Rio de Janeiro	1,738	1,751	1,511	300
Salvador	1,520	1,584	1,220	780
Recife	576	944	432	—
Belo Horizonte	780	372	432	—
Porto Alegre	1,400	880	—	—
Total	7,071	7,711	4,315	2,460

In 2012, we conducted an extensive review of our then existing business strategy. That same year, we decided to temporarily reduce our launch activities in order to focus on completing and selling all of our legacy projects in the following years. At the beginning of 2012, we had 30,944 outstanding units related to our legacy projects, all of which we sold by the end of 2015. At the same time we worked to complete our legacy projects, we started to shift our focus toward projects in Band 2 of the MCMV program. In 2013, we implemented our current business model, which is built on four pillars:

Project financed at launches. We do not launch a project or commence sales unless such project has qualified for “member funding”, has obtained municipal approvals, and has been formally approved and registered by the associated financial institutions eligible to provide financing to our clients in connection with the MCMV program. “Member funding” finances residential developments, urban development rehabilitations and urbanized lot productions through the Member Letter of Credit Program (*Programa de Carta de Crédito Associativo*). This program is funded by the FGTS. The FGTS imposes a mandatory 8% employee payroll deduction on all employees in Brazil. Employees maintain FGTS accounts, which are similar to pension funds, and are allowed, among other things, to use the

funds deposited in the accounts for the acquisition of real estate property under certain circumstances, as set forth by applicable law. The CEF is the agency responsible for managing the funds deposited in the FGTS and allows our clients to obtain financing directly with the financial institutions that are associated with the MCMV program. We believe that “member funding” considerably mitigates the financial and execution risks associated with our development projects and is a condition to our commencing pass-through sales with individual clients, as described below.

Pass-through sales. We do not sell a unit to a client unless such client has individual credit approval with the financial institution that has formally approved (or provided) “member funding” for the relevant unit, which we refer to as a “pass-through” sale since the client credit risk is passed on to the financial institution. We believe this reduces our exposure to client credit risk and working capital risk, reduces the risk of contract cancellations because of the shorter period during which we are exposed to client credit risk, and shortens our operating cycle. We believe this pillar also contributes to a more efficient sale and delivery of the unit.

Direct salesforce and showrooms. As part of our marketing strategy, we conduct the majority of our sales efforts through our own salesforce out of our own showrooms. This allows us to provide high quality and targeted training to our employees, which we believe has resulted in a more efficient sales process. We believe that using our own workforce and our own showroom allows us to maintain greater presence in the metropolitan areas in which we operate to better serve our clients, exercise a higher degree of control over the management of our sales processes, and reduce related costs and overhead.

Aluminum-mold technology. All of our units are currently built with concrete walls using aluminum-mold technology. We believe this construction method is suited to the operational and financial dynamics of the MCMV program and contributes to a highly streamlined and efficient construction cycle. Given the financial dynamics of operating within the MCMV program, it also contributes to increased efficiency in managing the capital we employ to build our projects. We believe using aluminum-mold technology, consistent with our standardization strategy, allows us to efficiently replicate projects on a cost-effective basis in the metropolitan regions in which we operate. Aluminum-mold technology requires a specialized workforce for mold assembly, and we believe this contributes to increased workforce productivity and expertise. In addition, we also believe that our construction method allows us to delay construction on a project until the majority of the units of that project have been sold (and “passed through”), which significantly reduces our need for working capital.

We believe the four pillars of our current business model give us significant competitive advantages in the affordable housing segment, and allow us to execute our projects with greater efficiency, minimize use of our own working capital, mitigate execution risks, simplify project management, and facilitate economies of scale.

In addition to the four pillars, our current business model also focuses on the following key aspects:

- *Standardization of our units.* Each unit we build consists of two bedrooms, a bathroom and a living room with an eat-in kitchen. We believe the standardization of our units has resulted in building processes

comparable with industrial assembly lines and has reduced complexity in our construction methods. Standardization allows us to replicate our projects more efficiently because we are able to evaluate variables across our projects, such as construction periods, cost per unit, delivery dates and required workforce, among others.

Focus on key metropolitan regions. We operate in six of Brazil's largest metropolitan areas: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife. We believe this has significantly streamlined our project management activities, and has reduced the need for us to enter into partnerships with local development companies whose strategies may not be aligned with ours. All of our projects and developments are currently wholly-owned. We also believe the economies of scale in the areas in which we operate allow us to negotiate competitive prices with our service providers and suppliers, which reduces our underlying costs and allows us to maintain competitive sales prices for our units.

Our Competitive Strengths

We believe that our main competitive strengths are:

Short operating cycles

We believe the implementation of the four pillars of our current business model and our exclusive focus on Band 2 of the MCMV program has contributed to a shorter and more efficient operating cycle for our projects. The average duration of the operating cycle for a project, from launch through physical delivery of the unit, is approximately 18 months.

Efficient sales structure

We believe that having our own salesforce, focusing our strategy exclusively on the affordable entry-level housing segment and the abundant supply of products in the affordable entry-level housing segment, have all contributed to more efficient sales processes and a rapid sales rate of our units, despite the challenging economic environment in Brazil, as illustrated by our SoS ratio, which was 53.0% for the year ended December 31, 2015 and 44.7% for the nine months ended September 30, 2016, and is substantially higher than the SoS ratio of our competitors that are publicly traded real estate developers, according to data from CVM and BM&FBOVESPA.

Reduced time periods for pass-throughs and low level of contract cancellations

We believe the specialization of our salesforce, the optimization of our sales processes, and our close relationship to the financial institutions active in the MCMV program have allowed us to reduce the time period between the sale of a unit to a client and its effective pass-through to the relevant financial institution. In recent years, we have reduced these periods to an average of three months for pass-through and three months for completion of contract registration with the relevant financial institution and the relevant municipal government authority, respectively. We have also been able to reduce the level of contract cancellations, which we believe is a result of increased discipline in the sales process and a reduction in the time period during which our clients' credit profile may change. Our percentage of contract cancellations was 15.9% for the year ended December 31, 2015 and 18.1% for the nine months ended September 30, 2016, the lowest rate in the Brazilian real estate market among publicly traded companies, according to data from BM&FBOVESPA.

Standardized construction method

We have been able to shorten our construction cycle in comparison to projects using conventional construction methods due to the standardization of our MCMV program housing units, our use of aluminum-mold technology and the step by step process we have put in place for the execution of our construction works. We believe this has increased productivity of our construction workforce and has streamlined and simplified our construction cycle.

We believe the combination of these factors has allowed us to operate with reduced cash exposure and working capital needs, contributing to higher returns on invested capital. This combination has also allowed us to keep our construction costs stable and below rates of inflation for construction costs. The chart below sets forth our construction costs as compared with Brazil's INCC, for the periods indicated:

Source: Brazil's National Construction Cost Index.

Strong market share in the affordable entry-level housing segment

The affordable entry-level housing segment is highly competitive and requires a high degree of operational excellence. In recent years, however, the number of real estate companies active in the affordable entry-level housing segment has decreased and new real estate companies wishing to enter the segment in the metropolitan areas in which we operate have faced barriers to entry. In particular, recently there has been a significant decrease in the number of real estate developers active in Band 2 of the MCMV program. According to data published by the CVM and BM&FBOVESPA, 12 publicly-traded real estate developers were active in Band 2 of the MCMV program in 2010 compared to only five in 2015. We believe that as a result of this environment, we have been able to increase our market share and profitability. According to data published by Geoimóveis, we were a leader in terms of launch volume in 2015 in the six metropolitan areas in which we operate.

The following chart shows our aggregate market share for Band 2 launches in 2015 in the six metropolitan regions in which we operate:

Source: Geoimóveis.

Recognized brand

We have existed for more than 23 years, and believe we enjoy strong brand recognition in the affordable entry-level housing segment in the metropolitan regions where we operate. We believe our brand is strongly linked to and commonly associated with the MCMV program in those regions. In addition to our extensive history in the affordable entry-level housing segment, we believe that the strength of our brand also rests on the strength of marketing campaigns that focus on the “Tenda” brand as an institution and not on specific Tenda products or projects as is more typical in the real estate segment.

Professional and highly experienced management team, entrepreneurial culture, and focus on generating sustainable results

Our executives have, on average, more than 12 years of experience in the real estate industry, and as a consequence, we believe they possess a broad understanding of our markets and clients, a capacity for planning, discipline and focus on continuous improvement of our results and our current business model. We aim to hire the best professionals in the market in terms of training and entrepreneurial profile, in line with our culture. We offer our principal executives attractive compensation packages linked to long-term incentives aligned with the interests of our shareholders. In 2014, we established a stock option plan for executives and key employees, with the objective of attracting and retaining executives and key employees by offering them the benefit of becoming our shareholders. We currently have 27 employees holding stock options representing 9% of our total capital stock.

Our Strategy

The main elements of our strategy are:

Continued focus on the Band 2 segment of the MCMV program

We intend to continue to focus our operations on the Band 2 segment of the MCMV program. We believe the affordable entry-level housing segment represents significant capacity for new housing projects, in particular because of the significant housing deficit in Brazil. According to a 2016 study published by the Construction Industry Department of FIESP, using the calculation method of the João Pinheiro Foundation (*Fundação João Pinheiro - FJP*), approximately 6.2 million families were affected by the housing deficit in 2014, of which 98.6% had an income of less than 10 times the monthly minimum wage which was R\$880, as of the date of this Information Statement. In addition, according to a 2014 study published by FGV, it is estimated that through 2024, Brazil will add 16.8 million

new families to its population. Accordingly, we believe the affordable entry-level housing segment presents latent and highly resilient demand.

In addition, the majority of projects for Band 2 of the MCMV program are funded by the FGTS, which is required by law to allocate 60% of its investments to the affordable entry-level housing segment. This limits our exposure to potential funding shortfalls. Given the reduced dependency on other federal funding, we believe that Band 2 is an efficient financing structure for the affordable entry-level housing segment, insofar as it permits a more stable and sustainable market dynamic in the long term.

Consolidate our leadership in the affordable entry-level housing segment in six of the largest metropolitan areas of Brazil in which we operate

We plan to grow organically and increase our market share within the affordable entry-level housing segment in six of the largest metropolitan areas in Brazil where we currently operate. One of our objectives is to capitalize on our strategic positioning and operational efficiency to acquire suitable real estate development sites. We believe the standardization and economy of scale of our construction methods within our current business model will allow us to grow and further increase our profitability because the increase in launched projects demands a low level of marginal administrative expenses.

Capture market share through the geographic expansion of our business

We believe we can successfully replicate our current business model in up to 14 metropolitan areas of Brazil in addition to the regions in which we currently operate, which would expand our geographical reach and market potential. Our geographical expansion will be gradual, disciplined and consistent with our current business model, with a focus on obtaining high returns on our investments. Launching projects in other metropolitan regions requires extensive study and planning, in particular as related to the preparation of senior employees who understand our business model. We estimate that it would take an average of four years between the decision to operate in a new metropolitan region and to launch a first project.

Focus on maximizing profitability with minimal risk exposure

Reduce working capital needs: We seek to achieve this through shorter construction cycles, high SoS ratios, and reduced time periods between the sale and pass-through of a unit;

Reduce execution risk: We expect to reduce execution risk through our continued focus on Band 2 segment of the MCMV program, the standardization of our products and processes, and the efficiency of our contracted launches and pass-through sales;

Simplify project management, permitting economies of scale: We seek to achieve this through continued focus on large and few markets, the standardization of products and processes, and the use of our simplified construction method; and

Streamline and simplify sales and construction processes: We seek to achieve this through continued focus on large markets, conducting sales efforts using our own salesforce and in our own showrooms, continued production and training our own construction workers.

The principal objective of this strategy is to increase profitability and minimize the financing and execution risks associated with our projects. We do not believe this focused strategy can be replicated in smaller markets as they would not permit a minimum scale and operational continuity. Our goal is to maximize return on shareholders' equity – not to become the largest affordable entry-level housing segment developer in the short-to-medium term.

The Separation

Overview

On February 6, 2014, Gafisa's board of directors authorized management to initiate studies for a potential separation of the Gafisa and Tenda business units into two independent publicly traded companies, both with respect to their operations and capital structure. The separation seeks to: (i) enable shareholders to allocate resources between Gafisa and Tenda in line with their interests and investment strategies; (ii) enable Gafisa and Tenda to respond faster to the opportunities in their target markets; (iii) establish sustainable capital structures for each of Gafisa and Tenda, based on each company's risk profile and strategic priorities; (iv) give greater visibility to the market on the individual performance of each of Gafisa and Tenda, enabling better assessment of intrinsic value; and (v) increase the ability of Gafisa and Tenda to attract and retain talent, through the development of appropriate cultures and compensation structures consistent with their different business moments and plans, providing a better alignment with the specific results of each business.

Pursuant to the separation, we will enter into certain separation and distribution agreements with Gafisa to effect the separation and provide a framework for our relationship with Gafisa after the separation. These agreements will provide for the allocation between Tenda and Gafisa of Gafisa's assets, liabilities and obligations subsequent to the separation (including with respect to transition services, employee matters, real and intellectual property matters, tax matters and certain other matters).

Furthermore, in connection with the separation, on December 14, 2016, the board of directors of Gafisa approved the entering into by Gafisa of the SPA with Jaguar, pursuant to which Gafisa will sell shares representing up to 30% of the total capital stock of Tenda, at a price equal to the Price per Share. Pursuant to the SPA, Gafisa will receive cash proceeds totaling R\$231.7 million, valuing Tenda's capital stock at R\$539.0

million. Jaguar is an exempt limited partnership controlled by a real estate private equity company focused exclusively on emerging markets outside the United States, which was founded by investment professionals with significant real estate market expertise and over 15 years of experience in Brazil.

The consummation of the transactions contemplated by the SPA is subject to the satisfaction of certain conditions precedent. In addition, the SPA contains customary statements and guarantees and indemnification obligations on Gafisa, which may require Gafisa to indemnify Jaguar under certain circumstances. For more information on the SPA, see “The Separation—Share Purchase and Sale Agreement.”

In connection with the reduction in Gafisa’s capital stock in the form of a distribution of Tenda common shares representing up to 50% of Tenda’s total capital stock to Gafisa’s shareholders, Gafisa will distribute the shares of Tenda common shares on a *pro rata* basis to the holders of Gafisa common shares. Each holder of Gafisa common stock will receive one share of common stock of Tenda for every one share of Gafisa common stock after the reverse split, held at Distribution Record Date. Immediately following the distribution, Gafisa shareholders as of the Distribution Record Date will own 50% of the outstanding shares of common stock of Tenda.

Immediately following the separation, Gafisa will continue to be a publicly traded company and Tenda will become an independent company from Gafisa, and will hold, through its subsidiaries, the assets and liabilities associated with Gafisa’s affordable entry-level housing segment in Brazil, and Gafisa may retain no more than a 20% interest in the total capital stock of Tenda (assuming that the sale to Jaguar is completed pursuant to the SPA).

The Gafisa board of directors believes separating the affordable entry-level housing segment from Gafisa’s development business through the distribution is in the best interests of Gafisa and its shareholders and has concluded the separation will provide Gafisa and Tenda with a number of opportunities and benefits, including the following:

Strategic and Management Focus. Permit the management team of each company to focus on its own strategic priorities with financial targets that best fit its own market and opportunities. The separation of the affordable entry-level housing from Gafisa’s development and marketing business will enable Gafisa and Tenda to perform and operate in a manner that is consistent with current internal and external views of the businesses. The management of each resulting corporate group will be able to concentrate on its core concerns and growth opportunities, and will have increased flexibility to design and implement corporate policies and strategies based on the characteristics of its business.

Resource Allocation and Capital Deployment. Allow each company to allocate resources and deploy capital in a manner consistent with its own priorities. Transactions that are not available to Gafisa or Tenda while Tenda remains integrated with Gafisa will be available once the two businesses are separated. Both businesses will have direct access to the debt and equity capital markets to fund their respective growth strategies.

Investor Choice. Provide investors, both current and prospective, with the ability to value the two companies based on their respective financial characteristics and make investment decisions based on those characteristics. Analysts who currently track the performance of Gafisa specialize primarily in high quality development and marketing businesses. Because investors and analysts underemphasize the affordable, entry-level business in making investment decisions and preparing analyses of Gafisa, the current integration of Gafisa's development business and affordable entry-level housing segment interferes with the ability of investors and analysts to properly value the two businesses. Separating the two businesses will provide investors with a more targeted investment opportunity so that investors interested in low-income housing companies will have the opportunity to acquire stock of Tenda as an independent affordable entry-level business. As a result, the separation may result in a combined post-separation trading value in excess of the current trading value of Gafisa.

The separation and sale/distribution of our common stock as described in this Information Statement is subject to the satisfaction or waiver of certain conditions. For more information, see "Risk Factors—Risks

Relating to the Separation” and “The Separation—Conditions to the Distribution” included elsewhere in this Information Statement.

Questions and Answers About the Separation and Distribution

Q: Why is Gafisa separating the affordable entry-level housing segment?

A: Gafisa's board of directors and management believe separating the affordable entry-level housing business will have the following benefits: it will enable (1) the management team of each company to focus on its own strategic priorities with financial targets that best fit its own market and opportunities; (2) each company to allocate resources and deploy capital in a manner consistent with its own priorities; and (3) investors, both current and prospective, to value the two companies based on their respective financial characteristics and make investment decisions based on those characteristics.

Q: How will Gafisa accomplish the separation of Tenda?

A: The separation involves the following:

(1) the reduction in Tenda's capital stock; and (2) the reduction in Gafisa's capital stock, which was approved at a Gafisa shareholders meeting held on February 20, 2017.

Gafisa's distribution to its shareholders of 50% of the shares of our common stock, through the aforementioned reduction in Gafisa's capital stock.

Following the separation, we will be a public company independent from Gafisa, and Gafisa may retain no more than a 20% interest in our total capital stock (assuming that the sale to Jaguar is completed pursuant to the SPA).

Q: What will I receive in the distribution as a Gafisa shareholder?

A: Gafisa will distribute one share of Tenda common stock for every one share of Gafisa common stock outstanding as of the Distribution Record Date, following the reverse split. You are not required to pay any cash or deliver any other consideration, including any shares of Gafisa common stock, for the shares of our common stock to be distributed to you.

Q: What is the record date for the distribution, and when will the distribution and the separation occur?

A: The Distribution Record Date is the date of record as of open of business in São Paulo, Brazil, on a business day in São Paulo, Brazil following the end of the 60-day period set forth in Article 174 of Brazilian Corporate Law, such business day to be specified in the Capital Reduction Shareholder Notice and expected to be on or about April 27, 2017. When we refer to the "Distribution Record Date" we are referring to that time and date.

Q: As a holder of shares of Gafisa common stock as of the Distribution Record Date, what do I have to do to participate in the distribution?

A: Shareholders of Gafisa common stock on the record date are not required to pay any cash or deliver any other consideration, including any shares of Gafisa common stock, for the shares of our common stock to be distributed to them.

The distribution was approved at a shareholders' meeting held on February 20, 2017, including (a) the reduction in Gafisa's capital stock, and (b) the offer to Gafisa's shareholders of preemptive rights to acquire the Offered Shares (including shares to be sold to Jaguar pursuant to the SPA).

Q: Why is shareholder vote required to approve the separation?

A: Gafisa is incorporated in Brazil. Pursuant to Brazilian law, a capital reduction in the capital stock of a company requires the approval of the company's shareholders. We note that the offer relating to the Offered Shares and the terms of such offer do not require shareholder approval.

Q: How will fractional shares be treated in the separation?

A: Prior to the separation, Gafisa's shareholders voted on, and approved, a reverse split of its shares to allow each Gafisa shareholder, at the record date, to receive one share of Tenda common stock for every one share of Gafisa common stock held by such shareholder on the record date. Thus, pursuant to the reduction in Gafisa's capital stock, its shareholders will not receive fractional post-capital stock reduction shares.

See “The Separation—Treatment of Fractional Shares—Reverse Split in Gafisa’s capital stock ” and “The Separation—Treatment of Fractional Shares—Split in Gafisa’s capital stock.”

Q: If I sell my shares of Gafisa common stock before or on the Distribution Record Date, will I still be entitled to exercise preemptive rights over the Offered Shares?

Beginning on the Preemptive Right Record Date and continuing up to and including the date of the completion of the term for the exercise of the preemptive right, there are two markets in Gafisa common stock: a “regular-way” market and an “ex-preemptive right” market. Shares of Gafisa common stock that trade on the regular-way market trade with an entitlement to exercise its preemptive right to acquire the Offered Shares. Shares that trade on the ex-preemptive right market trade without an entitlement to exercise its preemptive right to acquire the Offered Shares, so that holders who initially sell Gafisa shares ex-preemptive right will still be entitled to exercise its preemptive right to acquire the Offered Shares even though they have sold their shares of Gafisa common stock

A: after the Preemptive Right Record Date. Therefore, if you owned shares of Gafisa common stock on the Preemptive Right Record Date and sell those shares on the regular-way market before the term for the exercise of the preemptive right, you will also be selling the right to exercise the preemptive right over the Offered Shares. If you own shares of Gafisa common stock at Preemptive Right Record Date and sell these shares in the ex-preemptive right market on any date up to and including the term for the exercise of the preemptive right, you will still be able to exercise the preemptive right in respect of your ownership of the shares of Gafisa common stock that you sold. You are encouraged to consult with your financial advisor regarding the specific implications of selling your Gafisa common stock prior to or on the distribution date.

Q: If I sell my ADSs or GDSs before or on the Preemptive Right Record Date, will I still be entitled to receive any cash proceeds?

A: No. You would have to be an ADS holder on the record date (April 7, 2017). The ADS Depository has established 5:00 p.m. (NY time) on April 7, 2017 as the record date to determine the Gafisa ADS holders entitled to receive the net cash proceeds (if any) from the sale of the preemptive rights attributable to the Gafisa shares represented by Gafisa ADS, or the “ADS Rights Entitlement Record Date”. The ADS Depository will close the ADS books for ADS issuances and cancellations, and will not process any ADS issuances and cancellations, from close of business (NY time) on March 15, 2017 through close of business (NY time) on April 28, 2017 (or any extension thereof).

The GDS Depository has established 5:00 p.m. (NY time) on April 7, 2017 as the record date to determine the Gafisa GDS holders entitled to receive the net cash proceeds (if any) from the sale of the preemptive rights attributable to the Gafisa shares represented by GAFISA GDSs, or the GDS Rights Entitlement Record Date. The GDS Depository will close the GDS books for GDS issuances and cancellations from the close of business (NY time) on March 15, 2017 through the close of business (NY time) on April 28, 2017 (or any extension thereof).

Q: If I sell my shares of Gafisa common stock before or on the Distribution Record Date, will I still be entitled to receive Tenda shares in the distribution with respect to the shares?

Beginning the Distribution Record Date for holders of Gafisa shares, and continuing up to and including the distribution date, there are two markets in Gafisa common stock: a “regular-way” market and an “ex-distribution” market. Shares of Gafisa common stock that trade on the regular-way market trade with an entitlement to receive shares of our common stock to be distributed in the distribution. Shares that trade on the ex-distribution market trade without an entitlement to receive shares of our common stock to be distributed in the distribution, so that holders who initially sell Gafisa shares ex-distribution will still be entitled to receive shares of our common stock

A: even though they have sold their shares of Gafisa common stock after the record date. Therefore, if you owned shares of Gafisa common stock on the Distribution Record Date for Gafisa shares and sell those shares on the regular-way market before the distribution date, you will also be selling the right to receive the shares of our common stock that would have been distributed to you in the distribution. If you own shares of Gafisa common stock on the Distribution Record Date and sell these shares in the ex-distribution market on any date up to and including the distribution date, you will still receive the shares of our common stock that you

would be entitled to receive in respect of your ownership of the shares of Gafisa common stock that you sold. You are encouraged to consult with your financial advisor regarding the specific implications of selling your Gafisa common stock prior to or on the distribution date.

Q: If I sell my ADSs before or on the Distribution Record Date, will I still be entitled to receive Tenda shares in the distribution with respect to the ADSs?

A: No. You would have to be an ADS holder as of 5:00 pm (New York City time) on the same date that is established as the Distribution Record Date. When we refer to the “Distribution Record Date for Gafisa ADS holders” we are referring to that time and date. The ADS Depositary will establish the period to request Tenda shares to be from open of business in New York City on the date that is one business day following the Distribution Record Date for Gafisa ADS holders through close of business in New York City on the 10th business day in New York City following such date, or the “Tenda Share Request Period.” Gafisa ADS holders will receive the net cash proceeds from the sale of such Tenda shares as described below if such Gafisa ADS holders do not request, during the Tenda Share Request Period, to receive Tenda shares in a brokerage or custody account previously established by such Gafisa ADS holders in Brazil.

The ADS Depositary will close the ADS books for ADS issuances and cancellations, and will not process any ADS issuances and cancellations, from the close of business (NY time) on March 15, 2017 through close of business (NY time) on April 28, 2017 (or any extension thereof).

Q: Will the distribution affect the number of shares of Gafisa I currently hold?

A: Gafisa will conduct a reverse split of its capital stock before reducing its capital stock, so that each Gafisa shareholder will receive one share of Tenda common stock for every one share of Gafisa common stock held by such shareholder on the record date. Pursuant to the Gafisa ADS and GDS programs, each ADS and each GDS corresponds to two (2) Gafisa common shares and, therefore, for every one ADS and one GDS you own, after the reverse split on the Distribution Record Date, you will receive two (2) shares of Tenda common stock on the distribution date.

For more information about the reverse split in Gafisa’s capital stock and with respect to the ADSs, see “The Separation—Treatment of Fractional Shares—Reverse Split in Gafisa’s capital stock.”

Q: What are the U.S. federal income tax consequences of the distribution of shares of Tenda common stock and of rights to acquire the Offered Shares to U.S. shareholders?

A: The distributions of Tenda common shares and rights to acquire the Offered Shares (and the sale of such securities by the Depositary for the benefit of U.S. holders) will be taxable transactions for U.S. federal income tax purposes. If a U.S. Holder receives cash from the sale of the securities by the Depositary and the cash proceeds are insufficient to fund any tax liability on the distribution of the securities to the Depositary, the U.S. Holder will be required to pay the shortfall from other sources. See “The Separation—Certain U.S. Federal Income Tax Considerations.”

You should consult your tax advisor as to the particular consequences of the distributions to you, including the applicability and effect of any U.S. federal, state and local tax laws, as well as non-U.S. tax laws. For more information regarding U.S. federal income tax consequences to certain U.S. Holders of the distribution, see “The Separation—Certain U.S. Federal Income Tax Considerations.”

Q: Will I receive a stock certificate for Tenda shares distributed as a result of the distribution?

A: No. Registered holders of Gafisa common stock who are entitled to participate in the distribution will receive a book-entry account statement reflecting their ownership of Tenda common stock. For additional information, shareholders should contact Gafisa IR, in writing at ri@gafisa.com.br / dmcabrera@gafisa.com.br / mlsruarez@gafisa.com.br or through its website at www.gafisa.com.br/ri. Shareholders may call +55 (11) 3025-9242. See “The Separation—When and How You Will Receive the Distribution of Tenda Shares.”

Q: What if I hold my shares through a broker, bank or other nominee?

Gafisa shareholders who hold their shares through a broker, bank or other nominee will have their brokerage

A: account credited with Tenda common stock. For additional information, those shareholders should contact their broker or bank directly.

Q: What if I have stock certificates reflecting my shares of Gafisa common stock? Should I send them to the transfer agent or to Gafisa?

A: No, you should not send your stock certificates to the transfer agent or to Gafisa. You should retain your Gafisa stock certificates.

Q: Can Gafisa decide to cancel the distribution of the Tenda common stock even if all the conditions have been met?

Gafisa may cancel the distribution if (1) the reduction in Tenda's capital stock, approved by its shareholders on

A: December 14, 2016, is not consummated, (2) the distribution, becomes unlawful pursuant to applicable law; or (3) in connection with the reduction in Gafisa's capital stock, any Gafisa creditor objects to such capital stock reduction and such objection is not remedied.

Q: Will Tenda incur any debt prior to or at the time of the separation?

A: No. Tenda will not incur any debt prior to, or at the time of, the separation.

Following the separation, our debt obligations could restrict our business and may adversely impact our financial condition, results of operations or cash flows. In addition, our separation from Gafisa's other businesses may increase the overall cost of debt funding and decrease the overall debt capacity and commercial credit available to the businesses collectively. Also, our business, financial condition, results of operations and cash flows could be harmed by a deterioration of our credit profile or by factors adversely affecting the credit markets generally. See "Risk Factors—Risks Relating to the Separation."

Q: Does Tenda intend to pay cash dividends?

A: The declaration and amount of all future dividends will be determined by our board of directors and will depend on our financial condition, earnings, cash flows, capital requirements, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and any other factors that our board of directors believes are relevant. See "Dividend Policy."

Q: Will Tenda common stock trade on a stock market?

Yes. As part of the separation, Tenda has initiated the process to list its shares on the traditional segment of

A: BM&FBOVESPA so that the Tenda shares are accepted for trading by no later than the date they are to be delivered to shareholders of Gafisa.

Q: Will my shares of Gafisa common stock continue to trade?

A: Yes. Gafisa common stock will continue to be listed, and will continue to trade on the NYSE in the form of ADSs under the ticker symbol "GFA" and on the BM&FBOVESPA under the ticker symbol "GFSA3."

Q: Will the separation affect the trading price of my Gafisa stock?

A: Yes. The trading price of shares of Gafisa common stock immediately following the distribution is expected to be lower than immediately prior to the distribution because the trading price will no longer reflect the value of the affordable entry-level housing segment. We cannot provide you with any assurance regarding the price at which the Gafisa shares will trade following the separation.

Q: What will I receive in the distribution as a holder of Gafisa ADSs or Gafisa GDSs?

A: You will receive cash or Tenda shares in a previously established brokerage or custody account. Citibank, N.A., as ADS Depository for the Gafisa ADSs will receive and hold the shares of Tenda common stock that are to be distributed by Gafisa with respect to the shares of Gafisa common stock represented by ADSs as of the Distribution Record Date for holders of Gafisa shares. The Tenda shares of common stock so received will not be converted into American depositary shares to be distributed to Gafisa ADS holders. Instead, the Gafisa ADS holders as of 5:00 pm (New York City time) on the same date that is established as the Distribution

Record Date, the Distribution Record Date for Gafisa ADS holders, will be given the opportunity to request to receive the applicable Tenda shares that the ADS Depository is holding in Brazil. The ADS Depository will establish the period to request Tenda shares to be from open of business in New York City on the date that is one business day following the Distribution Record Date for Gafisa ADS holders through close of business in New York City on the 10th business day in New York City following such date, or the “Tenda Share Request Period.” Gafisa ADS holders will receive the net cash proceeds from the sale of such Tenda shares as described below if such Gafisa ADS holders do not request, during the Tenda Share Request Period, to receive Tenda shares in a brokerage or custody account previously established by such Gafisa ADS holders in Brazil. After the Tenda Share Request Period, the ADS Depository will use commercial reasonable efforts to sell the Tenda shares that have not been requested by Gafisa ADS holders or that it has not been able to deliver successfully to Gafisa ADS holders that have made a request to receive Tenda shares of common stock. Tenda shares requested by Gafisa ADS holders will be delivered only in Brazil into duly established custody and brokerage accounts. No delivery of Tenda shares will be made outside of Brazil. After the sale of Tenda shares, the ADS Depository will arrange for the conversion of the net cash proceeds from the sale into U.S. dollars upon the terms of the deposit agreement for the Gafisa ADSs and will remit the net cash proceeds (after deduction of applicable fees, taxes and expense) in U.S. dollars to the applicable ADSs holders who have not requested nor received the Tenda shares.

Note that the Brazilian broker or custodian must be a foreign corporation for U.S. income tax purposes, such as a Brazilian “*sociedade anônima*”.

The Tenda shares of common stock that are to be distributed to the GDS Depository as part of the reduction of Gafisa’s capital stock will not be converted into American or Global depositary shares for distribution to Gafisa GDS holders. At the request of Gafisa, the GDS Depository will give the Gafisa GDS holders of record as of the Distribution Record Date for Gafisa GDS holders the opportunity to request to receive in a brokerage or custody account, previously established by such holders in Brazil, the Tenda

shares that the GDS Depository received from Gafisa in the Gafisa capital reduction on terms identical to those described for Gafisa ADS holders above. Gafisa GDS holders will receive the net cash proceeds from the sale of such Tenda shares as described below if Gafisa GDS holders do not request, during the Tenda Share Request

Period, to receive Tenda shares in a brokerage or custody account previously established by such Gafisa GDS holders in Brazil. **No action is required of the Gafisa GDS holders at this point.** Promptly, after the Distribution Record Date for Gafisa GDS holders, the GDS Depositary will distribute to Gafisa GDS holders as of such record date instructions on how to request to receive the Tenda shares of common stock that the GDS Depositary has received in respect of the Gafisa shares represented by Gafisa GDSs. In the case of GDSs held through DTC, such instructions will be delivered to DTC for distribution to

its
participants.
As a holder of
Gafisa ADSs
or Gafisa
GDSs, what do

Q: I need to do to
participate in
the
distribution?

A: **No action is
required of
the Gafisa
ADS holders
or Gafisa
GDS holders
at this
point.** Promptly
after the
Distribution
Record Date
for Gafisa
ADS holders,
the ADS
Depository
will distribute
to Gafisa ADS
holders and to
Gafisa GDS
holders as of
such record
date
instructions on
how to request
to receive the
Tenda shares
of common
stock that the
ADS
Depository has
received in
respect of the
Gafisa shares
represented by
ADSs and the
Tenda shares
that the GDS
Depository has
received in
respect of the
Gafisa shares

represented by
Gafisa
GDSs. In the
case of ADSs
and GDSs held
through DTC,
such
instructions
will be
delivered to
DTC for
distribution to
its
participants.

What will
happen to

Q: outstanding
Gafisa stock
options?

We expect that
incentive
compensation

A: awards

generally will
be treated as
follows:
Outstanding
vested stock
options will be
equitably
adjusted to
preserve the
intrinsic value
of each
original option
grant and the
ratio of the
exercise price
to the fair
market value
of Gafisa
common stock
on the date of
the separation.
Any unvested
stock options
and stock
appreciation
rights held by
employees of
Gafisa

who are not and will not become employees of Tenda will be equitably adjusted to preserve the intrinsic value of each original option grant and the ratio of the exercise price to the fair market value of Gafisa common stock on the date of the separation.

Tenda will implement its own stock options plans for the individuals who are or will become employees of Tenda with long-term Tenda incentive awards of generally equivalent value.

Q: What will the relationship between Gafisa and Tenda be following the separation?

After the separation, each of Gafisa and Tenda will be independent companies with their own management teams and boards of directors.

A: However, in connection with the separation, we will enter into agreements with Gafisa that, among other things, govern the separation and allocate responsibilities for obligations arising before and after the separation, including, among others, obligations relating to our employees, taxes and real and intellectual property. See “The Separation—Agreements with Gafisa.”

Q: Will I have appraisal rights in connection with the separation and distribution?

A: No. Holders of Gafisa common stock are not entitled to appraisal rights in connection with the separation and distribution.

Q: Who is the distribution agent for the distribution?

A: **Itaú Corretora de Valores S.A.**

Capital Markets Services

Av. Eng. Armando de Arruda Pereira, 707,

Torre Eudoro Villela, 9th floor

São Paulo – SP 04344-902

Tel.: (55 11) 3003-9285 (metropolitan region)

0800-720-9285 (other regions in Brazil)

Q: Who can I contact for more information?

You should contact the Information Agent if

A: you have any questions related to the Separation:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York, 10016

(212) 929-5500 (Call Collect)

or

Call Toll-Free: (800) 322-2885

E-mail: info@mackenziepartners.com

If you have questions relating to the mechanics of the distribution, you should contact the distribution agent:

Itaú Corretora de Valores S.A.

Capital Markets Services

Av. Eng. Armando de Arruda Pereira, 707,

Torre Eudoro Villela, 9th floor

São Paulo – SP 04344-902

Tel.: (55 11) 3003-9285 (metropolitan region)

0800-720-9285 (other regions in Brazil)

Before the separation, if you have questions relating to the separation and distribution, you should contact Gafisa at:

Gafisa S.A. – Investors Relations

Av. Nações Unidas, 8501 – 19th floor

São Paulo – SP 05425-070

Tel.: (55 11) 3025-9305

Fax: (55 11) 3025-9348

E-mail: ri@gafisa.com.br

Summary of the Separation and Distribution

The following is a summary of the material terms separation and distribution and other related transactions.

Distributing company	Gafisa S.A., a Brazilian corporation.
Spun-off company	Construtora Tenda S.A., a Brazilian corporation, is a wholly owned subsidiary of Gafisa and, at the time of the separation, will become an independent company and will hold, through its subsidiaries, all of the assets and liabilities of Gafisa’s affordable entry-level housing segment in Brazil.
Spun-off company structure	At the time of the distribution Tenda will own, directly or indirectly, the shares of a number of subsidiaries operating its businesses.
Distribution Record Date for holders of Gafisa shares	The record date in Brazil for the distribution is the date of record as of open of business in São Paulo, Brazil, on a business day in São Paulo, Brazil, following the end of the 60-day period set forth in Article 174 of Brazilian Corporate Law, such business day to be specified in the Capital Reduction Shareholder Notice, and expected to be on or about April 27, 2017.
Share Distribution date	The distribution date shall be specified in the Capital Reduction Shareholder Notice.
Capital Reduction Shareholder Notice	Notice to be issued by Gafisa to its shareholders following the end of the 60-day period set forth in Article 174 of Brazilian Corporate Law.
Distributed securities	Gafisa will distribute 50 percent of the shares of Tenda common stock outstanding immediately prior to the distribution. Based on the approximately 27,000,000 shares of Gafisa common stock expected to be outstanding immediately after the reverse split, and applying the distribution ratio of one share of Tenda common stock for every share of Gafisa common stock, Gafisa will distribute approximately 27,000,000 shares of Tenda common stock to Gafisa shareholders who hold Gafisa common stock as of the Distribution Record Date for holders of Gafisa shares. Each holder of Gafisa common stock will receive one share of Tenda common stock for every share of Gafisa common stock held at the Distribution Record Date for holders of Gafisa shares.
Distribution ratio	Pursuant to the Gafisa ADS and GDS programs, each ADS and each GDS corresponds to two (2) Gafisa common shares and, therefore, for every one ADS and one GDS you own, after the reverse split on the Distribution Record Date, you will receive two (2) shares of Tenda common stock on the distribution date.
Fractional shares	No fractional shares are expected.
Distribution method	Tenda common stock will be issued only by direct registration in book-entry form. Registration in book-entry form is a method of recording stock ownership when no physical paper share certificates are issued to shareholders, as is the case in this distribution.
Conditions to the distribution	The distribution is subject to the satisfaction of certain conditions described in this Information Statement in “The Separation—Conditions to the Distribution”.

Stock exchange listing	<p>As part of the separation, Tenda has initiated the process to list its shares on the traditional segment of BM&FBOVESPA so that the Tenda shares are accepted for trading by no later than the date they are to be delivered to shareholders of Gafisa.</p>
Dividend policy	<p>The declaration and amount of all future dividends will be determined by our board of directors and will depend on our financial condition, earnings, cash flows, capital requirements, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and any other factors that our board of directors believes are relevant. For more information, see “Dividend Policy.”</p>
Transfer agent	<p>Itaú Corretora de Valores S.A.</p>
U.S. federal income tax consequences	<p>The distributions of Tenda common shares and rights to acquire the Offered Shares (and the sale of such securities by the Depositary for the benefit of U.S. Holders) will be taxable transactions for U.S. federal income tax purposes. If a U.S. Holder receives cash from the sale of the securities by the Depositary and the cash proceeds are insufficient to fund any tax liability on the distribution of the securities to the Depositary, the U.S. Holder will be required to pay the shortfall from other sources. See “The Separation—Certain U.S. Federal Income Tax Considerations.”</p>

For more information regarding U.S. federal income tax consequences to certain U.S. Holders of the transactions contemplated hereunder and the ownership and disposition of Tenda common shares, see “The Separation—Certain U.S. Federal Income Tax Considerations.”

Risk Factors

You should carefully consider each of the following risks and all of the other information contained in this Information Statement. Some of these risks relate principally to our separation from Gafisa, while others relate principally to our business and the industry in which we operate or to the securities markets generally and ownership of our common stock.

Our business, prospects, financial condition, results of operations or cash flows could be materially and adversely affected by any of these risks, and, as a result, the trading price of our common stock could decline.

Risks Relating to the Separation

We may not realize the potential benefits from the separation, and our historical consolidated and pro forma financial information is not necessarily indicative of our future prospects.

We may not realize the potential benefits we expect from our separation from Gafisa. We have described those anticipated benefits elsewhere in this Information Statement. See “The Separation—Reasons for the Separation.” In addition, we will incur significant costs, including those described below, which may exceed our estimates, and we will incur some negative effects from our separation from Gafisa, including loss of access to some of the financial, managerial and professional resources from which we have benefited in the past.

Our historical consolidated and unaudited *pro forma* condensed combined financial information is not necessarily indicative of our future financial condition, future results of operations or future cash flows, nor does it reflect what our financial condition, results of operations or cash flows would have been as an independent public company during the periods presented. In particular, the historical consolidated financial statements are not necessarily indicative of our future financial condition, results of operations or cash flows primarily because of the following factors:

Our historical consolidated financial statements reflect allocations of expenses for services historically provided by Gafisa, and those allocations may be significantly lower than the comparable expenses we would have incurred as an independent company.

Our working capital requirements historically have been satisfied as part of Gafisa’s corporate-wide cash management programs, and our cost of debt and other capital may significantly differ from that reflected in our historical consolidated financial statements.

The historical consolidated financial statements may not fully reflect the costs associated with the separation, including the settlement of intercompany accounts and all costs related to being an independent company registered with Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários*) under the category “A”.

The historical consolidated financial statements may not fully reflect the effects of certain liabilities that we will incur or assume.

We based the *pro forma* adjustments on available information and assumptions that may prove not to be accurate. In addition, our unaudited *pro forma* condensed combined financial information may not give effect to various ongoing additional costs we may incur in connection with being an independent public company. Accordingly, our unaudited *pro forma* condensed combined financial statements do not reflect what our financial condition, results of operations or cash flows would have been as an independent public company and is not necessarily indicative of our future financial condition or future results of operations.

Please refer to “Selected Financial Data of Tenda,” “Unaudited *Pro Forma* Condensed Combined Financial Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our historical consolidated financial statements and the notes to those statements included elsewhere in this Information Statement.

Until the distribution occurs, Gafisa has sole discretion to change the terms of the distribution in ways that may be unfavorable to us.

Until the distribution occurs, Tenda will be a wholly owned subsidiary of Gafisa. Although the distribution and separation were approved by the board of Gafisa on December 14, 2017, it remains subject to the satisfaction or waiver of certain conditions, some of which are in the sole and absolute discretion of Gafisa. Additionally, Gafisa has the sole and absolute discretion to change certain terms of the distribution, which changes could be unfavorable to us. In addition, Gafisa may decide at any time prior to the distribution not to proceed with the separation or the distribution.

The consummation of the transactions contemplated by the SPA is subject to the satisfaction of certain conditions precedent.

The consummation of the transactions contemplated by the SPA is subject to, among others, the following conditions precedent:

a reduction in Tenda's capital stock, without cancellation of shares, consisting of cash payments by Jaguar to Gafisa totaling R\$100.0 million, adjusted by reference to the Brazilian short-term interest rate (*Sistema Especial de Liquidação e Custódia*), or SELIC rate, R\$50.0 million of which will be due and payable on December 31, 2018, with the remaining amount due and payable on December 31, 2019;

a reduction in Gafisa's capital stock, without the cancellation of shares, in the form of a distribution of Tenda common shares to Gafisa's shareholders, representing up to 50% of Tenda's total capital stock; and

the conclusion of the procedures related to the exercise by Gafisa shareholders of their preemptive rights to acquire, on a *pro rata* basis, the Offered Shares at the Price per Share.

Additionally, consummation of the separation is subject to the obtaining of required approvals from the relevant regulatory authorities and obtaining the consent of certain creditors and other third parties.

If any of the conditions precedent set forth in the SPA are not satisfied or waived, or if we do not obtain the necessary approvals and creditor/third parties' consents, the separation may be cancelled.

In connection with our separation from Gafisa, Gafisa will indemnify us for certain liabilities and we will indemnify Gafisa for certain liabilities. If we are required to act under these indemnities to Gafisa, we may need to divert cash to

meet those obligations and our financial results could be negatively impacted. The Gafisa indemnity may not be sufficient to insure us against the full amount of liabilities for which it will be allocated responsibility, and Gafisa may not be able to satisfy its indemnification obligations to us in the future.

Pursuant to the Separation and Distribution Agreement and certain other agreements with Gafisa, Gafisa agreed to indemnify us for certain liabilities, and we agreed to indemnify Gafisa for certain liabilities, as discussed further in “The Separation—Agreements with Gafisa.” Indemnities that we may be required to provide Gafisa are not subject to any cap, may be significant and could negatively impact our business. Third parties could also seek to hold us responsible for any of the liabilities that Gafisa has agreed to retain, and under certain circumstances, we may be subject to continuing contingent liabilities of Gafisa following the separation. Further, Gafisa may not be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Gafisa any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. Each of these risks could negatively affect our business, results of operations and financial condition.

We potentially could have received better terms from unaffiliated third parties than the terms we receive in our agreements with Gafisa.

The agreements we will enter into with Gafisa in connection with the separation will have been negotiated while we were still a wholly owned subsidiary of Gafisa. See “The Separation—Agreements with Gafisa.” Accordingly, during the period in which the terms of those agreements will have been negotiated, we will not have had an independent board of directors or a management team independent of Gafisa. The terms of the agreements under negotiation in the context of the separation relate to, among other things, the allocation of assets, liabilities, rights and other obligations between Gafisa and us. Arm’s-length negotiations between Gafisa and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business transaction, may have resulted in more favorable terms to the unaffiliated third party.

Certain members of our board of directors and management may have actual or potential conflicts of interest because of their ownership of shares of common stock of Gafisa and the overlap of a portion of our Board with the board of directors of Gafisa.

Ownership by certain of our executive officers and directors of Gafisa common stock and/or stock options to purchase Gafisa common stock or other equity-based awards could create potential conflicts of interest when these executive officers and directors are faced with decisions that could have different implications for Gafisa and us.

In addition, although Gafisa and Tenda will operate independently of one another, the board of directors of each will have members in common after the separation. The overlap of our board with the board of directors of Gafisa could create actual or potential conflicts of interest.

There is no clear guidance under Brazilian law regarding the income tax consequences to non-residents of Brazil resulting from the reduction of Gafisa's capital stock by virtue of the distribution of Tenda shares to Gafisa shareholders.

There is no specific legal provision or judicial or administrative court precedent regarding the Brazilian income tax consequences to non-residents of Brazil resulting from the reduction of Gafisa's capital stock, without the cancellation of shares, by virtue of the distribution of Tenda common shares to Gafisa shareholders. Based on the advice of our external Brazilian tax advisors, we believe that there are reasonable legal grounds to sustain that the receipt by non-residents of Brazil of Tenda common shares and the corresponding reduction of Gafisa's capital would not be subject to income tax on capital gains pursuant to Brazilian income tax laws. Accordingly, Gafisa does not intend to withhold any tax with respect to the distribution of the Tenda common shares. However, this position may not prevail, in which case Gafisa could be held liable before the Brazilian tax authorities for not having withheld the applicable withholding income tax on the taxable capital gains of non-residents of Brazil, including any applicable interest and penalties. While those non-resident holders would not be directly liable to the Brazilian tax authorities in such a case, Gafisa reserves the right to seek a reimbursement from them for any such subsequently paid withholding income tax, except for any applicable interest and penalties.

The distributions of Tenda common shares and of rights to acquire the Offered Shares will be taxable transactions for U.S. federal income tax purposes.

The distributions of Tenda common shares and rights to acquire the Offered Shares (and the sale of such securities by the Depositary for the benefit of U.S. holders) will be taxable transactions for U.S. federal income tax purposes. However, the proper U.S. federal income tax treatment of the distribution of the rights to acquire the Offered Shares is not entirely clear. If a U.S. holder receives cash from the sale of the securities by the Depositary, and the sale proceeds are insufficient to fund any tax liability on the distribution of the securities to the Depositary, the U.S. holder will be required to pay the shortfall from other sources. See "The Separation—Certain U.S. Federal Income Tax Considerations."

There can be no assurance that Gafisa or Tenda will not be a passive foreign investment company for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. Holders of Tenda common shares or Gafisa common shares, ADSs or GDSs.

In general, a non-U.S. corporation is a passive foreign investment company, or “PFIC,” for any taxable year if: (1) 75% or more of its gross income consists of passive income (the “income test”) or (2) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income (including cash and cash equivalents). Generally, “passive income” includes interest, dividends, rents, royalties and certain gains. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Because each of Gafisa and Tenda’s PFIC status is an annual determination that can be made only after the end of each taxable year, and because the PFIC status will depend on the composition of income and assets for each such year, there can be no assurance that Gafisa or Tenda will not be a PFIC for the current or any other taxable year. Moreover, after the distribution of the Tenda common shares Gafisa will own less than 25% of Tenda shares and, therefore, Gafisa’s income and assets will no longer include Tenda’s income and assets for purposes of determining Gafisa’s PFIC status. On a non-consolidated basis (i.e., without taking into account Tenda’s income), Gafisa had financial income for the 2016 taxable year in an amount that is substantial relative to its gross margin. Gafisa may become a PFIC if

its financial income for any taxable year constitutes 75% or more of its gross income (generally, the sum of Gafisa's financial income and gross margin) for such year.

If Gafisa or Tenda were a PFIC for any taxable year during which a U.S. holder owned its common shares, ADSs, or GDSs, certain adverse U.S. federal income tax consequences could apply to such U.S. holder. See "The Separation—Certain U.S. Federal Income Tax Considerations."

Transfer or assignment to us of certain contracts and other assets may require the consent of a third party. If such consent is not given, we may not be entitled to the benefit of such contracts, investments and other assets in the future.

Transfer or assignment of certain of the contracts and other assets in connection with our separation from Gafisa may require the consent of a third party to the transfer or assignment. Similarly, in some circumstances, we are joint beneficiaries of contracts, and we will need to enter into a new agreement with the third party to replicate the existing contract or assign the portion of the existing contract related to our business. Some parties may use the requirement of consent to seek more favorable contractual terms from us. If we are unable to obtain such consents on commercially reasonable and satisfactory terms, we may be unable to obtain some of the benefits, assets and contractual commitments that are intended to be allocated to us as part of our separation from Gafisa. In addition, where we do not intend to obtain consent from third-party counterparties based on our belief that no consent is required, the third-party counterparties may challenge the transaction on the basis that the terms of the applicable commercial arrangements require their consent. We may incur substantial litigation and other costs in connection with any such claims and, if we do not prevail, our ability to use these assets could be adversely impacted.

Risks Relating to Our Business and to the Brazilian Real Estate Industry

Our current business model focuses exclusively on real estate developments qualifying under Band 2 of the Brazilian government's Minha Casa Minha Vida (MCMV) program. Any failure by the Brazilian government to implement this program, any suspension or cancellation of the program, or any lack of financing under or delay in the program would materially affect our growth and results of operations.

In April 2009, the Brazilian government created the "My House, My Life" (*Minha Casa Minha Vida*) housing program, or the MCMV program. The second phase of the MCMV program was announced in 2010 and ran from 2011 to 2014. The MCMV program aims to reduce the housing shortage in Brazil by using government funding and subsidies to support the construction of housing for families with monthly incomes ranging from one to ten times the Brazilian national minimum wage. The financing is delivered exclusively through state-owned banks Caixa Econômica Federal, or CEF, and Banco do Brasil, or BB.

The third phase of the MCMV program, announced in 2016, contemplates building 2 million housing units by 2018. The third phase revised the income bands and subsidies and introduced a new income band for the program, Band 1.5, for monthly incomes ranging from R\$1,800 to R\$2,350. Recently, the government ordered a freeze of contracts in Band 1 of the MCMV program.

Following the restructuring of our business model in 2013, we shifted our focus to real estate developments which qualify under Band 2 of the MCMV program. As a result, we depend significantly on the availability of financing for our clients through the Brazilian government's MCMV program. Any failure by the Brazilian government to implement the MCMV program, any suspension or cancellation of the MCMV program, or any delay in the MCMV program would materially affect our growth and results of operations. Moreover, any scarcity of financing for the program, increased interest rates, reduced financing periods, reduced availability of financing per housing unit, reduced subsidies offered and/or changes in other financial conditions would negatively affect the performance of the segment and adversely affect our results of operations.

The real estate industry depends on the availability of credit, especially for developments in the affordable entry-level housing segment.

One of our main strategies is to expand our operations in the affordable entry-level housing segment, in which clients depend on bank loans to purchase housing units. This financing may not be available to our clients on attractive terms, if at all. Changes in the rules of the System for Financing Real Estate (*Sistema de Financiamento Imobiliário*), or the SFI, the System for Financing Housing (*Sistema Financeiro de Habitação*), or the SFH, a scarcity in available FGTS financing resources, or an increase in interest rates may affect the ability or desire of

potential clients to finance their real estate acquisitions, consequently reducing the demand for the housing units we sell. Any such developments may also lead to an increase in defaults among existing persons who have acquired housing units in reliance on financing. These factors could have an adverse effect on our business, financial condition and results of operations.

We rely on significant funding from the associative credit plan of the CEF and BB, and are subject to institutional and other changes at these state-owned entities.

We rely on a variety of financing programs established by CEF and BB for the purpose of financing the construction of affordable entry-level housing units. We currently obtain all of the financing for our developments through CEF and BB. Because these state-owned banks are subject to greater political interference than private sector banks, they may change their policies for the concession of credit for reasons out of our control, which may reduce the availability of such financings or change the terms on which such financings are available in a manner detrimental to us. The cancellation, suspension, interruption or significant change in the volume and terms of these financings may adversely affect our results of operations. Similarly, a suspension, interruption or slowdown in the activities of CEF and BB in approving projects and providing financing to our clients would adversely impact our operations, financial condition and results of operations.

In addition, most of the funding used in the financing of our clients rely on funding from the FGTS. The FGTS is managed by a board of trustees composed of entities representing workers, employers and representatives of the Brazilian government. As a result, the availability of financing and the terms of such financing may be modified as a result of factors which are beyond our control, which may adversely affect the real estate sector and our business. In addition, the Brazilian government may shift its focus to other sectors and reduce the funds available for financing the real estate sector and more specifically the sector in which we operate.

CEF and BB provide a majority of mortgage loans in the affordable entry-level housing segment. Any decrease in the availability of such mortgages could force us to seek new sources of financing and have an adverse effect on our business, financial condition and results of operations as financing under the same terms as those offered by CEF and BB is scarce.

Our inability to raise sufficient capital to finance our developments could delay the launch of new projects and adversely affect our business.

The continued development of our business will require significant capital to finance our investments and operating expenses, including working capital, which we may be unable to obtain on acceptable terms, if at all. We may fail to generate sufficient cash flows from our operations to meet our cash requirements. Furthermore, our capital requirements may differ substantially from management's estimates if, for example, our sales and pass-throughs do not reach the expected levels, or if we must incur unforeseen expenditures or make investments to maintain our

competitive position. If any of the aforementioned developments occurs, we may require additional capital or financing sooner than anticipated, or we may have to delay some of our new development plans or otherwise forego market opportunities. Borrowing instruments, such as credit facilities, are likely to contain restrictive covenants, particularly in light of the recent economic downturn in Brazil and the resulting scarcity of credit, and/or may require us to pledge assets as security for borrowings under those facilities. Our inability to obtain additional capital on satisfactory terms may delay or prevent the expansion of our business, which could have an adverse effect on our business.

If we are not able to implement our growth strategy as planned, or at all, our business, financial condition and results of operations could be adversely affected.

We plan to grow by selectively expanding our business. We believe there is increasing competition for suitable sites for real estate development, and we may not be able to find suitable additional sites for developing new projects or other satisfactory expansion opportunities, such as expanding into metropolitan regions of Brazil in which we do not operate. The recent growth in the Brazilian real estate sector, has encouraged expanded operations among the existing competitors in this market and incentivized other market participants and new entrants to resume activity in this sector. The resulting increase in competition could adversely affect our business, financial condition, and results of operations.

In addition, we may encounter operational difficulties in expanding our business into regions in which we have not previously operated. Net income margins in new regions may be lower than our projections, making it unfeasible or unattractive to continue to expand in these new regions.

Our production strategy entails a minimum operating threshold of production volumes in each geographic market in which we operate in order to generate returns that are attractive to shareholders.

Our production strategy is to build using aluminum-mold technology, which demands specific training for construction workers, and involves higher direct costs. Given the need for specialized employees, the cost of mobilizing and demobilizing personnel is high, and maintaining employees idle generates losses for us. In order for us to be cost competitive, we must operate above a minimum threshold of production volume. If this minimum threshold is not reached, our results and capacity for growing and generating returns that are attractive to shareholders could be adversely affected.

Because we recognize sales revenue from our real estate properties under the percentage of financial completion accounting method, an adjustment in the cost of a development project may reduce or eliminate previously booked revenue and income.

We recognize revenue from the sale of units in our properties based on the financial percentage of completion method of accounting, which requires us to recognize revenue as we incur the cost of construction. Total cost estimates are revised on a regular basis as the work progresses, and adjustments based upon such revisions are reflected in our results of operations in accordance with the accounting method used. To the extent these adjustments result in a reduction or elimination of previously reported income, we will recognize a charge against income, which could have an adverse effect on our previously recorded revenue and income.

Problems relating to meeting construction deadlines and completing our real estate developments may damage our reputation or expose us to indemnification and civil liability, and decrease our profitability.

Quality in the execution of our real estate developments and their timely completion are major factors that affect our reputation, and therefore our sales and growth. We may experience delays in the execution of our developments, or defects in materials and/or workmanship. Any defects could delay the completion of our real estate developments, or, if such defects are discovered after completion, expose us to civil lawsuits by purchasers or tenants. These factors may also adversely affect our reputation as a contractor for third party projects, since we are responsible for our construction services and the building itself for five years. Construction projects often involve delays in obtaining, or an inability to obtain, licenses, permits or approvals from the relevant authorities. In addition, construction projects may also encounter delays due to adverse weather conditions, natural disasters, fires, delays in the provision of materials or labor, accidents, labor disputes, unforeseen engineering, environmental or geological problems, disputes with contractors and subcontractors, strikes by employees, subcontractors or suppliers, unforeseen conditions in and

around construction sites, disputes with surrounding property owners, or other events. If any such events occur (whether individually or in combination), we may be required to correct the problem prior to resuming construction, which may delay execution of the development in question. The occurrence of one or more of these problems in our real estate developments could adversely affect our reputation, our future sales and our financial condition.

We may incur construction and other development costs for a project that exceed our original estimates due to increases in interest rates, in the costs for materials and labor, or in any other costs or expenses that we may not be able to pass along to purchasers. Any construction delays, scarcity of skilled workers, cost overruns or adverse conditions may also increase our project development costs. In addition, delays in building and finishing a development may generate delays in receiving cash flows, which would increase our capital needs, and generate contingencies with buyers of the units in the developments due to late delivery. Any of the aforementioned developments may adversely affect our business, results of operations and financial condition.

Our activities are subject to environmental regulations, which may increase our cost and limit the development of our business or otherwise adversely affect our activities.

Our operations are subject to federal, state and municipal environmental laws and regulations. Environmental norms may cause delays in the projects developed or cause us to incur significant costs for compliance. In addition, environmental legislation may prohibit or severely restrict incorporation and construction activity in

environmentally sensitive areas or other areas. Laws governing the Brazilian real estate industry, as well as environmental laws, tend to become more restrictive and any increase in restrictions may adversely affect us.

In addition, zoning and environmental protection laws may be altered after the acquisition of a plot of land or during the development of the project, which may lead to delays and modifications to the commercial objective initially projected, resulting in an adverse effect to our business and estimated results.

We are required to obtain licenses and authorizations from various governmental authorities to develop our real estate development activity, and new laws or regulations may be approved, implemented or interpreted in a way that adversely affects our operating results, as they become more rigid.

A loss of members of our management and an inability to recruit and retain qualified personnel may have a material adverse effect on our business, financial condition and results of operations.

Our capacity to maintain our competitive position depends in large part on the services provided by our senior management, and none of our current administrators are bound to us by long-term labor contracts or non-compete agreements. We cannot assure you that we will be successful in recruiting and retaining qualified professionals to form part of our management and maintain our current growth rate. The loss of any key professionals or our inability to attract or retain qualified personnel may have an adverse effect on our business, financial condition and results of operations.

We may once again be included on the “Employer Blacklist,” which can adversely affect our image and consequently our business and financial condition.

We were included in the list of employers who allegedly submit employees to “slave-like conditions” released by the Ministry of Labor on July 1, 2014 when the employers' registry of workers in “slave-like conditions” was regulated by an administrative order. We filed a writ of mandamus alleging failure by the Minister of Labor to comply with due process of law in violation of certain constitutional rights. We obtained injunctive relief on July 18, 2014 and were removed from the “Employer Blacklist” on that date. On May 27, 2016, the injunction we had obtained was vacated in light of the promulgation of Ordinance No. 4/16. We appealed this decision and the injunctive relief was restored on June 30, 2016. See “Business—Legal and Administrative Proceedings.”

Currently, the “Employer Blacklist” for workers in “slave-like conditions” is regulated by an administrative order issued in May 2016. This new order does not yet set forth the procedure for establishing the elements of “slave-like conditions,” nor does it specify the criteria which must be met in order to be included on or removed from the “Employer Blacklist.” Given the lack of clarity and objectivity of the order that governs the “Employer Blacklist,” there is a risk we could be

included on the “Employer Blacklist”, which could adversely affect our image, limit our ability to obtain financing and result in significant legal proceedings, which could affect our business and results of operations.

Increased competition in Band 2 of the MCMV program could adversely affect our grown strategy.

The real estate sector in Brazil is highly competitive and we could lose market share in certain circumstances. With the recent freeze on contracts in Band 1 of the MCMV program, companies that previously were active in this segment could migrate to Bands 2 and 3 of the MCMV program, thereby increasing competition in acquiring land, contracts for new projects with financial institutions, and seeking potential buyers. The entrance of new competitors in Band 2 of the MCMV program could affect our operating and financial results, if we are not able to react quickly and effectively to competitive market pressures. In addition, our competition may have access to financial resources on better terms than we do, and consequently establish a capital structure more suited to market pressures, which could adversely affect our results of operations.

There are risks for which we do not have insurance coverage, and the insurance coverage we have in place may not be sufficient to cover us against substantial losses.

We maintain insurance policies with coverage for certain risks, including losses of assets, engineering risks, fire, collapses, landslides, storms, gas explosions and civil liabilities stemming from construction errors. However, there can be no assurance that such policies will always be available or provide sufficient coverage for any damages under such claims. In addition, there are certain types of risks that may not be covered by our policies, such as war, acts of God, *force majeure* or the interruption of certain activities. Furthermore, we may be required to pay

penalties and other fines whenever there is delay in the delivery of our units, and such penalties and fines are not covered by our insurance policies. Moreover, we cannot guarantee that we will be able to renew our current insurance policies on favorable and adequate terms, if at all. Any substantial losses resulting from our insufficient insurance coverage or our inability to renew existing insurance policies, could adversely affect our business, financial condition and results of operations.

We may sell parts of our land portfolio located in non-strategic regions, in line with our strategies. Depending on the timing and pricing of the sale, we may not receive as much as we paid for the land, or lose out on any appreciation in the region.

As part of our strategy of focusing future operations on regions in which we have experience and in which we believe there is potential for building housing based on market opportunities, we may sell parts of our land portfolio located outside these regions. Depending on the timing and pricing of the sale, we may not receive the book value of the land, or lose out on any appreciation in the region.

Depending on the assessment of the land available for sale and its market value in the region in which it is located, we may be obligated to alter our provision for impairment of land and properties for sale, which could adversely affect our results of operations and financial condition.

Our participation in SPEs creates additional risks, including potential problems in our financial and business relationships with our partners.

We invest in special purpose entities (*Sociedades de Propósito Específico*), or SPEs, with other real estate developers and construction companies in Brazil. The risks involved with SPEs include the potential bankruptcy of our SPE partners and the possibility of divergent or inconsistent economic or business interests between us and our partners. If an SPE partner fails to perform its obligations in relation to the SPE or is financially unable to bear its portion of the required capital contributions, we could be required to make additional investments and provide additional services in order to make up for our partner's shortfall. In addition, the partners in an SPE may be held liable for certain obligations of an SPE, including with respect to tax, labor, environmental and consumer protection matters. These risks, should they materialize, could adversely affect our business and results.

Our results depend on the results of our SPEs, which may not be forthcoming.

We operate through SPEs. Our ability to meet our financial obligations and pay dividends to shareholders depends on the cash flow and net income of these entities, as well as the distribution of that net income in the form of dividends, including distributions of net income in the form of interest on shareholders' equity or through capital reductions.

Some of our SPEs have been constituted in partnership with third party developers and builders. We exercise control over such SPEs' financial transactions and they are restricted from making dividend distributions unless all of their obligations have been paid in full or unless the SPEs' shareholders approve such distributions. We cannot assure you that the net income of the SPEs will be distributed to us, or that, if distributed, they will be sufficient to both meet our financial obligations and pay dividends to our shareholders. Our financial condition and results of operations may be materially and adversely affected if the net income distributed by our SPEs are not distributed to us or are insufficient to cover our obligations and pay dividends to our shareholders. In addition, our financial condition and results of operations may be materially and adversely affected if the regulations on the distribution of net income from the SPEs in which we hold equity interests are amended.

Implementing new technologies and construction methods in the new current business model may involve risks associated with technical assistance and maintenance.

One of the pillars of our new current business model is the use of aluminum-mold technology. Aluminum-mold technology is a recently developed technology involving new building methods. Accordingly, there may be unanticipated risks associated with technical assistance and maintenance, including undetected building defects, entailing liabilities that could adversely affect our results. In addition, there are few domestic and international suppliers qualified to furnish aluminum molds. Problems with these suppliers, including delays or failures in the supply of the material in the medium- and long term, may result in delays in developing new projects, a reduction in the volume of new projects or even delays to initiate construction of already approved and launched projects, which may have an adverse effect on our business, results of operations and financial condition.

Increases in the prices of raw materials may increase the cost of our developments and reduce our earnings.

The construction materials we use to build real estate include concrete, concrete blocks, steel, bricks, windows, doors, tiles and pipes, among other materials. Increases in the prices of these and other raw materials, including increases that may occur as a result of shortages, taxes, restrictions or fluctuations in exchange rates, could increase the cost of the developments which we undertake and adversely affect our business.

We may be held principally or jointly liable for the labor and social security obligations of our third-party contractors.

If the third parties that provide services to us fail to comply with certain obligations under Brazilian labor law, we may be held principally or jointly liable for the labor debts of our third-party contractors, and thus be sued or required to pay fines imposed on us by the competent authorities. As of September 30, 2016, more than 53% of labor claims against us were brought by employees of our third-party contractors, totaling R\$18.1 million. Most of our major labor contingencies relate to outsourced services. If we are held liable for all or substantially all of these claims, our business, financial condition and results of operations could be adversely affected.

We may be held jointly liable for environmental damage caused by our suppliers.

Under Brazilian civil law, environmental damage entails strict liability. The obligation to repair environmental damage caused may be imposed upon all parties deemed to be involved in such damage, whether directly or indirectly and regardless of such parties' actual culpability. Furthermore, when we hire third parties to perform works for us, such as managing contaminated areas, cutting back vegetation, building, or disposing of waste, we are not exempt from liability for any environmental damage caused by these independent contractors. The contingencies arising from environmental damage and affected third parties may have a material adverse effect on our business, and results of operations as well as on our financial condition.

Failures or delays in the services provided by the construction companies we contract may adversely affect our image and business and expose us to civil liability.

In addition to carrying out construction work ourselves, we outsource certain aspects of the construction on a case-by-case basis. Therefore, the quality of work in the construction of our real estate projects and the timely completion of these projects sometimes depend on factors that are beyond our control, including for example the quality and timely delivery of building materials and the technical skills of third party contractors. Such outsourcing may delay the identification of construction problems and, as a result, the correction of such problems. Any failures, delays or defects in the services provided by the construction companies we contract may adversely affect our reputation and our relationships with our clients, which could adversely affect our business, results of operations and

financial condition.

We are subject to the risks normally associated with providing financing. If there are higher than anticipated defaults, or if the cost of such financing increases, our results could be adversely affected.

We permit purchasers of the housing units in our developments to make installment payments over the period of construction. As a result, we are for a certain period of time subject to the risks, including the risk of default on the principal and interest, as well as the risk of increased costs for the funds raised by us. In addition to the annually determined interest rate, our contracts for sales on credit generally provide for adjustments for inflation. If the inflation rate increases, the outstanding balance on the loans related to these contracts for sale on credit may increase, which may lead to a higher rate of defaults on payments. If the default rate among our purchasers increases, our cash generation and therefore our results could be adversely affected.

After the delivery of units acquired on credit, the collection of overdue amounts or the repossession of the property through the courts is a lengthy process and involves additional costs. We cannot ensure that we will be able to recover the full amount owed to us, or that if we repossess a unit, we can resell the unit on favorable terms, if at all, which could adversely affect our results.

Risks Relating to Brazil

The Brazilian government has exercised and continues to exercise significant influence over the Brazilian economy. This influence, and the Brazilian economic and political environment, may cause a material adverse effect on our activities, operating results and the price of our common shares.

The Brazilian economy is characterized by government intervention and unstable economic cycles. The Brazilian government frequently intervenes in the country's economy and occasionally makes significant changes in its monetary, fiscal, credit and tariff policies and norms. The measures taken by the Brazilian government to control inflation, as well as other policies and norms, frequently have involved increased interest rates, changes in fiscal policy, wage and price controls, freezes of bank accounts, exchange rate devaluation, capital controls and limitations on imports, among other measures.

Our activities, financial condition, operating results and the market price of our common shares may be materially harmed by changes in the policies or norms that involve or affect certain factors, such as:

- exchange rate movements;
- exchange control policies;
- expansion or contraction of the Brazilian economy, as measured by GDP growth rates;
- inflation;
- fiscal and monetary policy;
- housing policy;
- other economic, political, diplomatic and social developments in or affecting Brazil;
- interest rates;
- supply of electricity;

liquidity of domestic financial and capital markets; and

political and social instability.

Uncertainty regarding the implementation of changes by the Brazilian government in the policies or norms that affect these and other factors in the future may contribute to economic uncertainty in Brazil, adversely affect our activities and operating results, and adversely affect the trading price of our common shares.

In addition, the Brazilian Congress commenced impeachment proceedings against then President Dilma Rousseff on December 2, 2015, for violating budgetary laws to prop up the Brazilian economy during her reelection campaign in 2014. On April 17, 2016, more than two-thirds of Brazil's Congress voted to proceed with the impeachment proceedings. The proceedings then moved to the Senate, which on May 12, 2016 voted to commence a trial of President Rousseff, resulting in her suspension from the post for up to 180 days, during which time Vice President Michel Temer assumed the Presidency. On August 31, 2016, President Rousseff was convicted by the Senate and definitively removed from office. On the same date, Michel Temer assumed the Presidency of Brazil until the next general elections, scheduled for October of 2018. Ms. Rousseff appealed the Senate's final decision to the Supreme Court, whose decision is pending. In this context, it is currently uncertain whether Mr. Temer will enjoy the support of the Brazilian Congress, or what policies he will be able to implement. In addition, Mr. Temer and his government have been the target of protests throughout Brazil since he assumed power on a provisional and now definitive basis. We have no control over the political situation in Brazil and cannot foresee what policies or actions the Brazilian government may pursue. Any of these factors may adversely affect the Brazilian economy, our business, financial condition, results of operations and the trading price of our common shares. The Brazilian government may be subject to internal pressure to change its current macroeconomic policies in order to achieve higher rates of economic growth, and has historically maintained a tight monetary policy with high interest rates, thus restricting the availability of credit and reducing economic growth. We cannot foresee what policies the

government will adopt. In addition, in the past, the Brazilian economy has been affected by political events in the country, which have also affected the confidence of investors and the general public, which harms the performance of the Brazilian economy. Furthermore, any indecision by the Brazilian government in implementing changes in certain policies or regulations may contribute to economic uncertainty in Brazil, and increase stock market volatility.

The ongoing Operation Carwash (Lava Jato) investigation regarding corruption at and with *Petróleo Brasileiro S.A.*, or Petrobras, may hinder the growth of the Brazilian economy, and could have an adverse effect on our business.

Petrobras and other Brazilian companies active in the energy and infrastructure sectors are facing investigations by the CVM, the U.S. Securities and Exchange Commission, the U.S. Department of Justice, the Brazilian Federal Police and the Brazilian Federal Prosecutor's Office, in connection with corruption allegations in the scope of the ongoing "*Lava Jato*" investigations and its offshoots. Members of the Brazilian government and the legislative branch, as well as high level officials at large state-owned and private companies, including among others some in the housing construction sector, have faced allegations of corruption, notably through accepting bribes through kickbacks on government concession contracts with infrastructure, petroleum and gas, and construction companies. The potential outcomes of these investigations are uncertain, but they have already stained the image and reputation of the companies implicated, and the general perception of the Brazilian market. Depending on the duration and outcome of the investigations, the companies involved may face downgrades from rating agencies, funding restrictions and reduced revenues. Currently, the Brazilian markets are experiencing greater volatility due to the uncertainties stemming from Operation Carwash and its offshoots, with an impact on the Brazilian economy and political environment. We cannot foresee whether these allegations will lead to greater political and economic instability, or whether new allegations against government officials will arise. Moreover, we cannot foresee the results of these allegations, or their effect on the Brazilian economy.

These proceedings, their conclusions or other allegations of illicit conduct may adversely affect the Brazilian economy and growth prospects in the short-and medium terms. Persistently weak macroeconomic conditions resulting from, among other factors, the Operation Carwash investigations and their consequences, may adversely affect our business.

Inflation and government measures to curb it may contribute to economic uncertainty in Brazil, which could adversely affect our business and operations and the market price of our common shares.

Brazil has experienced periods of very high inflation in the past that were reduced with the implementation of the *Real Plan* in 1994. According to the General Market Price Index (*Índice Geral de Preços—Mercado*), or IGP-M, inflation rates in Brazil were 5.5% in 2013, 3.7% in 2014, and 10.5% in 2015. According to the INCC, Brazilian consumer price inflation rates were 8.14% in 2013, 6.94% in 2014, and 7.49% in 2015. The Brazilian government's measures to control inflation have included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and reducing economic growth. Inflation, actions to combat inflation, and public speculation about possible additional actions have contributed significantly to economic uncertainty in Brazil.

If inflation rates increase, any anti-inflationary policy adopted by the Brazilian government may slow the rate of economic activity and reduce the purchasing power of the population, which would lead to reduced demand for our products and decreased net sales. Increased inflation could also increase some of our costs and expenses, which we may not be able to pass along to our customers, which in turn could reduce our profit margins and net income. In addition, increased inflation rates could lead to higher domestic interest rates, which would elevate the costs of servicing our *real*-denominated debt, resulting in lower net income. Increases in the inflation rate and its effect on domestic interest rates can, in addition, lead to reduced liquidity in the domestic capital and lending markets, which would affect our ability to refinance our indebtedness. Any of the aforementioned developments may adversely affect our business, financial condition and results of operations.

As of September 30, 2016, our inflation-linked assets and liabilities (INCC and IGP-M) totaled R\$474.6 million of current and non-current trade accounts receivable, R\$281.7 million of unappropriated sales revenue of real estate sold to be recognized in our future results, R\$590.6 million of costs to be incurred from units sold and inventory, and R\$6.3 million related to a bank credit certificate (*Cédula de Crédito Bancário*), or CCB.

Fluctuations in interest rates may increase the cost of our debt and adversely affect our business and the market prices of our common shares.

Brazil's Central Bank establishes the target for the prime interest rate for the Brazilian financial system by reference to the level of Brazil's economic growth, inflation and other indicators. The indebtedness of companies in the real estate sector, in which we are active, is subject to changes in interest rates. If interest rates rise, the costs of servicing our debt will also rise.

As of September 30, 2016, R\$161.3 million of our total indebtedness was denominated in *reais* and linked to floating interest rates like the Reference Rate (*Taxa Referencial*), or TR. Hypothetically, based on our current level of indebtedness, a 1% increase in the TR rate would increase our financial expenses by R\$30,000.

As of September 30, 2016, R\$31.8 million of our total indebtedness was denominated in *reais* and linked to floating interest rates such as Interbank Deposit Certificates, or CDI. Hypothetically, based on our current level of indebtedness, a 1% increase in the CDI rate would increase our financial expenses by R\$39,000.

As of September 30, 2016, R\$118.1 million of our total financial investments were denominated in *reais* and linked to floating interest rates such as CDI. Hypothetically, based on our current level of financial investments, a 1% decrease in the CDI rate would decrease our financial income by R\$146,000.

Economic developments and investor perceptions of risk in other countries, including both in developed or emerging market economies, may adversely affect the trading price of Brazilian securities, including our common shares.

The market value of securities of Brazilian issuers is affected in varying degrees by economic and market conditions in other countries, including in developed countries, such as the United States and certain European countries, and in emerging market countries. Although economic conditions in such countries may differ significantly from economic conditions in Brazil, the reaction of investors to developments in these other countries may have an adverse effect on the market value of securities of Brazilian issuers.

Risks Relating to Our Common Shares

The economic value of your investment in our company may be diluted.

We may need additional funds in the future, in order to expand more rapidly, develop new markets, respond to competitive pressures or make acquisitions. Any necessary additional financing may not be available on terms favorable to us. If adequate funds are not available on acceptable terms, we may be unable to meet our business or strategic objectives or compete effectively. If additional funds are raised by an issuance of new equity securities, our existing shareholders may be diluted. See “Business—History.”

Holders of our common shares may not receive any dividends.

Our bylaws require us to pay shareholders a mandatory minimum dividend of 25% of our adjusted net income, in the form of dividends or interest on shareholders’ equity, calculated in accordance with the Brazilian Corporate Law. The distribution of dividends depends mainly on there being net income, but is also subject to approval by our board of directors and shareholders assembled at a shareholders’ meeting, as provided for in our bylaws and the Brazilian Corporate Law. Notwithstanding the obligation to distribute a minimum dividend, our board of directors may opt not to pay dividends to our shareholders in any fiscal year in which it deems such distributions inadvisable in view of our financial condition. As a result, investing in our common shares does not guarantee that holders of our common shares will receive dividends. See “Dividend Policy”.

Judgments of Brazilian courts with respect to our common shares will be payable only in reais.

If proceedings are brought in the courts of Brazil seeking to enforce our obligations in respect of the common shares, we will not be required to discharge our obligations in a currency other than *reais*. Under Brazilian exchange control limitations, an obligation in Brazil to pay amounts denominated in a currency other than *reais* may be satisfied in Brazilian currency only at the exchange rate, as determined by the Central Bank, in effect on the date of payment. The exchange rate may not afford non-Brazilian investors with full compensation for any claim arising out of or related to our obligations under our common shares.

The volatility and lack of liquidity of the Brazilian securities markets may substantially limit your ability to sell our common shares at the desired price and time.

As part of the separation, we have initiated the process to list our shares on the BM&FBOVESPA.

The Brazilian securities market is substantially smaller, less liquid and more concentrated than markets in more developed countries, and can be more volatile than the principal securities markets around the world, like those in the United States. At September 30, 2016, the market capitalization of all the companies listed on the BM&FBOVESPA represented approximately R\$2.4 trillion and an average daily trading volume of approximately R\$6.6 billion, according to data from the BM&FBOVESPA. The Brazilian securities market is significantly concentrated, such that the 10 most traded shares on the BM&FBOVESPA were responsible for approximately 53.1% of the total volume of shares traded on the BM&FBOVESPA in 2015, while the New York Stock Exchange had a market capitalization of approximately U.S.\$23.6 trillion at December 31, 2015, and an average daily trading volume of U.S.\$128.4 billion in 2015.

These characteristics of the Brazilian capital markets may considerably limit your ability to sell our common shares at your desired price and time, and unfavorably affect the trading prices of our common shares. If an active and liquid trading market is not developed and maintained, the trading price of our common shares may be negatively affected.

We may in the future need to raise additional capital through issuing securities, which may affect the price of our common shares and dilute your interest in our share capital.

We may need to raise additional funds going forward through public or private issuances of shares or securities convertible into or exchangeable for our common shares, which may be effected to the exclusion of your preemptive rights. Any fundraising through the issuance of common shares or securities convertible into or exchangeable for common shares may result a change in the market price of our common shares, and dilute your interest in our capital stock.

A U.S. holder of our common shares may be unable to exercise preemptive rights and tag-along rights relating to our common shares.

U.S. holders of our common shares may not be able to exercise the preemptive rights and tag-along rights relating to our common shares unless a registration statement under the Securities Act is effective with respect to those rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement with respect to our common shares relating to these rights, and we cannot assure you that we will file any such registration statement. Unless we file a registration statement or an exemption from registration is

available, a U.S. Holder may receive only the net proceeds from the sale of his or her preemptive rights and tag-along rights or, if these rights cannot be sold, they will lapse and the holder will receive no value for them.

Following the separation, we may not have a controlling shareholder or a controlling shareholder group, which may leave us susceptible to alliances between shareholders, conflicts between shareholders and other events arising from the absence of a controlling shareholder or a controlling shareholder group.

Following the separation, we may not have a controlling shareholder or a controlling shareholder group. Consequently, our shareholders may form alliances or enter into agreements with powers similar to those of a controlling shareholder group. If a controlling shareholder group with the power to control us is formed, we may be subject to sudden and unexpected changes in our corporate policies and strategies, including through changes in our management and directors.

The absence of a controlling shareholder or a controlling shareholder group may affect certain decision making processes, since minimum quorums required by law for certain resolutions may not be achieved. Any sudden or unexpected changes in our management or our corporate policies or strategies or any disputes between shareholders in connection their respective rights may adversely affect our business and results of our operations.

Following the separation, we will be more susceptible to shareholder alliances, hostile takeovers and litigation between shareholders and may face difficulties related to certain decision making processes.

Following the separation, Gafisa will own no more than 20.0% of our capital stock and will therefore cease to own a majority of our voting capital stock.

The absence of a controlling shareholder or a shareholder group that owns more than 50% of our voting capital stock may affect certain decision making processes, since minimum quorums required by law for certain resolutions may not be achieved. Not having a controlling shareholder that owns an absolute majority of our total capital stock, we and our shareholders may not enjoy the full protection of the Brazilian Corporate Law against controlling shareholder abuses and consequently, we and our shareholders may face difficulties in obtaining damages for any losses we suffer as a result of such abuses.

If a new person or group acquires a controlling stake, we may be subject to sudden and unexpected changes in our corporate policies and strategies, including through changes in our management and directors. We may also be more vulnerable to hostile takeovers and conflicts resulting therefrom.

Furthermore, we may be the target of investments by investors that attempt to circumvent provisions in our by-laws that require a shareholder that acquires more than 30% of our shares to make a public offer to acquire all of our remaining shares. We cannot assure you that such investors will not be able to circumvent provisions in our by-laws that are designed to prevent such hostile takeovers. In addition, shareholders may vote to remove or modify such provisions.

Any sudden or unexpected changes in our management or our corporate policies or strategies, any attempts by shareholders or third parties to acquire control of the Company or any conflicts among shareholders in connection with their respective rights, may adversely affect our business and results of operations.

Shares eligible for future sale may adversely affect the market value of our common shares.

Certain of our shareholders have the ability, subject to applicable Brazilian laws and regulations and applicable securities laws in the relevant jurisdictions, to sell our shares. We cannot predict what effect future sales of our shares may have on the market price of our shares. Future sales of substantial amounts of such shares, or the perception that such sales could occur, could adversely affect the market prices of our shares.

A portion of the compensation of our officers and members of the senior management is paid in form of stock options, which could tie their interest to the market price of our shares.

We have established stock option plans for our officers and members of our senior management. Potential benefits under the stock option plans are tied to the appreciation of the market price of our shares.

As a result, our compensation policy may influence our officers and members of the senior management and their interest to the market price of our shares, which may conflict with the interests of our shareholders. Our officers and members of the senior management may be influenced to focus on short-term rather than long-term results because a significant portion of their compensation is tied to our results and the market price of our shares. See “Management—Stock Option Plans.”

Selected Financial Data of Tenda

Translation to U.S. dollars

Unless otherwise indicated, all financial information relating to us that is presented in U.S. dollars in this Information Statement has been translated from *reais* using the commercial selling rate as reported by the Central Bank on September 30, 2016 of R\$3.2462 to U.S.\$1.00. As of November 23, 2016, the U.S. dollar exchange rate of *reais* to U.S.\$1.00 was R\$3.3927, as published by the Central Bank on its electronic information system, SISBACEN, under transaction code PTAX800, Option 5, “*venda*.” The U.S. dollar equivalent information presented in this Information Statement is provided solely for your convenience and should not be construed as representations by us that the *real* amounts actually represent, have been or could be converted into U.S. dollars at the rates indicated or at any other rate. See “Exchange Rates.”

You should read and analyze the information below together with our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013 and related notes and our unaudited interim consolidated financial statements as of September 30, 2016 and for the nine months ended September 30, 2016 and 2015 and related notes included elsewhere in this Information Statement, as well as the sections “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our summary consolidated financial data, denominated in *reais*, presented in the tables below are derived from our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013 and our unaudited interim consolidated financial information as of September 30, 2016 and 2015, and the notes thereto included elsewhere in this Information Statement. Historical results for any prior period are not necessarily indicative of results to be expected for any future period. Our results of operations for the nine months ended September 30, 2016 are not necessarily indicative of the results to be expected for the year ending December 31, 2016.

Our consolidated financial statements have been prepared in accordance with IFRS adopted in Brazil as applicable to real estate companies in Brazil, and as approved by the CPC, the CVM, and the CFC. Our individual financial statements have been prepared in accordance with Brazilian GAAP, including the pronouncements issued by CPC, approved by the CVM, and are disclosed together with the consolidated financial statements.

Consolidated Income Statement Data:

	Nine months ended September 30,		Year ended December 31,				
	2016(1)	2016	2015	2015(1)	2015	2014	2013
	(in U.S.\$)	(in R\$)		(in U.S.\$)	(in R\$)		
	(in thousands, except as otherwise indicated)						
Net operating revenue	235,908	765,804	644,140	262,141	850,962	570,138	817,461
Operating costs							
Real estate development and sales	(165,955)	(538,722)	(457,422)	(186,552)	(605,584)	(444,248)	(752,216)
Gross income	69,953	227,082	186,718	75,589	245,378	125,890	65,245
Operating (expenses) income							
Selling expenses	(20,053)	(65,096)	(46,963)	(20,119)	(65,311)	(52,978)	(77,556)
General and administrative expenses	(19,138)	(62,125)	(63,248)	(25,867)	(83,971)	(87,073)	(97,303)
Share of income/(loss) of equity method investments	4	12	3,317	539	1,751	(19,142)	31,254
Depreciation and amortization	(2,809)	(9,119)	(10,894)	(4,570)	(14,835)	(15,644)	(11,526)
Gain on disposal of non-controlling interest	—	—	—	—	—	—	42,548
Other income (expenses), net	(10,165)	(32,996)	(32,208)	(16,193)	(52,567)	(62,236)	(24,820)
Income (loss) before financial income and expenses and income tax and social contribution	17,792	57,758	36,722	9,379	30,445	(111,183)	(72,158)
Financial expenses	(11,825)	(38,386)	(34,565)	(12,646)	(41,051)	(83,548)	(41,347)
Financial income	7,353	23,866	39,774	14,424	46,825	58,673	37,535
Income (loss) before income tax and social contribution	13,320	43,238	41,931	11,157	36,219	(136,058)	(75,970)
Current income tax and social contribution	(2,312)	(7,506)	(6,405)	(3,030)	(9,835)	(8,027)	(7,517)
Deferred income tax and social contribution	(1,703)	(5,528)	5,634	1,021	3,313	1,699	(1,134)
Total income tax and social contribution	(4,015)	(13,034)	(771)	(2,009)	(6,522)	(6,328)	(8,651)
Net income (loss) for the period	9,305	30,204	41,160	9,148	29,697	(142,386)	(84,621)
(-) Attributable to:							
Non-controlling interests	(1,927)	(6,257)	(2,151)	(192)	(623)	(742)	6,305
Net income (loss) attributable to controlling shareholders	11,232	36,461	43,311	9,340	30,320	(141,644)	(90,926)

(1) Translated only for convenience, using the exchange rate as reported by the Central Bank as of September 30, 2016 for *reais* into U.S. dollars of R\$3.2462 per U.S.\$1.00.

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Consolidated Balance Sheet Data:	As of September 30,		As of December 31,		2014	2013
	2016(1)	2016	2015(1)	2015		
	(in U.S.\$)	(in R\$)	(in U.S.\$)	(in R\$)		
	(in thousands)					
Assets						
Current assets						
Cash and cash equivalents	18,723	60,777	6,670	21,653	61,615	157,532
Short-term investments	59,680	193,732	65,498	212,621	432,957	550,427
Trade accounts receivable	107,320	348,383	134,997	438,226	314,453	534,789
Properties for sale	166,206	539,537	151,095	490,484	551,213	482,820
Receivables from related parties	16,803	54,545	16,614	53,933	70,637	74,491
Land for sale	21,967	71,310	31,264	101,490	104,489	107,782
Judicial deposits	963	3,127	717	2,329	11,254	800
Other receivables	14,534	47,184	14,908	48,394	32,484	37,827
Total current assets	406,196	1,318,595	421,764	1,369,130	1,579,102	1,946,468
Non-current assets						
Trade accounts receivable	38,893	126,254	12,688	41,189	26,100	26,307
Properties for sale	61,475	199,559	75,017	243,520	226,495	191,235
Receivables from related parties	11,564	37,540	9,251	30,030	38,669	37,955
Judicial deposits	6,328	20,542	4,643	15,073	17,846	21,684
Other receivables	3	9	78	253	20,114	20,112
Investments	47,224	153,298	50,320	163,349	179,432	225,702
Property and equipment	8,797	28,557	7,587	24,629	24,808	20,601
Intangible assets	5,464	17,737	5,695	18,487	12,623	17,077
Total non-current assets	179,748	583,496	165,279	536,530	546,087	560,673
Total assets	585,944	1,902,091	587,043	1,905,660	2,125,189	2,507,141
Liabilities and equity						
Current liabilities						
Loans and financing	5,945	19,298	2,741	8,899	19,207	119,934
Debentures	31,666	102,793	62,189	201,877	189,617	209,561
Payables for goods and service suppliers	8,311	26,978	4,211	13,669	23,461	16,370
Labor and tax obligations	20,996	68,157	22,366	72,606	71,251	106,362
Payables for purchase of properties and advances from customers	42,623	138,362	42,580	138,223	210,618	70,330
Provisions and cancelled contracts payable	1,127	3,658	1,515	4,917	12,794	26,985
Payables to related parties	9,563	31,043	10,055	32,640	105,678	225,094
Provision for net capital deficiency of equity accounted investees	1,662	5,396	1,662	5,394	—	—
Other payables	9,461	30,717	7,616	24,724	39,110	62,357
Total current liabilities	131,354	426,402	154,935	502,949	671,736	836,993
Non-current liabilities						
Loans and financing	23,815	77,307	11,569	37,554	29,726	109,227
Debentures	—	—	—	—	200,000	200,000
Payables for purchase of properties and advances from customers	26,444	85,842	31,548	102,412	21,068	8,391
Provision for legal claims	15,947	51,768	17,163	55,716	69,734	58,328
Deferred income tax and social contribution	3,724	12,088	1,554	5,045	7,931	9,631
Payables to related parties	20,003	64,934	17,241	55,967	14,965	14,939

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Other payables	7,911	25,683	5,916	19,203	27,683	51,747
Total non-current liabilities	97,844	317,622	84,991	275,897	371,107	452,263
Equity						
Capital	367,815	1,194,000	367,815	1,194,000	1,194,000	1,194,000
Fair value reserve	—	—	—	—	—	(6,034)
Capital reserves and reserve for granting stock options	30,878	100,235	30,554	99,186	97,047	96,234
Accumulated losses	(51,072)	(165,789)	(62,304)	(202,250)	(232,570)	(90,926)
Non-controlling interests	9,125	29,621	11,052	35,878	23,869	24,611
Total equity	356,746	1,158,067	347,117	1,126,814	1,082,346	1,217,885
Total liabilities and equity	585,944	1,902,091	587,043	1,905,660	2,125,189	2,507,141

(1) Translated only for convenience, using the exchange rate as reported by the Central Bank as of September 30, 2016 for *reais* into U.S. dollars of R\$3.2462 per U.S.\$1.00.

Other Financial Data:

The following table presents our EBITDA, Adjusted EBITDA, EBITDA margin and Adjusted EBITDA margin, reconciled to our net income:

	Nine months ended September 30,			Year ended December 31,			2013
	2016(1)	2016	2015	2015(1)	2015	2014	
	(in U.S.\$)	(in R\$)		(in U.S.\$)	(in R\$)		
	(in thousands, except as otherwise indicated)						
Net income (loss) for the period	9,305	30,204	41,160	9,148	29,697	(142,386)	(84,621)
(+) Income tax and social contribution	4,015	13,034	771	2,009	6,522	6,328	8,651
(+) Depreciation and amortization	3,495	11,346	11,058	4,728	15,349	15,644	11,526
(+) Financial expenses, net	4,472	14,520	(5,209)	(1,778)	(5,774)	24,875	3,812
EBITDA (2)	21,287	69,104	47,780	14,107	45,794	(95,539)	(60,632)
(+) Capitalized financial charges	4,587	14,889	11,517	4,554	14,784	27,198	57,439
(+) Expenses related to stock option grants	323	1,049	1,605	659	2,139	838	156
Adjusted EBITDA (2)	26,197	85,042	60,902	19,320	62,717	(67,503)	(3,037)
Net operating revenue	235,908	765,804	644,140	262,141	850,962	570,138	817,461
Adjusted EBITDA margin (3)	—	11.10 %	9.45 %	—	7.37 %	(11.84)%	(0.37)%

(1) Translated only for convenience, using the exchange rate as reported by the Central Bank as of September 30, 2016 for *reais* into U.S. dollars of R\$3.2462 per U.S.\$1.00.

EBITDA and Adjusted EBITDA, as calculated by us, may not be comparable to EBITDA and Adjusted EBITDA as used by other companies. EBITDA and Adjusted EBITDA are not measures of financial performance in accordance with Brazilian GAAP or IFRS. They do not represent cash flow for the corresponding periods, and should not be considered as alternatives to net income or as measures of operating performance, cash flow or liquidity, nor should they be considered for the calculation of dividend distributions.

(3) Adjusted EBITDA margin represents our Adjusted EBITDA divided by our net operating revenue, expressed as a percentage.

The table below sets forth our capital structure and our calculation of our Net Cash (Debt) and our Net Cash (Debt) index as of the dates indicated:

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	As of September 30, 2016 (1) 2016		2015	As of December 31, 2015 (1) 2015		2014	2013
	(in U.S.\$)	(in R\$)		(in U.S.\$)	(in R\$)		
	(in thousands, except as otherwise indicated)						
(+) Short-term and long-term loans and financing	29,759	96,605	28,150	14,310	46,453	48,933	229,161
(+) Short-term and long-term debentures	31,666	102,793	316,374	62,189	201,877	389,617	409,561
(1) Short and long term debt	61,425	199,398	344,524	76,499	248,330	438,550	638,722
(+) Cash and cash equivalents	(18,723)	(60,777)	(27,372)	(6,670)	(21,653)	(61,615)	(157,532)
(+) Short-term investments	(59,680)	(193,732)	(297,867)	(65,498)	(212,621)	(432,957)	(550,427)
(2) Cash, cash equivalents and financial investments	(78,403)	(254,509)	(325,239)	(72,168)	(234,274)	(494,572)	(707,959)
Net Cash (Debt) (1 - 2)	(16,978)	(55,111)	19,285	4,331	14,056	(56,022)	(69,237)
Equity	356,746	1,158,067	1,137,742	347,117	1,126,814	1,082,346	1,217,885
Net debt equity ratio	—	(4.76)%	1.70 %	—	1.25 %	(5.18)%	(5.69)%

(1) Translated only for convenience, using the exchange rate as reported by the Central Bank as of September 30, 2016 for *reais* into U.S. dollars of R\$3.2462 per U.S.\$1.00.

The following table presents our gross margin, Adjusted Gross Income and Adjusted Gross Income margin, reconciled to our gross income:

	Nine months ended September 30,			Year ended December 31,			
	2016 (1)	2016	2015	2015 (1)	2015	2014	2013
	(in U.S.\$)	(in R\$)		(in U.S.\$)	(in R\$)		
	(in thousands, except as otherwise indicated)						
Net operating revenue	235,908	765,804	644,140	262,141	850,962	570,138	817,461
(-) Operating costs	(165,955)	(538,722)	(457,422)	(186,552)	(605,584)	(444,248)	(752,216)
Gross income	69,953	227,082	186,718	75,589	245,378	125,890	65,245
Gross margin	—	29.7 %	29.0 %	—	28.8 %	22.1 %	8.0 %
(+) Capitalized financial charges	4,587	14,889	11,517	4,554	14,784	27,198	57,439
Adjusted Gross Income	74,540	241,971	198,235	80,144	260,162	153,088	122,684
Adjusted Gross Income margin	—	31.6 %	30.8 %	—	30.6 %	26.9 %	15.0 %

(1) Translated only for convenience, using the exchange rate as reported by the Central Bank as of September 30, 2016 for *reais* into U.S. dollars of R\$3.2462 per U.S.\$1.00.

Cautionary Statement Regarding Forward-Looking Statements

The statements contained in this Information Statement regarding our business, plans, forecasts and expectations regarding future events, strategies, projections and financial trends affecting our operations, as well as statements relating to certain other information, particularly under the sections entitled “Summary,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Industry Overview,” and “Business” include forward-looking statements and projections that involve risks and uncertainties and, therefore, do not constitute guarantees of future results.

The words “believe,” “anticipate,” “expect,” “could,” “should,” “estimate,” “will,” “plan,” “may,” “shall,” “intend,” “foresee,” variations, as well as similar words, are intended to identify forward-looking statements. You should be aware that the factors described above, in addition to other factors discussed in this Information Statement, may impact our future results and may lead to results that are materially different from those mentioned in the forward-looking statements included in this Information Statement.

Our estimates and forward-looking statements are mostly based on our current expectations, forecasts and projections about future events and financial trends that affect, or may affect, our industry, market share, reputation, business strategies, financial condition, results of operations, margins, cash flow, competitive position and/or the market price of our common shares. Although we believe that these estimates and forward-looking statements are based upon assumptions that we believe to be reasonable in all material respects, they are subject to several risks, uncertainties and assumptions and are made based on information currently available to us. Our estimates and forward-looking statements may be affected by the following factors, among others:

- changes to, or termination of, the “My House, My Life” (*Minha Casa Minha Vida*) housing program;
- the effectiveness of our marketing and sales efforts and our ability to successfully implement our growth strategy and business plan;
- our ability to repay our indebtedness and comply with our financial obligations and our ability to obtain further financing on satisfactory terms;
- changes in the laws and regulations applicable to the real estate market, and impacts of future legislation changes on our business, including real estate, tax and zoning laws;
- the economic, political, social and business environments in Brazil, especially in the regions in which we operate, notably with respect to economic growth, inflation, exchange rates and interest rates;

- factors or trends that may affect our business, market share, financial condition, liquidity or results of operations;
- government interventions, resulting in changes in the economy, taxes, rates or regulatory environment in Brazil;
- increases in our costs and expenses, including costs related to the acquisition of land and the construction and development of our projects;
- changes in real estate market prices and demand, and our ability to compete and conduct our business in the future;
- our ability to obtain equipment, labor, materials and services from suppliers at reasonable prices without interruption;
- our ability to obtain, maintain and renew governmental licenses and authorizations necessary to carry out our projects;
- our ability to realize our general sales value (VGV);

increased competition in the affordable entry-level housing segment, changes in demand for real estate products and services, price fluctuations, introduction of new services by our competitors, and changes in the financial condition of our customers;

- changes in our real estate portfolio and projected income and expenses arising from our business activities;

- the sufficiency of the insurance coverage under our insurance policies;

- events of force majeure;

- adverse final decisions rendered in legal proceedings to which we are or may become a party;

our ability to sell and run-off our portfolio of legacy projects on schedule and without increases in contract dissolutions;

- the impact of the financial and economic crisis on the Brazilian economy; and

- other risk factors discussed in the “Risk Factors” section of this Information Statement.

Forward-looking statements are not guarantees of performance and are indicative of information only as of the date as on which they were made. None of us nor Gafisa undertake any obligation to publicly update or revise any such estimates, whether as a result of new information, future events or otherwise. If one or more forward-looking statements are updated, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements. Given such limitations, you should not unduly rely on these forward-looking statements to make a decision to acquire our common shares.

The Separation

General

Tenda is currently a wholly-owned subsidiary of Gafisa and at the time of the separation will become a public company independent from Gafisa with respect to its operations and capital structure, and will hold, through its subsidiaries, the assets and liabilities associated with Gafisa's affordable entry-level housing segment in Brazil. Tenda has initiated the process to list its shares on the BM&FBOVESPA so that the Tenda shares are accepted for trading by no later than the date they are to be delivered to shareholders of Gafisa.

As part of the separation, the Offered Shares will be sold and the remaining 50% of Tenda's total capital stock will be transferred to Gafisa shareholders through a reduction in Gafisa's total capital stock.

In connection with the sale, on December 14, 2016, Gafisa entered into the SPA with Jaguar, pursuant to which Gafisa will sell shares representing up to 30% of the total capital stock of Tenda, at a price equal to the Price per Share. Pursuant to the SPA, Gafisa will receive cash proceeds totaling R\$231.7 million, valuing Tenda's capital stock at R\$539.0 million. Jaguar is an exempt limited partnership controlled by a real estate private equity company focused exclusively on emerging markets outside the United States, which was founded by investment professionals with significant real estate market expertise and over 15 years of experience in Brazil.

Pursuant to the Brazilian Corporate Law, Gafisa shareholders will have preemptive rights to acquire the Offered Shares at the Price per Share. The Gafisa shareholders who intend to negotiate their preemptive rights may do so once the term for the exercise of such preemptive right has begun, by acting sufficiently in advance to allow the exercise of the assigned subscription rights within such term.

Gafisa ADS holders may not exercise any preemptive rights to acquire the Offered Shares. Accordingly, Citibank, N.A., in its capacity as ADS Depositary, has agreed to use commercially reasonable efforts to sell the preemptive rights attributable to the Gafisa shares represented by Gafisa ADSs on behalf of the Gafisa ADS holders and to distribute the net cash proceeds (if any) of such sale in U.S. dollars to the Gafisa ADS holders, on each case upon the terms of the deposit agreements for the Gafisa ADS program.

Similarly, Gafisa GDS holders may not exercise any preemptive rights to acquire the Offered Shares. Accordingly, Citibank, N.A. in its capacity as depositary institution for the Gafisa GDS program, or the GDS Depositary, has agreed to use commercially reasonable efforts to sell the preemptive rights attributable to the Gafisa shares represented by Gafisa GDSs on behalf of the Gafisa GDS holders and to distribute the net cash proceeds (if any) of such sale in U.S. dollars to the Gafisa GDS holders, in each case upon the terms of the deposit agreement for Gafisa

GDS program.

PREEMPTIVE RIGHTS ARE NOT AVAILABLE TO US HOLDERS OF GAFISA SHARES, TO GAFISA ADS HOLDERS OR TO GAFISA GDS HOLDERS.

A reduction of Gafisa's capital stock in the form of a distribution of Tenda common shares representing up to 50% of Tenda's total capital stock to Gafisa shareholders will be completed by way of a *pro rata* distribution to Gafisa shareholders of the Distribution Record Date. Each Gafisa shareholder of record will receive one share of Tenda common stock for every one share of Gafisa common stock held by such shareholder after the reverse split, on the Distribution Record Date. Pursuant to the Gafisa ADS and GDS programs, each ADS and each GDS corresponds to two (2) Gafisa common shares and, therefore, for every one ADS and one GDS you own, after the reverse split on the Distribution Record Date, you will receive two (2) shares of Tenda common stock on the distribution date. The distribution of the Tenda shares will be made in book-entry form, which means that no physical share certificates will be issued. Following the distribution, shareholders may request that their shares of Tenda common stock be transferred to a brokerage or other account at any time. No fractional shares of Tenda common stock will be issued. You do not need to take any action to receive your shares of Tenda common stock. Gafisa's common stock will continue to trade on the New York Stock Exchange in the form of Gafisa ADSs under the ticker symbol "GFA" and on the BM&FBOVESPA under the ticker symbol "GFSA3."

The Tenda shares of common stock that are to be distributed to the ADS Depository as part of the reduction of Gafisa's capital stock will not be converted into American depositary shares for distribution to the Gafisa ADS holders. At the request of Gafisa, the ADS Depository will give the Gafisa ADS holders of record as of 5:00 pm (New York City time) on the same date that is established as the Distribution Record Date, or the "Distribution

Record Date for Gafisa ADS holders”, the opportunity to request to receive in a brokerage or custody account, previously established by such holders in Brazil, the Tenda shares that the ADS Depository has received from Gafisa in the Gafisa capital stock reduction in respect of the Gafisa shares represented by such Gafisa ADS holders. The ADS Depository will establish the period to request Tenda shares to be from open of business in New York City on the date that is one business day following the Distribution Record Date for Gafisa ADS holders through close of business in New York City on the 10th business day in New York City following such date, or the “Tenda Share Request Period.”

GAFISA ADS HOLDERS WILL RECEIVE THE NET CASH PROCEEDS FROM THE SALE OF SUCH TENDA SHARES AS DESCRIBED BELOW IF SUCH GAFISA ADS HOLDERS DO NOT REQUEST, DURING THE TENDA SHARE REQUEST PERIOD, TO RECEIVE TENDA SHARES IN A BROKERAGE OR CUSTODY ACCOUNT PREVIOUSLY ESTABLISHED BY SUCH GAFISA ADS HOLDERS IN BRAZIL.

After the Tenda Share Request Period, the ADS Depository will use commercial reasonable efforts to sell the Tenda shares that have not been requested by Gafisa ADS holders or that it has not been able to deliver successfully to Gafisa ADS holders that have made a request to receive Tenda shares of common stock. Tenda shares requested by Gafisa ADS holders will be delivered only in Brazil into duly established custody and brokerage accounts. No delivery of Tenda shares will be made outside of Brazil. After the sale of Tenda shares, the ADS Depository will arrange for the conversion of the net cash proceeds from the sale into U.S. dollars upon the terms of the deposit agreement for the Gafisa ADSs and will remit the net cash proceeds (after deduction of applicable fees, taxes and expenses) in U.S. dollars to the applicable ADSs holders who have not requested nor received the Tenda shares. **No action is required of the Gafisa ADS holders at this point.** Promptly after the Distribution Record Date for Gafisa ADS holders, the ADS Depository will distribute to Gafisa ADS holders as of such record date instructions on how to request to receive the Tenda shares of common stock that the ADS Depository has received in respect of the Gafisa shares represented by ADSs. In the case of ADSs held through DTC, such instructions will be delivered to DTC for distribution to its participants.

Note that the Brazilian broker or custodian must be a foreign corporation for U.S. income tax purposes, such as a Brazilian “*sociedade anônima*”.

The Tenda shares of common stock that are to be distributed to the GDS Depository as part of the reduction of Gafisa’s capital stock will not be converted into American or Global depository shares for distribution to Gafisa GDS holders. At the request of Gafisa, the GDS Depository will give the Gafisa GDS holders of record as of the Distribution Record Date for Gafisa GDS holders the opportunity to request to receive in a brokerage or custody account, previously established by such holders in Brazil, the Tenda shares that the GDS Depository received from Gafisa in the Gafisa capital reduction on terms identical to those described for Gafisa ADS holders above. Gafisa GDS holders will receive the net cash proceeds from the sale of such Tenda shares as described below if Gafisa GDS holders do not request, during the Tenda Share Request Period, to receive Tenda shares in a brokerage or custody account previously established by such Gafisa GDS holders in Brazil. **No action is required of the Gafisa GDS holders at this point.** Promptly, after the Distribution Record Date for Gafisa GDS holders, the GDS Depository will distribute to Gafisa GDS holders as of such record date instructions on how to request to receive the Tenda shares of common stock that the GDS Depository has received in respect of the Gafisa shares represented by Gafisa GDSs. In the case of GDSs

held through DTC, such instructions will be delivered to DTC for distribution to its participants.

As defined herein, “affordable entry-level housing segment” refers to Gafisa’s affordable entry-level housing development operations. The assets related to the affordable entry-level housing operations include:

- real and personal property assets;

- the rights to the Tenda brand (including certain trade names and trademarks), certain other intellectual property and software used in the business; and

- dealer, vendor, and supplier contracts.

The distribution of Tenda common shares as described in this Information Statement is subject to the satisfaction or waiver of certain conditions. We cannot provide any assurances that such conditions will be satisfied. For a more detailed description of these conditions, see “—Conditions to the Distribution” below.

Reasons for the Separation

The Gafisa board of directors believes separating the affordable entry-level housing segment from Gafisa’s development and construction business through the distribution is in the best interests of Gafisa and its shareholders and has concluded the separation will provide Gafisa and Tenda with a number of opportunities and benefits, including the following:

Strategic and Management Focus. Permit the management team of each company to focus on its own strategic priorities with financial targets that best fit its own market and opportunities. The separation of the affordable entry-level housing from Gafisa’s development and marketing business will enable Gafisa and Tenda to perform and operate in a manner that is consistent with current internal and external views of the businesses. The management of each resulting corporate group will be able to concentrate on its core concerns and growth opportunities, and will have increased flexibility to design and implement corporate policies and strategies based on the characteristics of its business.

Resource Allocation and Capital Deployment. Allow each company to allocate resources and deploy capital in a manner consistent with its own priorities. Transactions that are not available to Gafisa or Tenda while Tenda remains integrated with Gafisa will be available once the two businesses are separated. Both businesses will have direct access to the debt and equity capital markets to fund their respective growth strategies.

Investor Choice. Provide investors, both current and prospective, with the ability to value the two companies based on their respective financial characteristics and make investment decisions based on those characteristics. Analysts who currently track the performance of Gafisa specialize primarily in high quality development and marketing businesses. Because investors and analysts underemphasize the affordable, entry-level business in making investment decisions and preparing analyses of Gafisa, the current integration of Gafisa’s development business and affordable entry-level housing segment interferes with the ability of investors and analysts to properly value the two businesses. Separating the two businesses will provide investors with a more targeted investment opportunity so that investors interested in low-income housing companies will have the opportunity to acquire stock of Tenda as an independent affordable entry-level business. As a result, the separation may result in a combined post-separation trading value in excess of the current trading value of Gafisa.

The financial terms of the separation have been determined by the board of directors of Gafisa based on a variety of factors, including establishing an appropriate *pro forma* capitalization for Tenda as a stand-alone company considering the historical earnings of Gafisa’s affordable entry-level housing segment and the level of indebtedness relative to earnings of various comparable companies.

The Number of Shares You Will Receive

For every one share of Gafisa common stock you own, after the reverse split at the Distribution Record Date, you will receive one share of Tenda common stock on the distribution date. Pursuant to the Gafisa ADS and GDS programs, each ADS and each GDS corresponds to two (2) Gafisa common shares and, therefore, for every one ADS and one GDS you own, after the reverse split on the Distribution Record Date, you will receive two (2) shares of Tenda common stock on the distribution date.

Treatment of Fractional Shares

Gafisa will not distribute any fractional shares of Tenda common stock to Gafisa shareholders in any circumstances. Pursuant to the reduction in Gafisa's capital stock, its shareholders will not receive fractional post-capital stock reduction shares.

Reverse split in Gafisa's capital stock

Gafisa will conduct a reverse split of all its common shares, at a ratio of 13.483023074 to 1. The reverse split is being conducted to enable Gafisa to, pursuant to the reduction in its capital stock, deliver one share issued by Tenda

for each one share issued by Gafisa and held by Gafisa shareholders on the record date, without any fractional shares.

The reverse split was approved by Gafisa shareholders at a shareholders' meeting held on February 20, 2017. In connection with the reverse split, Gafisa shareholders were granted with a 30-day term starting on February 21, 2017 to allow them to adjust their shareholding position in multiple lots of 13.483023074 shares, through of negotiation at the BM&FBOVESPA. Upon the expiration of such 30-day term, any fractional shares resulting from the reverse split will be grouped and rounded into whole numbers and sold at auction at the BM&FBOVESPA, and the proceeds of such sales will be made available to the respective shareholders upon financial settlement of such sales. Additional information will be made available in a notice to shareholders in due course.

The reverse split of the ADSs and the GDSs shall occur at the same ratio as the reverse split of the Gafisa's common shares (so that the ADS to common share, and the GDS to common share, ratios will remain unchanged). The ADS reverse split procedure will be conducted by Citibank, N.A., in its capacity as ADS Depositary for the Gafisa ADS program and in its capacity as GDS Depositary for the Gafisa GDS program. In connection with the reverse split, Gafisa ADS holders will be required to pay an ADS depositary fee of U.S.\$0.05 per ADS held as of the ADS effective date of the reverse split. Similarly, Gafisa GDS holders will be required to pay a GDS depositary fee of U.S.\$0.05 per GDS held as of the GDS effective date of the reverse split.

When and How You Will Receive the Tenda Shares

Gafisa will distribute the shares of our common stock to Gafisa shareholders that hold Gafisa common stock on the Distribution Record Date. Gafisa's transfer agent and registrar, Itaú Corretora de Valores S.A., will serve as transfer agent and registrar for the Tenda common stock and as distribution agent in connection with the distribution.

If you own Gafisa common stock as of the Distribution Record Date, the shares of Tenda common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to your account as follows:

Registered Shareholders. If you own your shares of Gafisa stock directly, either in book-entry form through an account at Itaú Corretora de Valores S.A., you will receive your shares of Tenda common stock by way of direct registration in book-entry form. Registration in book-entry form is a method of recording stock ownership when no physical paper share certificates are issued to shareholders, as is the case in this distribution.

On or shortly after the distribution date, the distribution agent will mail to you an account statement that indicates the number of shares of Tenda common stock that have been registered in book- entry form in your name.

If shareholders have any questions concerning the mechanics of having shares of our common stock registered in book-entry form, they may contact Gafisa IR at the address set forth in “Summary— Questions and Answers About the Separation and Distribution” in this Information Statement.

Beneficial Shareholders. Several Gafisa shareholders hold their shares of Gafisa common stock beneficially through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in “street name” and ownership would be recorded on the bank or brokerage firm’s books. If you hold your Gafisa common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of Tenda common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares of common stock held in “street name,” we encourage you to contact your bank or brokerage firm.

Citibank, N.A., as ADS Depositary for the Gafisa ADSs, will receive and hold in its custody account in Brazil the shares of Tenda common stock that are to be distributed by Gafisa with respect to the shares of Gafisa common stock represented by ADSs as of the Distribution Record Date for holders of Gafisa shares. The Tenda shares of common stock so received will not be converted by the ADS Depositary into American depositary shares to be distributed to Gafisa ADS holders. Instead, the ADS Depositary will give the Gafisa ADS holders of record as of 5:00 pm (New York City time) on the same date that is established as the Distribution Record Date, or the

“Distribution Record Date for Gafisa ADS holders”, the opportunity to request to receive the applicable Tenda shares that the ADS Depository is holding in Brazil. The ADS Depository will establish the period to request Tenda shares to be from open of business in New York City on the date that is one business day following the Distribution Record Date for Gafisa ADS holders through close of business in New York City on the 10th business day in New York City following such date, or the “Tenda Share Request Period.” Gafisa ADS holders will receive the net cash proceeds from the sale of such Tenda shares as described below if such Gafisa ADS holders do not request, during the Tenda Share Request Period, to receive Tenda shares in a brokerage or custody account previously established by such Gafisa ADS holders in Brazil. After the Tenda Share Request Period, the ADS Depository will use commercial reasonable efforts to sell the Tenda shares that have not been requested by Gafisa ADS holders or that it has not been able to deliver successfully to Gafisa ADS holders that have made a request to receive Tenda shares of common stock. Tenda shares requested by Gafisa ADS holders will be delivered only in Brazil into duly established custody and brokerage accounts. No delivery of Tenda shares will be made outside of Brazil. After the sale of Tenda shares, the ADS Depository will arrange for the conversion of the net cash proceeds from the sale into U.S. dollars upon the terms of the deposit agreement for the Gafisa ADSs and will remit the net cash proceeds (after deduction of applicable fees, taxes and expense) in U.S. dollars to the applicable Gafisa ADS holders who have not requested nor received the Tenda shares.

No action is required of the Gafisa ADS holders at this point. Promptly after the Distribution Record Date for Gafisa ADS holders, the ADS Depository will distribute to Gafisa ADS holders as of such record date instructions on how to request to receive the Tenda shares of common stock that the ADS Depository has received in respect of the Gafisa shares represented by ADSs. Gafisa ADS holders who hold such ADSs in “street name” will need to instruct their bank or brokerage firm to make the applicable arrangements with the ADS Depository through The Depository Trust Company to request the delivery of the Tenda shares in a custodian or brokerage account in Brazil. **Promptly following the record date for Gafisa ADS holders, the ADS Depository will distribute to the Depository Trust Company, or DTC, for distribution to DTC participants and their clients, a notice detailing the request process. It is expected that the DTC participants will be required to request the delivery of Tenda shares via DTC’s Corporate Action Web Browser Instruction Tab (formerly known as the “Elective Dividend System” (EDS)) and to provide additional Tenda share delivery information to the ADS Depository.**

Note that the Brazilian broker or custodian must be a foreign corporation for U.S. income tax purposes, such as a Brazilian “*sociedade anônima*”.

The Tenda shares of common stock that are to be distributed to the GDS Depository as part of the reduction of Gafisa’s capital stock will not be converted into American or Global depository shares for distribution to Gafisa GDS holders. At the request of Gafisa, the GDS Depository will give the Gafisa GDS holders of record as of the Distribution Record Date for Gafisa GDS holders the opportunity to request to receive in a brokerage or custody account, previously established by such holders in Brazil, the Tenda shares that the GDS Depository received from Gafisa in the Gafisa capital reduction on terms identical to those described for Gafisa ADS holders above. Gafisa GDS holders will receive the net cash proceeds from the sale of such Tenda shares as described below if Gafisa GDS holders do not request, during the Tenda Share Request Period, to receive Tenda shares in a brokerage or custody account previously established by such Gafisa GDS holders in Brazil. **No action is required of the Gafisa GDS holders at this point.** Promptly after the Distribution Record Date for Gafisa GDS holders, the GDS Depository will distribute to Gafisa GDS holders as of such record date instructions on how to request to receive the Tenda shares of common stock that the GDS Depository has received in respect of the Gafisa shares represented by Gafisa GDSs. **Promptly following the**

record date for Gafisa GDS holders, the GDS Depository will distribute to the Depository Trust Company, or DTC, for distribution to DTC participants and their clients, a notice detailing the request process. It is expected that the DTC participants will be required to request the delivery of Tenda shares via DTC's Corporate Action Web Browser Instruction Tab (formerly known as the "Elective Dividend System" (EDS)) and to provide additional Tenda share delivery information to the GDS Depository.

Treatment of Outstanding Compensation Awards

For a discussion of provisions concerning retirement, health and welfare benefits for our employees upon completion of the separation, see "—Agreements with Gafisa—Employee Matters Agreement" below. The separation is not a change-in-control and therefore will not entitle Tenda officers to any change-in-control benefits.

We expect that outstanding Gafisa incentive compensation awards will be equitably adjusted pursuant to the terms of the applicable compensation award and plan. These equitable adjustments are intended to preserve each

award's intrinsic value, based on the relative fair market values of the pre- and post-separation shares of Gafisa and post-separation shares of Tenda immediately after the separation will be substantially equivalent to, but no more favorable to the award holder than, the fair market value of the shares subject to that award (or to which that award relates) immediately prior to the separation. Cash-settled performance units will not be adjusted but will be pro-rated to reflect the number of months in the applicable performance period ending on the distribution date. For outstanding stock options and stock appreciation rights, the number of shares subject to the award and the applicable exercise or base price will be adjusted so that the aggregate spread value of the option or stock appreciation right immediately after the separation will be substantially equivalent to, but no more favorable to the award holder than, the aggregate spread immediately prior to the separation. For these purposes, spread value will be the difference between the market value of the underlying shares as of the applicable date, and the exercise or base price of the option or stock appreciation right. In addition, in certain instances Tenda will grant replacement awards to all its employees who previously held Gafisa awards, taking into account the approach summarized above in determining the value of the replacement awards. Generally:

Outstanding vested stock options will be equitably adjusted to preserve the intrinsic value of each original option grant and the ratio of the exercise price to the fair market value of Gafisa common stock on the date of the separation.

Any unvested stock options and stock appreciation rights held by employees of Gafisa who are not and will not become employees of Tenda will be equitably adjusted to preserve the intrinsic value of each original option grant and the ratio of the exercise price to the fair market value of Gafisa common stock on the date of the separation.

Tenda will replace any outstanding unvested stock options and stock appreciation rights held by individuals who are or will become employees of Tenda with long-term Tenda incentive awards of generally equivalent value.

Results of the Distribution

Following our separation from Gafisa, we will be a public company independent from Gafisa. Immediately following the distribution, we expect to have approximately 12,000 shareholders of record, based on the number of registered shareholders of Gafisa common stock on April 27, 2017, and approximately 27,000,000 shares of Tenda common stock outstanding. The actual number of shares to be distributed will be determined after the proceedings related to the preemptive rights, and the amount of shares acquired by Jaguar, as described in the SPA, and also will be reflected by any exercise of Gafisa stock options and the vesting of Gafisa stock options prior to the record date for the distribution.

Prior to the distribution, we will enter into a Separation and Distribution Agreement and one other agreement with Gafisa to effect the separation and provide a framework for our post-separation relationship with Gafisa. These agreements will provide for the allocation between Tenda and Gafisa of Gafisa's assets, liabilities and obligations following the separation (including with respect to transition services, employee matters, real and intellectual property matters, tax matters and certain other commercial relationships).

For a more detailed description of these agreements, see the section entitled “—Agreements with Gafisa” included below. Except for the reduction in Gafisa’s capital stock, the distribution will not affect the number of outstanding shares of Gafisa common stock or any rights of Gafisa shareholders.

Certain Brazilian Tax Considerations

The following discussion summarizes the material Brazilian tax consequences to a holder of our common shares or ADSs or GDSs (the “Depository Shares”) that is not resident or domiciled in Brazil for purposes of Brazilian taxation, or a “Non-Brazilian Holder”, in connection with the reduction in Gafisa’s capital, without the cancellation of shares, in the form of a distribution of Tenda common shares to Gafisa’s shareholders.

The discussion does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase, hold or sell our common shares or Depository Shares, or Tenda common shares. The discussion below is based on Brazilian law as currently in effect. Any change in such law may change the

consequences described below. The tax consequences described below do not take into account tax treaties or reciprocity of tax treatment entered into by Brazil and other countries.

The following discussion does not specifically address all of the Brazilian tax considerations applicable to any particular Non-Brazilian Holder. Each Non-Brazilian Holder should consult its own tax advisor regarding the Brazilian tax consequences of the transactions contemplated hereunder and the ownership of Tenda common shares.

Taxation of the Sale of Fractional Shares Pursuant to the Reverse Split in Gafisa's Capital Stock

As described in “The Separation—Treatment of Fractional Shares,” any fractional shares resulting from the reverse split in Gafisa’s common shares will be grouped and rounded into whole numbers and sold in as many auctions as necessary at the BM&FBOVESPA, and the proceeds of such sales will be made available to the respective shareholders upon financial settlement of such sales.

Capital gains realized by Non-Brazilian Holder on a sale or disposition of shares, such as the sale in the auctions above, carried out on the Brazilian stock exchange (BM&FBOVESPA), which includes transactions carried out on the organized over-the-counter market, are:

exempt from income tax when realized by a Non-Brazilian Holder that (1) has registered its investment in Brazil with the Central Bank under the rules of CMN Resolution No. 4,373/2014, or a “4,373 Holder”, and (2) is not resident or domiciled in a country or location that does not tax income, or that taxes income at a maximum rate lower than 20%;
or

in all other cases subject to income tax at a rate up to 25.0%. In this case, a Brazilian withholding income tax, or “WHT”, at a rate of 0.005% of the sale value shall be applicable and withheld by the intermediary institution (i.e., a broker) that receives the order directly from the Non-Brazilian Holder, which can be later offset against any income tax due on the capital gain earned by the Non-Brazilian Holder.

Taxation of the Reduction of Gafisa's Capital Stock in the Form of a Distribution of Tenda Common Shares

As a result of the reduction of Gafisa’s capital stock, without the cancellation of shares, the Non-Brazilian Holders of Gafisa common shares and Depositary Shares will receive Tenda common shares.

The Brazilian tax implications of a transaction such as this one are not expressly provided for under Brazilian tax laws, and we are not aware of any judicial or administrative court precedent addressing this specific matter.

Pursuant to the advice of our external Brazilian tax counsel, there are reasonable legal grounds to sustain that the reduction of Gafisa's capital stock, by virtue of the distribution of Tenda common shares to Gafisa's shareholders, does not result in a taxable gain for the Non-Brazilian Holders of Gafisa common shares and Depositary Shares. Accordingly, Gafisa does not intend to withhold any tax with respect to the distribution of the Tenda common shares.

However, there is a risk that Brazilian tax authorities may disagree and consider the reduction of Gafisa's capital stock, by virtue of the distribution of Tenda shares, as an event giving rise to a taxable capital gain of the Non-Brazilian Holders in Brazil. In this case, the transaction could be viewed as a disposition of Gafisa shares outside of a stock exchange environment, and Brazilian WHT, could be imposed at rates of up to 25% on the alleged gain, according to the rules described under “—Taxation of Ownership and Disposition of Tenda Common Shares—Gains on Disposition of Tenda Common Shares”. Interest and penalties could also be imposed. If such tax were imposed, there is no clear legal guidance on how to calculate the tax liability where shareholders receive non-monetary assets (such as the Non-Brazilian Holders that will receive Tenda common shares in the reduction of Gafisa's capital stock). Tax authorities may adopt the position that the capital gain will be the positive difference between the value of the Tenda common shares distributed and the respective cost acquisition of the Gafisa shares owned by Non-Brazilian Holders.

If Brazilian tax authorities succeed in a tax assessment regarding this matter, Gafisa could be liable for not having withheld and paid the WHT, plus any applicable interest and penalties. In such a case, the WHT could be computed on a grossed-up basis (resulting in an effective tax rate of up to 33.33% on the alleged gain). In such a case, Gafisa reserves the right to seek reimbursement from its shareholders of any amounts incurred with respect to such tax assessment, except for any applicable interest and penalties.

Taxation of the Ownership and Disposition of Tenda Common Shares and the Exercise and Disposition of Rights to Tenda Shares

Dividends

Dividends paid by a Brazilian corporation, including stock dividends and other dividends paid to a Non-Brazilian Holder of Tenda common shares, are currently not subject to WHT in Brazil to the extent that such amounts are related to profits generated on or after January 1, 1996. Dividends paid from profits generated before January 1, 1996 may be subject to Brazilian withholding income tax at variable rates, according to the tax legislation applicable to each corresponding year.

Interest on Shareholders' Equity

Law No. 9,249/1995, as amended, allows a Brazilian company to make payments to shareholders characterized as interest on shareholders' equity of the company as an alternative or in addition to making dividend distributions and treat those payments as deductible expenses for purposes of calculating Brazilian corporate income and social contribution taxes on net income. For tax purposes, this deduction is limited to the daily *pro rata* variation of the Brazilian long-term interest rate, or "TJLP", as determined by the Central Bank from time to time, and the amount distributed as interest on shareholders' equity may not exceed the greater of:

50.0% of net income (after deduction of social contribution tax on net profits and before the provision for corporate income tax and the amounts attributable to shareholders as interest on stockholders' equity) for the period in respect of which the payment is made; or

50.0% of the sum of retained profits and profit reserves as of the date of the beginning of the period in respect of which the payment is made.

Payment of interest on shareholders' equity to a Non-Brazilian Holder is subject to WHT at the rate of 15.0%, or 25.0% if the Non-Brazilian Holder is domiciled in a Tax Favorable Jurisdiction (as defined below). Payments of interest on shareholders' equity to a Non-Brazilian Holder may be included, at their net value, as part of any mandatory dividend. To the extent payment of interest on shareholders' equity is so included, the distributing corporation is required to distribute to shareholders an additional amount to ensure that the net amount received by them, after payment of the applicable Brazilian WHT, plus the amount of declared dividends is at least equal to the mandatory dividend.

Distributions of interest on shareholders' equity to Non-Brazilian Holders may be converted into U.S. dollars and remitted outside of Brazil, subject to applicable exchange controls, to the extent that the investment is registered with the Central Bank.

Gains on the Disposition of Tenda Common Shares and the Rights to Tenda Common Shares

Gains realized outside Brazil by a Non-Brazilian Holder to another Non-Brazilian Holder should not be subject to Brazilian tax. However, according to Law No. 10,833/2003, gains realized by a Non-Brazilian Holder related to the sale or other form of disposition of assets located in Brazil, such as Tenda common shares (including the Tenda shares sold by the Depositary on behalf of ADS or GDS holders), are generally subject to income tax in Brazil. This rule is applicable regardless of whether the sale or other disposition is conducted in Brazil or abroad and/or if the disposition is made to an individual or entity resident or domiciled in Brazil or abroad.

As a general rule, capital gains realized as a result of a transaction carried out on a Brazilian stock exchange can be measured by the positive difference between the amount realized on sale or exchange of a security and its respective acquisition cost. Under Brazilian law, income tax on such gains can vary depending on the domicile of the Non-Brazilian Holder, the type of registration of the investment by the Non-Brazilian Holder with the Central Bank and how the disposition is carried out, as described below.

Capital gains realized by Non-Brazilian Holder on a sale or disposition of shares carried out on the Brazilian stock exchange, which includes transactions carried out on the organized over-the-counter market are:

exempt from income tax when realized by a Non-Brazilian Holder that (1) has registered its investment in Brazil with the Central Bank under the rules of CMN Resolution No. 4,373/2014, or a "4,373 Holder",

and (2) is not resident or domiciled in a country or location that does not tax income, or that taxes income at a maximum rate lower than 20%; or

in all other cases subject to income tax at a rate up to 25.0%. In this case, a WHT of 0.005% of the sale value shall be applicable and withheld by the intermediary institution (i.e., a broker) that receives the order directly from the Non-Brazilian Holder, which can be later offset against any income tax due on the capital gain earned by the Non-Brazilian Holder.

Any other gains assessed on a sale or disposition of the shares that is not carried out on a Brazilian stock exchange are subject to: (1) income tax at progressive rates ranging from 15.0% up to 22.5% when realized by a Non-Brazilian Holder that is not resident or domiciled in a Tax Favorable Jurisdiction; and (2) income tax up to a rate of 25.0% when realized by a Non-Brazilian Holder that is resident or domiciled in a Tax Favorable Jurisdiction. If these gains are related to transactions conducted on the Brazilian non-organized over-the-counter market with intermediation, a WHT of 0.005% on the sale value will also apply and can be used to offset the income tax due on the capital gain.

In the case of a redemption of shares or a capital reduction by a Brazilian corporation with payment in cash, the positive difference between the amount received by the Non-Brazilian Holder and the acquisition cost of the redeemed shares is treated, for tax purposes, as capital gain derived from the sale or exchange of shares not carried out on a Brazilian stock exchange market and is therefore subject to income tax at the rate from 15.0% up to 22.5%, or up to 25%, as described above.

Any exercise of preemptive rights relating to Tenda shares, including the Offered Shares, will not be subject to Brazilian income taxation. Gains realized by a Non-Brazilian Holder on the disposition of preemptive rights, including any gains realized from a sale of the rights to the Offered Shares by the Depositary on behalf of Non-Brazilian Holders of Depositary Shares, in Brazil will be subject to Brazilian income taxation according to the same rules applicable to the sale or disposition of shares. Tax authorities may attempt to tax such gains even when the sale or assignment of such right takes place outside Brazil, based on the provisions of Law No. 10,833/2003.

There can be no assurance that the current favorable tax treatment of 4,373 Holders will continue in the future.

Discussion on Tax Favorable Jurisdictions and Privileged Tax Regimes

A Tax Favorable Jurisdiction is a country or location that (1) does not impose taxation on income or imposes the income tax at a rate lower than 20% or (2) imposes restrictions on the disclosure of shareholding composition or the ownership of the investment. A regulation issued by the Ministry of Treasury on November 28, 2014 decreased from 20% to 17% this minimum threshold for certain specific cases. The 17% threshold applies only to countries and regimes aligned with international standards of fiscal transparency in accordance with rules to be established by the

Brazilian tax authorities.

Law No. 11,727/08 created the concept of Privileged Tax Regimes, which encompasses the countries and jurisdictions that: (1) do not tax income or tax it at a maximum rate lower than 20%, or 17%, as applicable; (2) grant tax advantages to a non-resident entity or individual (i) without the need to carry out a substantial economic activity in the country or territory or (ii) conditioned to the non-exercise of a substantial economic activity in the country or territory; (3) do not tax or taxes proceeds generated abroad at a maximum rate lower than 20%, or 17%, as applicable; or (4) restricts the ownership disclosure of assets and ownership rights or restricts disclosure about economic transactions carried out.

Normative Ruling 1,037 provides a list of Tax Favorable Jurisdictions and Privileged Tax Regimes. Normative Ruling No. 1,037 is periodically updated to include and exclude countries, locations and tax regimes from the lists of Tax Favorable Jurisdictions and Privileged Tax Regimes.

The interpretation of the current Brazilian tax legislation should lead to the conclusion that the concept of Privileged Tax Regimes should only apply for certain Brazilian tax purposes, such as transfer pricing and thin capitalization rules. According to this interpretation, the concept of Privileged Tax Regimes should not be applied in connection with the taxation of dividends, interest on shareholders' equity and gains related to investments made by Non-Brazilian Holders in Brazilian corporations. Regulations and non-binding tax rulings issued by Brazilian federal tax authorities seem to confirm this interpretation. However, we cannot assure you that subsequent legislation or interpretations by the Brazilian tax authorities regarding the definition of a Privileged Tax Regime

provided by Law No. 11,727 will not apply such regime to a Non-Resident Holder on income in connection to the investment in common shares, in which case the WHT applicable to such payments could be assessed at a rate of up to 25%. Prospective purchasers should consult with their own tax advisors regarding the consequences of the implementation of Law No. 11,727, Normative Instruction No. 1,037 and of any related Brazilian tax laws or regulations concerning Tax Favorable Jurisdictions and Privileged Tax Regimes.

Tax on Foreign Exchange and Financial Transactions

Pursuant to Decree No. 6,306/2007, the conversion of Brazilian currency into foreign currency (e.g., for purposes of paying dividends and interest on shareholders' equity) and the conversion of foreign currency into Brazilian currency may be subject to the IOF/Exchange Tax. The current applicable rate for most foreign currency exchange transactions is 0.38%. Foreign investors (including Non-Brazilian Holders, as applicable) are subject to IOF/Exchange Tax, currently at a 0% rate, on the inflow and outflow of funds to and from Brazil in connection with investments in the Brazilian capital markets, including payments of dividends and interest on shareholders' equity and the repatriation of funds invested in the Brazilian market. The Brazilian government is permitted to increase the rate of the IOF/Exchange Tax at any time, up to 25.0% of the amount of the foreign exchange transaction. However, any increase in rates may only apply to transactions carried out after the rate increase and not retroactively.

Other Brazilian Taxes

There are no Brazilian inheritance, gift or succession taxes applicable to the ownership, transfer and/or disposition of Tenda common shares, except for gift and inheritance taxes imposed by some Brazilian states on gifts or bequests made by a Non-Brazilian Holder to individuals or entities resident or domiciled within such states. There are no Brazilian stamps, issue, registration, or similar taxes or duties payable by holders of Tenda common shares.

Certain U.S. Federal Income Tax Considerations

The following are certain U.S. federal income tax consequences to the U.S. Holders described below of the transactions contemplated in this Information Statement and of owning and disposing of Tenda common shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to any particular person. This discussion applies only to a U.S. Holder that holds Gafisa common shares, or ADSs or GDSs ("Depository Shares"), and will hold Tenda common shares, as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences, Medicare contribution tax consequences and tax consequences applicable to U.S. Holders subject to special rules, such as:

· certain types of financial institutions;

· dealers or traders in securities that use a mark-to-market method of tax accounting;

· persons holding Gafisa's common shares or Depositary Shares, Tenda's common shares or rights to acquire Tenda's common shares as part of a hedging transaction, straddle, wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to such securities;

· persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;

· entities classified as partnerships for U.S. federal income tax purposes or owners of equity interests therein;

· tax-exempt entities, "individual retirement accounts" or "Roth IRAs";

· persons that own or are deemed to own 10% or more of Gafisa or Tenda's voting shares;

· persons owning Gafisa's common shares or Depositary Shares, Tenda's common shares or rights to acquire Tenda's common shares in connection with a trade or business conducted outside the United States; or

· persons who owned Gafisa's common shares prior to the taxable year in which Gafisa's ADSs were listed on the NYSE.

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and foreign tax consequences of the transactions contemplated in this Information Statement and of owning and disposing of Tenda common shares in their particular circumstances.

This discussion is based on the Internal Revenue Code of 1986, as amended, or “Code,” administrative pronouncements, judicial decisions, and final, temporary and proposed Treasury regulations, all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

A “U.S. Holder” is a person that, for U.S. federal income tax purposes, is a beneficial owner of Gafisa common shares or Depositary Shares on the Distribution Record Date and is:

· a citizen or individual resident of the United States;

· a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or

· an estate or trust, the income of which is subject to U.S. federal income taxation regardless of its source.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns Gafisa’s common shares, Gafisa’s Depositary Shares or Tenda’s common shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning such securities and partners in such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of the transactions contemplated in this Information Statement and of owning and disposing of Tenda common shares.

Except as discussed below under “—Gafisa’s PFIC Status After the Distribution of Tenda Shares” and “—Taxation of Ownership of Tenda Common Shares—Passive Foreign Investment Company Rules,” this discussion assumes that Gafisa has not been, and neither Gafisa nor Tenda is or will become, a passive foreign investment company, or “PFIC,” for U.S. federal income tax purposes for any taxable year.

The Reverse Split of Gafisa’s Common Shares and Depositary Shares

A U.S. Holder generally will not recognize gain or loss upon the reverse split of Gafisa’s common shares or Depositary Shares, except to the extent of any cash received in lieu of a fractional common share or Depositary Share, as discussed below. A U.S. Holder’s aggregate tax basis in its Gafisa common shares or Depositary Shares held

immediately after the reverse split will generally equal the aggregate tax basis of the Gafisa common shares or Depositary Shares immediately before the reverse split (excluding any portion of such basis that is allocable to any fractional share common share or Depositary Share exchanged for cash). A U.S. Holder's holding period in the Gafisa common shares or Depositary Shares received pursuant to the reverse split will generally include the holding period in the Gafisa common shares or Depositary Shares exchanged therefor.

A U.S. Holder that receives cash in lieu of a fractional common share or Depositary Share pursuant to the reverse split generally will recognize capital gain or loss equal to the difference between the amount of cash received and the U.S. Holder's tax basis allocable to such fractional share or Depositary Share, in each case as determined in U.S. dollars. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the relevant common shares or Depositary Shares for more than one year. Long-term capital gains of non-corporate U.S. Holders (including individuals) are taxed at preferential rates. The deductibility of capital losses is subject to limitations. Any capital gain will generally be U.S. source gain for foreign tax credit purposes. Consequently, a U.S. Holder will not be able to credit any Brazilian income tax imposed on such gains against the U.S. Holder's U.S. federal income tax liability unless the U.S. Holder has other taxable income from foreign sources in the appropriate foreign tax credit basket. Subject to applicable limitations, the U.S. Holder may be entitled to take a deduction for such Brazilian income tax. U.S. Holders should consult their tax advisors concerning the creditability or deductibility of any Brazilian income tax imposed on the cash received in lieu of a fractional Gafisa common share or Depositary Share in their particular circumstances.

Taxation of the Distribution of Tenda Common Shares

The distribution of Tenda common shares to U.S. Holders (or to the Depositary for the benefit of U.S. Holders of Depositary Shares) will constitute a taxable dividend for U.S. federal income tax purposes to the extent of

Gafisa's current and accumulated earnings and profits (as determined under U.S. federal income tax principles). Because Gafisa does not prepare calculations of its earnings and profits using U.S. federal income tax principles, the entire amount of the distribution is expected to be reportable to U.S. Holders of Gafisa common shares or Depositary Shares as a taxable dividend in an amount equal to the fair market value of Tenda common shares received, as determined in U.S. dollars on the date of receipt by the U.S. Holder (in the case of Gafisa common shares) or the Depositary (in the case of Gafisa Depositary Shares). A U.S. Holder's tax basis in the Tenda shares received in the distribution will be equal to their fair market value on the date of receipt (that is, the amount includible in income as a dividend, as described above).

The dividend will be foreign-source income. It will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to applicable limitations, dividends paid by qualified foreign corporations to certain non-corporate taxpayers may be taxable at preferential rates applicable to long-term capital gains. A non-U.S. corporation is treated as a qualified foreign corporation with respect to dividends paid on stock that is readily tradable on a securities market in the United States, such as the NYSE where Gafisa's ADSs are traded.

Non-corporate U.S. Holders should consult their tax advisors to determine whether the preferential rates will apply to the distribution of Tenda common shares and the application of any special rules that may limit their ability to be taxed at these preferential rates. If the preferential rates apply and the fair market value of the Tenda common shares received in the distribution exceeds 10% of a U.S. Holder's tax basis in the relevant Gafisa securities with respect to which the distribution is made (or, if the preferential rates apply and the sum of the fair market value of the Tenda common shares and any other dividends from Gafisa that have ex-dividend dates during the same period of 365 consecutive days in the aggregate exceeds 20% of the U.S. Holder's tax basis in such securities), any loss on the sale or exchange of the relevant Gafisa securities would be treated as long-term capital loss to the extent of such dividends. The amount taxable as a dividend will be included in a U.S. Holder's income on the date of the U.S. Holder's actual or constructive receipt of the Tenda common shares.

As described in "The Separation—General," U.S. Holders of Gafisa's Depositary Shares generally will not be entitled to receive the Tenda shares unless they make an election to receive the shares in their brokerage accounts in Brazil. Instead, the Depositary will use commercially reasonable efforts to sell the shares and remit the net cash proceeds *pro rata* to the U.S. Holders. Any such U.S. Holder will recognize short-term capital gain or loss on the sale of Tenda shares by the Depositary in an amount equal to the difference between the amount realized on the sale and the U.S. Holder's tax basis in the shares sold. As described in the preceding paragraph, the U.S. Holder will also recognize dividend income with respect to the distribution of the Tenda common shares to the Depositary. If the U.S. Holder does not receive cash proceeds from the sale of the shares in an amount sufficient to fund the tax liability on such dividend income, the U.S. Holder will be required to pay the shortfall from other sources. Subject to certain exceptions, capital losses are generally available to offset only capital gains and therefore generally cannot be used to offset any ordinary dividend income arising from the distribution of the Tenda shares. Any capital gain will generally be U.S. source gain for foreign tax credit purposes. Consequently, a U.S. Holder will not be able to credit any Brazilian income tax imposed on such gains against the U.S. Holder's U.S. federal income tax liability unless the U.S. Holder has other taxable income from foreign sources in the appropriate foreign tax credit basket. Subject to applicable limitations, the U.S. Holder may be entitled to take a deduction for such Brazilian income tax. U.S. Holders should consult their tax advisors concerning the creditability or deductibility of any Brazilian income tax imposed on a sale of Tenda shares by the Depositary in their particular circumstances.

As described above under “Brazilian Tax Considerations—Taxation of the Reduction of Gafisa’s Capital Stock in the Form of a Distribution of Tenda Common Shares,” Gafisa believes it is reasonable to take the position that the reduction of Gafisa’s share capital (and corresponding distribution of Tenda common shares to Gafisa’s shareholders) is not taxable under Brazilian law and accordingly Gafisa will not withhold taxes on such transactions. However, if Brazilian tax were to apply to the reduction of Gafisa’s share capital and Gafisa pays that tax, Gafisa may seek a reimbursement of such tax from the U.S. Holders. Provided that under Brazilian tax law the U.S. Holders are also liable for any such tax not withheld, U.S. Holders should consult their tax advisors concerning the ability to credit any such tax against their U.S. federal taxable income from other foreign sources in the appropriate foreign tax credit basket (which may be different from the foreign tax credit basket of the dividend income recognized upon the distribution of the Tenda shares).

Rights to Acquire the Offered Shares

Although the matter is not entirely clear, Gafisa expects that the distribution of rights to acquire the Offered Shares should be treated as a taxable distribution for U.S. federal income tax purposes and the remainder of this

discussion so assumes. The distribution of such rights will be subject to the rules applicable generally to taxable distributions from Gafisa, as described in “—Taxation of the Distribution of Tenda Common Shares” above. Accordingly, U.S. Holders of Tenda common shares or Depositary Shares should expect to be required to include as dividend income the fair market value of the rights, as determined in U.S. dollars on the date of receipt by the U.S. Holder (in the case of Gafisa common shares) or by the Depositary (in the case of Depositary Shares). A U.S. Holder’s tax basis in a right should be equal to its fair market value on the date of receipt (that is, the amount includible in income as a dividend with respect to such right).

The amount of dividend income will include any amount withheld on the distribution in respect of Brazilian taxes and will generally be subject to the foreign tax credit rules applicable generally to taxable distributions from Gafisa, as described in “—Taxation of the Distribution of Tenda Common Shares” above.

As described in “The Separation—General,” U.S. Holders of Gafisa’s Depositary Shares generally will not be entitled to receive rights to acquire the Offered Shares. Instead, the Depositary will receive such rights from Gafisa and will use commercially reasonable efforts to sell such rights and remit the net cash proceeds *pro rata* to the U.S. Holders. A U.S. Holder will recognize short-term capital gain or loss on a sale of rights by the Depositary in an amount equal to the difference between the amount realized on the sale and the U.S. Holder’s tax basis in the rights sold. As described in the preceding paragraph, a U.S. Holder of Depositary Shares should expect to recognize dividend income with respect to the distribution of rights to acquire the Offered Shares to the Depositary. If a U.S. Holder does not receive cash proceeds from the sale of rights by the Depositary in an amount sufficient to fund the tax liability (if any) on the dividend income, the U.S. Holder will be required to pay the shortfall from other sources. In addition, if some or all of the rights expire without being sold, a U.S. Holder will generally recognize a short-term capital loss in an amount equal to its tax basis (if any) in such expired rights. Subject to certain exceptions, capital losses are generally available to offset only capital gains and therefore generally cannot be used to offset any ordinary dividend income arising from the receipt of rights.

Any capital gain recognized on a sale of rights by the Depositary will generally be U.S. source gain for foreign tax credit purposes. Consequently, a U.S. Holder will not be able to credit any Brazilian income tax imposed on such gains against the U.S. Holder’s U.S. federal income tax liability unless the U.S. Holder has other taxable income from foreign sources in the appropriate foreign tax credit basket. Subject to applicable limitations, the U.S. Holder may be entitled to take a deduction for such Brazilian income tax. U.S. Holders should consult their tax advisors concerning the creditability or deductibility of any Brazilian income tax imposed on a sale of rights by the Depositary.

The appropriate treatment of the rights distribution is not entirely clear, and U.S. Holders should consult their tax advisors regarding the U.S. federal income consequences of the rights distribution (particularly if a market in the rights does not develop) and of any subsequent sale of such rights.

Gafisa’s PFIC Status After the Distribution of Tenda Shares

In general, a non-U.S. corporation is a PFIC for any taxable year if: (1) 75% or more of its gross income consists of passive income (the “income test”) or (2) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income (including cash and cash equivalents). Generally, “passive income” includes interest, dividends, rents, royalties and certain gains. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Because Gafisa’s PFIC status is an annual determination that can be made only after the end of each taxable year and will depend on the composition of its income and assets for each such year, there can be no assurance that Gafisa will not be a PFIC for the current or any other taxable year. Moreover, after the distribution of the Tenda common shares, Gafisa will own less than 25% of Tenda shares and, therefore, Gafisa’s income and assets will no longer include Tenda’s income and assets for purposes of determining Gafisa’s PFIC status. On a non-consolidated basis (i.e., without taking into account Tenda’s income), Gafisa had financial income for the 2016 taxable year in an amount that is substantial relative to its gross margin. Gafisa may become a PFIC if its financial income for any taxable year constitutes 75% or more of its gross income (generally, the sum of Gafisa’s financial income and gross margin) for such year.

If Gafisa were to become a PFIC for any taxable year, the consequences to U.S. Holders of Gafisa’s Depositary Shares or common shares would be similar to the consequences that would apply to U.S. Holders of Tenda shares if

Tenda were a PFIC, as described in the third paragraph under “—Taxation of the Ownership and Disposition of Tenda Common Shares—Passive Foreign Investment Company Rules” below. U.S. Holders should consult their tax advisors regarding the tax consequences to them if Gafisa were a PFIC for any taxable year and whether any election that results in alternative treatment to the general PFIC rules would be available.

Taxation of the Ownership and Disposition of Tenda Common Shares

Taxation of Distributions Paid on Tenda Common Shares

Distributions paid on Tenda common shares (including any amounts that are treated as interest on shareholders' equity for Brazilian tax purposes and any Brazilian withholding taxes deducted from distributions), other than certain *pro rata* distributions of Tenda common shares, will be treated as dividends to the extent paid out of Tenda's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because Tenda does not prepare calculations of its earnings and profits using U.S. federal income tax principles, it is expected that distributions generally will be reportable to U.S. Holders as dividends.

Dividends will be treated as foreign-source dividend income. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code, and will not qualify for the preferential tax rates available to non-corporate shareholders on dividends received from certain qualified foreign corporations. A dividend will be included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend. The amount of any dividend paid in *reais* will be the U.S. dollar value of the *reais* calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt, which will be U.S. source ordinary income or loss.

The amount of dividend income will include any amount withheld on the distribution in respect of Brazilian taxes. Subject to generally applicable conditions and limitations, some of which vary depending upon the U.S. Holder's circumstances, Brazilian income taxes, if any, withheld from dividends on our common shares generally will be creditable against the U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisors regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a foreign tax credit, U.S. Holders may, at their election, deduct foreign taxes, including any Brazilian tax withheld from dividends on our common shares, in computing their taxable income, subject to generally applicable limitations under U.S. federal income tax law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued for the relevant taxable year.

Sale or Other Taxable Disposition of Tenda Common Shares

A U.S. Holder that disposes of our common shares in a taxable sale or other disposition will recognize capital gain or loss equal to the difference between the amount realized on the disposition and the U.S. Holder's tax basis in the common shares disposed of, in each case as determined in U.S. dollars. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the common shares for more than one year. Long-term capital gains of non-corporate U.S. Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Capital gain or loss, if any, will generally be U.S. source gain or loss for foreign tax credit purposes. Consequently, a U.S. Holder will not be able to credit any Brazilian income tax imposed on such gains against the U.S. Holder's U.S. federal income tax liability unless the U.S. Holder has other taxable income from foreign sources in the appropriate foreign tax credit basket. Subject to applicable limitations, the U.S. Holder may be entitled to take a deduction for such Brazilian income tax. U.S. Holders should consult their own tax advisors concerning the creditability or deductibility of any Brazilian income tax imposed on the disposition of common shares in their particular circumstances.

Passive Foreign Investment Company Rules

As discussed above under “—Gafisa's PFIC Status After the Distribution of Tenda Shares,” in general, a non-U.S. corporation is a PFIC for any taxable year if: (1) 75% or more of its gross income consists of passive income or

(2) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income.

Tenda does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, because PFIC status depends on the composition of a company's income and assets and the market value of its assets from time to time, and because there are uncertainties in the characterization of certain of our income and assets for PFIC purposes, there can be no assurance that Tenda will not be a PFIC for any taxable year.

Generally, if Tenda were a PFIC for any taxable year during which a U.S. Holder held its common shares, gain recognized by the U.S. Holder upon a disposition (including, under certain circumstances, a pledge) of the common shares would be allocated ratably over the U.S. Holder's holding period for such shares. The amounts allocated to the taxable year of disposition and to any years before Tenda became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the resulting tax liability for each such year. Further, to the extent that any distribution received by a U.S. Holder on the common shares exceeds 125% of the average of the annual distributions on such shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the common shares if Tenda were a PFIC for any taxable year. In addition, if a U.S. Holder owns Tenda common shares during any year in which it is a PFIC, the U.S. Holder will generally be required to file an Internal Revenue Service, or "IRS," Form 8621 with respect to Tenda with its annual U.S. federal income tax returns, subject to certain exceptions. U.S. Holders should consult their tax advisors regarding the potential application of the PFIC rules to its ownership of Tenda common shares.

Information Reporting and Backup Withholding

Payments of dividends (including the distributions contemplated in this Information Statement) and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, unless the U.S. Holder is a corporation or other exempt recipient. In addition, such payments may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Market for Common Stock

As part of the separation, Tenda has initiated the process to list its shares on the Traditional segment of BM&FBOVESPA so that the Tenda shares are accepted for trading by no later than the date they are to be delivered to shareholders of Gafisa.

Trading Between Distribution Record Date and Distribution Date

Beginning on the Distribution Record Date and continuing up to and including the distribution date, there are two markets in Gafisa common stock: a “regular-way” market and an “ex-distribution” market. Shares of Gafisa common stock that trade on the “regular-way” market trade with an entitlement to receive shares of Tenda common stock in the distribution. Shares that trade on the “ex-distribution” market trade without an entitlement to receive shares of Tenda common stock in the distribution. Therefore, if you sell shares of Gafisa common stock in the “regular-way” market after the Distribution Record Date for holders of Gafisa shares and up to and including through the distribution date, you will be selling your right to receive shares of Tenda common stock in the distribution. If you own shares of Gafisa common stock at the Distribution Record Date for holders of Gafisa shares and sell those shares in the “ex-distribution” market, up to and including through the distribution date, you will still receive the shares of Tenda common stock that you would be entitled to receive in respect of your ownership, as of the record date, of the shares of Gafisa common stock that you sold.

Furthermore, beginning on the Distribution Record Date for holders of Gafisa shares and continuing up to and including the distribution date, we expect there will be a “when-issued” market in our common stock. “When-issued” trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The “when-issued” trading market is a market for shares of Tenda common stock that will be distributed to Gafisa shareholders on the distribution date. If you own shares of Gafisa common stock on the Distribution Record Date for holders of Gafisa shares, you would be entitled to receive shares of our common stock in the distribution. You may trade this entitlement to receive shares of Tenda common stock, without trading the shares of Gafisa common stock you own, in the “when-issued” market. On the first trading day following the distribution date, we expect “when-issued” trading with respect to Tenda common stock will end and “regular-way” trading in Tenda common stock will begin.

In connection with the preemptive rights, with respect to the ADSs and GDSs, the Depository for the ADS and GDS facilities have established 5:00 p.m. (NY time) on April 7, 2017 as the record date to determine the Gafisa ADS holders and the Gafisa GDS holders entitled to receive the net cash proceeds (if any) from the sale of the preemptive rights attributable to the Gafisa shares represented by Gafisa ADS, or the “ADS/GDS Rights Entitlement Record Date”. The ADS and GDS Depositories will close the ADS and GDS books for ADS and GDS issuances and cancellations, and will not process any ADS or GDS issuances and cancellations, from close of business (NY time) on March 15, 2017 through close of business (NY time) on April 28, 2017 (or any extension thereof).

In connection with the distribution of Tenda Shares, in respect to the ADSs and GDSs, the Depository for the ADS and GDS facilities have established (x) 5:00 pm (New York City time) on the same date that is established as the Distribution Record Date as the record date to determine the Gafisa ADS holders and Gafisa GDS holders entitled to request the receipt of Tenda shares and to receive the net cash proceeds from the sale of Tenda shares not requested nor received, and (y) the period to request Tenda shares from open of business in New York City on the date that is one business day following the Distribution Record Date for Gafisa ADS and GDS holders through close of business in New York City on the 10th business day in New York City following such date. The ADS and GDS Depositories will close the ADS and GDS books for ADS and GDS issuances and cancellations, and will not process any ADS issuances and cancellations, from the close of business (NYC time) on March 15, 2017 through close of business (NYC time) on April 28, 2017 (or any extension thereof).

Conditions to the Distribution

Gafisa may cancel the distribution if (1) the reduction in Tenda’s capital stock, approved by its shareholders on December 14, 2016, is not consummated, (2) the distribution becomes unlawful pursuant to applicable law; or (3) in connection with the reduction in Gafisa’s capital stock, any Gafisa creditor objects to such capital stock reduction and such objection is not remedied.

Share Purchase and Sale Agreement

On December 14, 2016 Gafisa entered into a SPA with Jaguar, pursuant to which Gafisa will sell Tenda shares representing up to 30% of the total capital stock of Tenda, at the Price per Share. Pursuant to the SPA, Gafisa will receive cash proceeds totaling R\$231.7 million, valuing Tenda's capital stock at R\$539.0 million.

The consummation of the transactions contemplated by the SPA is subject to, among others, the following conditions precedent:

a reduction in Tenda's capital stock, without cancellation of shares, consisting of cash payments by Jaguar to Gafisa totaling R\$100.0 million, adjusted by reference to the Brazilian short-term interest rate (*Sistema Especial de Liquidação e Custódia*), or SELIC rate, R\$50.0 million of which will be due and payable on December 31, 2018, with the remaining amount due and payable on December 31, 2019;

a reduction in Gafisa's capital stock, without the cancellation of shares, in the form of a distribution of Tenda common shares to Gafisa's shareholders, representing 50% of Tenda's total capital stock; and

the conclusion of the procedures related to the exercise by Gafisa shareholders of their preemptive rights to acquire, on a *pro rata* basis, the Offered Shares at the Price per Share.

According to the SPA, Jaguar is required to purchase the proportion of the Offered Shares that were not purchased by the Gafisa shareholders pursuant to their preemptive rights to purchase such Offered Shares, or the “Outstanding Shares”, if such Outstanding Shares represent at least 20% or more of Tenda’s total capital stock. If the number of Outstanding Shares represents at least 19.99% or less of Tenda’s total capital stock, Jaguar may decide, in its sole discretion, whether to purchase such Outstanding Shares.

Agreements with Gafisa

Prior to the distribution, we will enter into a Separation and Distribution Agreement and one other agreement with Gafisa to effect the separation and provide a framework for our post-separation relationship with Gafisa. These agreements will provide for the allocation between Tenda and Gafisa of Gafisa’s assets, liabilities and obligations following the separation (including with respect to transition services, employee matters, real and intellectual property matters, tax matters and certain other commercial relationships)

In addition to the Separation and Distribution Agreement (which will contain many of the key provisions related to our separation from Gafisa and the distribution of our shares of common stock to Gafisa shareholders), we will enter into an agreement with Gafisa, pursuant to which Gafisa will agree to continue to act as guarantor of Tenda in connection with several existing financial agreements and insurance policies Tenda is party to and we will agree to pay Gafisa certain fees for such guarantees.

Reason for Furnishing This Information Statement

This Information Statement is being furnished solely to provide information to Gafisa shareholders that are entitled to receive shares of our common stock in the distribution. The Information Statement is not, and is not to be construed as, an inducement or encouragement to buy, hold or sell any of our securities. We believe the information contained in this Information Statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither Gafisa nor we undertake any obligation to update such information except in the normal course of our respective public disclosure obligations.

Dividend Policy

The amount of any of our distributions of dividends and/or interest on shareholders' equity will depend on a series of factors, such as our financial conditions, prospects, macroeconomic conditions, tariff adjustments, regulatory changes, growth strategies and other issues our board of directors and our shareholders may consider relevant, as discussed below.

Amounts Available for Distribution

At each annual general shareholders' meeting, our board of directors must make a recommendation concerning the allocation of the net income from the preceding year, which is subject to approval by our shareholders. Brazilian Corporate Law defines "net income" for any year as net income after income tax and social contribution for that year, net of any accumulated losses from prior years and any amounts allocated to statutory employees and management profit sharing in our net income in such year.

Notwithstanding this, pursuant to our bylaws, an amount not less than 25.0% of our annual adjusted net income must be made available for distribution in the form of dividends or payment of interest on shareholders' equity in any year. This amount represents our mandatory dividend.

In any case, the calculation of our annual adjusted net income and the allocation to reserves are made based on our financial statements, in accordance with Brazilian Corporate Law. Therefore, our annual adjusted net income corresponds to our annual net income discounted by allocations to legal reserve and to contingencies' reserves, as well as by any reversal of amounts from the contingencies' reserves.

Brazilian Corporate Law, however, permits our shareholders to suspend the distribution of the mandatory dividend, in the event our board of directors informs the shareholders' meeting that the distribution is incompatible with our financial position. The fiscal council, if established, must issue its report on the recommendation from the board of directors. Furthermore, as we are a listed company, our management must present justification for the suspension to the CVM.

Income not distributed on account of the suspension in the aforementioned manner will be allocated to a special reserve, and in the event they are not absorbed by subsequent losses, they must be paid by way of dividends as soon as our financial position so permits.

Reserves

Under the Brazilian Corporate Law, companies generally have two main reserve accounts: (i) earnings reserves; and (ii) capital reserves. Profit reserve accounts are comprised of the legal reserve, retained earnings reserve and the unrealized earnings reserve.

Legal Reserve

We are required to maintain a legal reserve to which we must allocate 5% of our net income for each year, until the aggregate amount in the reserve equals 20% of our capital stock. However, we are not required to allocate any amount to our legal reserve for any period in which our legal reserve, when added to our capital reserves, exceeds 30% of our capital stock. The legal reserve may be used to absorb losses or increase our capital stock. Shareholders at an annual meeting must approve the amount of net income allocated to the legal reserve, and once this allocation is approved, these amounts will not be available for the payment of dividends. Our bylaws contemplate a legal reserve that has, as its purpose, the approval of financing for development, implementation and expansion of our business. This reserve is limited to the total amount of our capital stock. As of September 30, 2016, we had no legal reserve due to accumulated losses.

Retained Earnings Reserve

Under Brazilian Corporate Law, the shareholders may decide to retain part of the net income for the period as provided for in a previously approved capital expenditure budget. When retained net income reserves are kept for longer than one year, the shareholders must review them at the annual general shareholders' meeting. Allocation of part of the net income to the retained earnings reserve must not be made to the detriment of a mandatory dividend payment.

Notwithstanding, pursuant to our bylaws, up to 71.25% of our annual adjusted net income may be allocated to incorporate the Investment Reserve in order to: (i) secure resources to the development of the activities of our controlled companies; and (ii) be used to redeem, reimburse or acquire shares of our capital stock, which may not exceed 80% of the paid-up capital stock. As of September 30, 2016, we did not have a retained earnings reserve.

Unrealized Income Reserve

Under Brazilian Corporate Law, if the mandatory dividend exceeds the “realized” portion of net income for the period, the excess may be allocated to an unrealized income reserve, and the mandatory dividend may be limited to the “realized” portion of the net income. Brazilian Corporate Law defines “realized” net income as the portion of net income for the period that exceeds the sum of the following amounts: (1) positive equity results (if applicable); and (2) net income, earnings or income that will be received after the end of the subsequent period. Net income recorded under the unrealized income reserve, when realized, if it has not been absorbed by losses in subsequent years, must be added to the first dividend declared after realization. As of September 30, 2016, we did not have any unrealized income reserve.

Capital Reserve

Under Brazilian Corporate Law, the capital reserve consists of premium from the issuance of shares, special reserves for premium on incorporation, transfer of founders’ shares, transfer of warrants, premium from the issuance of debentures, tax incentives, donations, stock options and investment subsidies. Capital reserves may only be used, among other things, for: (1) absorption of losses exceeding the retained earning reserve and income reserves; (2) redemption, reimbursement, or purchase of our shares; and (3) increase of our capital stock. Any portions allocated to our capital reserve are not taken into consideration for purposes of determining the mandatory dividend. As of September 30, 2016, we had capital reserves totaling R\$100.2 million.

Payment of Dividends and Interest on Shareholders’ Equity

Dividends. We are required by Brazilian Corporate Law and our bylaws to hold an annual general shareholders’ meeting within 120 days of the end of each year at which, among other items, the shareholders must vote to declare an annual dividend for the year ended, calculated based on our net income as set forth in our audited financial statements prepared for the applicable period.

Any holder of shares on the date on which the dividend is declared is entitled to receive dividends. Under Brazilian Corporate Law, annual dividends are generally required to be paid within 60 days of the declaration date, unless the shareholders’ resolution establishes another date of payment, which, in any event, must occur before the end of the

year in which the dividend is declared.

Our bylaws do not require that we index the amount of any dividend payment to inflation.

Each shareholder has a three-year period from the date in which the dividend or the interest on shareholders' equity is made available to the shareholder to claim such amounts, after which the aggregate amount of any unclaimed payments legally reverts to us.

Our board of directors may declare interim dividends or interest on shareholders' equity based on realized income verified in semiannual financial statements. In addition, the board of directors may determine the use of balance sheets for periods of less than six months and declare dividends or interest on shareholders' equity based on the income verified in such balance sheets, *provided* that the total amount of dividends paid in each semester of the year does not exceed the amounts accounted for in our capital reserve account, as set forth in paragraph 1 of Article 182 of the Brazilian Corporate Law. The board of directors may also pay interim dividends or interest on shareholders' equity may also be paid from retained earnings or income reserve accounts based on the most recent annual or semiannual financial statements. Any payment of interim dividends or interest on shareholders' equity may be set-off against the amount of mandatory dividends relating to the net income in the year in which the interim dividends were paid, except in the event where there is no mandatory dividend.

Until the date of this Information Statement, we have not declared or distributed any dividends to our shareholders.

Interest on Shareholders' Equity

Law No. 9,249/1995, as amended, allows a Brazilian company to make payments to shareholders characterized as interest on shareholders' equity of the company as an alternative or in addition to making dividend distributions and treat those payments as deductible expenses for purposes of calculating Brazilian corporate income and social contribution taxes on net income. For tax purposes, this deduction is limited to the daily pro rata variation of the Brazilian long-term interest rate, or "TJLP", as determined by the Central Bank from time to time, and the amount distributed as interest on shareholders' equity may not exceed the greater of:

50.0% of net income (after deduction of social contribution tax on net profits and before the provision for corporate income tax and the amounts attributable to shareholders as interest on stockholders' equity) for the period in respect of which the payment is made; or

50.0% of the sum of retained profits and profit reserves as of the date of the beginning of the period in respect of which the payment is made.

Payment of interest on shareholders' equity to a Non-Brazilian Holder is subject to WHT at the rate of 15.0%, or 25.0% if the Non-Brazilian Holder is domiciled in a Tax Favorable Jurisdiction (as defined below). Payments of interest on shareholders' equity to a Non-Brazilian Holder may be included, at their net value, as part of any mandatory dividend. To the extent payment of interest on shareholders' equity is so included, the corporation is required to distribute to shareholders an additional amount to ensure that the net amount received by them, after payment of the applicable Brazilian WHT, plus the amount of declared dividends is at least equal to the mandatory dividend

Distributions of interest on shareholders' equity to Non-Brazilian Holders may be converted into U.S. dollars and remitted outside of Brazil, subject to applicable exchange controls, to the extent that the investment is registered with the Central Bank.

Dividend Distribution Policy

Although our management may decide to constitute any reserves permitted pursuant to regulation or our bylaws, and to the extent consistent with our interests and our financial condition, we intend to distribute as dividends at least 25.0% of our annual net income, as adjusted pursuant to Article 202 of Brazilian Corporate Law.

Restrictions on Dividend Payments

The indenture of our first issuance of debentures predicts an acceleration clause if we make any payment of dividends, interest on shareholders' equity or any other profits' participation that may be described in our bylaws, when in arrears with the debenture holders, except for the payment of the minimum mandatory dividend.

Notwithstanding the above mentioned, there are no restrictions on dividend payments imposed by law or regulation specifically applicable to us, as well as there are no such restrictions imposed by contracts, court decisions, administrative or arbitration decisions.

Exchange Rates

The Brazilian foreign exchange system allows the purchase and sale of foreign currency and the international transfer of *reais* by any person or legal entity, regardless of the amount, subject to certain regulatory procedures.

The Central Bank has intervened occasionally to attempt to control instability in foreign exchange rates. We cannot predict whether the Central Bank or the Brazilian government will continue to allow the *real* to float freely or will intervene in the exchange rate market by re-implementing a currency band system or otherwise. The *real* may depreciate or appreciate substantially against the U.S. dollar in the future. Furthermore, Brazilian law provides that, whenever there is a serious imbalance in Brazil's balance of payments or there are serious reasons to foresee a serious imbalance, temporary restrictions may be imposed on remittances of foreign capital abroad. We cannot assure you that such measures will not be taken by the Brazilian government in the future.

The following tables set forth the selling rate, expressed in *reais* per U.S. dollar (R\$/U.S.\$), for the periods indicated, as reported by the Central Bank:

Year	Period-end	Average(1)	Low	High
2012	2.044	2.006	1.822	2.112
2013	2.343	2.160	1.953	2.446
2014	2.656	2.354	2.197	2.740
2015	3.905	3.330	2.575	4.195
2016	3.559	3.590	2.894	4.195

Month	Period-end	Average(2)	Low	High
August 2016	3.150	3.217	3.150	3.273
September 2016	3.246	3.256	3.193	3.333
October 2016	3.181	3.186	3.119	3.236
November 2016	3.393	3.321	3.202	3.444
December 2016	3.259	3.356	3.259	3.465
January 2017	3.127	3.197	3.127	3.273
February 2017	3.099	3.104	3.051	3.148
March 2017 (through March 23, 2017)	3.125	3.126	3.077	3.174

Source: Central Bank.

(1) Represents the average of the exchange rates on the closing of each day during the year.

(2) Represents the average of the exchange rates on the closing of each day during the month.

Capitalization

The following table sets forth our actual capitalization as of September 30, 2016. This table below sets forth our capitalization as of September 30, 2016, derived from our unaudited interim consolidated financial statements as of September 30, 2016. The table should be read in conjunction with “Unaudited *Pro Forma* Condensed Combined Financial Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this Information Statement.

We are providing the capitalization table for information purposes only. The capitalization table below may not reflect the capitalization or financial condition that would have resulted had we been operating as a separate, independent entity on September 30, 2016 and is not necessarily indicative of our future capitalization or financial condition.

The table below sets forth our capitalization as of September 30, 2016 derived from our unaudited interim consolidated financial statements as of September 30, 2016.

	As of September 30, 2016	
	(in thousands of U.S.\$)(1)	(in thousands of R\$)
Current liabilities:		
Loans and financing	5,945	19,298
Debentures	31,666	102,793
Non-current liabilities:		
Loans and financing	23,815	77,307
Capital	367,815	1,194,000
Capital reserves and reserve for granting stock options	30,878	100,235
Accumulated losses	(51,072)	(165,789)
Non-controlling interests	9,125	29,621
Total equity	356,746	1,158,067
Total capitalization(2)	418,172	1,357,465

(1) Converted only for convenience, using the commercial selling rate as reported by the Central Bank on September 30, 2016 for *reais* into U.S. dollars of R\$3.2462 per U.S.\$1.00. These conversions should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate as of that or any other date.

(2) Our total capitalization represents the sum of our current and non-current loans and financing, debentures and our total equity. This definition may differ from that used by other companies.

There has been no material change in our capitalization since September 30, 2016, except for:

- (i) a capital reduction totaling R\$100 million we concluded in December 2016 in connection with the transaction between Jaguar and Gafisa;
- (ii) the payment of principal on our first issuance of debentures totaling R\$100 million; and
- (iii) the CCB transaction we entered into with Banco Votorantim in the first quarter of 2017, totaling R\$21.8 million.

Business

Overview

We are one of Brazil's largest publicly traded real estate developers based on the general sales value of new projects launched and net contracted sales in the last 12 months, which totaled R\$1.3 billion and R\$1.1 billion, respectively. We develop and build residential units in Band 2 of the Brazilian government's MCMV program. We have exclusively focused our operations in six of the largest metropolitan areas in Brazil (São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife).

The MCMV program was created by the Brazilian government in April 2009 with the objective of reducing the housing deficit in Brazil through government financing and subsidies for low-income housing. The MCMV program is divided into three main income bands (which we refer to as Band 1, Band 2 and Band 3), with a focus on providing affordable housing for families with monthly incomes of up to R\$4,650. In March 2010, the Brazilian government launched the second phase of the MCMV program (*Programa de Aceleração de Crescimento – PAC*), which was implemented from 2011 to 2014 and which financed and built approximately 2.3 million housing units, with approximately 1.4 million additional housing units currently under construction. On March 30, 2016, the Brazilian government launched the third phase of the MCMV program, which aims to build approximately two million housing units by 2018, including 800,000 housing units for families in Band 2.

In 2015, we launched 30 Band 2 housing projects totaling R\$1.1 billion in general sales value and R\$1.0 billion in net contracted sales. In 2015, our SoS ratio, was 53.0%, the highest ratio among all publicly traded real estate developers, according to data published by the CVM and BM&FBOVESPA. For the year ended December 31, 2015, we had net operating revenue of R\$851.0 million, with an adjusted gross income margin of 30.6%, and net income attributable to our controlling shareholder of R\$30.3 million. For the nine months ended September 30, 2016, we launched 30 projects with R\$968.6 million and R\$830.2 million in general sales value and net contracted sales, respectively, and our SoS ratio was 44.7%, compared to an SoS ratio of 48.7% for the same period in 2015. For the nine months ended September 30, 2016, we had net operating revenue of R\$765.8 million, with an adjusted gross income margin of 31.6% and net income attributable to our controlling shareholder of R\$36.5 million.

We operate in six of the largest metropolitan regions of Brazil, as shown in the map below.

Since 2013, we have launched 81 housing projects totaling R\$3.0 billion in general sales value and of these projects we have delivered 42 projects totaling R\$1.4 billion and 9,854 units. The table below sets forth the number of units we launched for the periods and regions indicated:

	Nine months ended 31, September, 2016			
	2015	2014	2013	2012
	(number of units)			
Sao Paulo	1,057	2,180	720	1,380
Rio de Janeiro	1,738	1,751	1,511	300
Salvador	1,520	1,584	1,220	780
Recife	576	944	432	—
Belo Horizonte	780	372	432	—
Porto Alegre	1,400	880	—	—
Total	7,071	7,711	4,315	2,460

In 2012, we conducted an extensive review of our then existing business strategy. That same year, we decided to temporarily reduce our launch activities in order to focus on completing and selling all of our legacy projects in the following years. At the beginning of 2012, we had 30,944 outstanding units related to our legacy projects, all of which we sold by the end of 2015. At the same time we worked to complete our legacy projects, we started to shift our focus toward projects in Band 2 of the MCMV program. In 2013, we implemented our current business model, which is built on four pillars:

Project financed at launches. We do not launch a project or commence sales unless such project has qualified for “member funding”, has obtained municipal approvals, and has been formally approved and registered by the associated financial institutions eligible to provide financing to our clients in connection with the MCMV program. “Member funding” finances residential developments, urban development rehabilitations and urbanized lot productions through the Member Letter of Credit Program (*Programa de Carta de Crédito Associativo*). This program is funded by the FGTS. The FGTS imposes a mandatory 8% employee payroll deduction on all employees in Brazil. Employees maintain FGTS accounts, which are similar to pension funds, and are allowed, among other things, to use the funds deposited in the accounts for the acquisition of real estate property under certain circumstances, as set forth by applicable law. The CEF is the agency responsible for managing the funds deposited in the FGTS and allows our clients to obtain financing directly with the financial institutions that are associated with the MCMV program. We believe that “member funding” considerably mitigates the financial and execution risks associated with our development projects and is a condition to our commencing pass-through sales with individual clients, as described below.

Pass-through sales. We do not sell a unit to a client unless such client has individual credit approval with the financial institution that has formally approved (or provided) “member funding” for the relevant unit, which we refer to as a “pass-through” sale since the client credit risk is passed on to the financial institution. We believe this reduces our exposure to client credit risk and working capital risk, reduces the risk of contract cancellations because of the shorter

period during which we are exposed to client credit risk, and shortens our operating cycle. We believe this pillar also contributes to a more efficient sale and delivery of the unit.

Direct salesforce and showrooms. As part of our marketing strategy, we conduct the majority of our sales efforts through our own salesforce out of our own showrooms. This allows us to provide high quality and targeted training to our employees, which we believe has resulted in a more efficient sales process. We believe that using our own workforce and our own showroom allows us to maintain greater presence in the metropolitan areas in which we operate to better serve our clients, exercise a higher degree of control over the management of our sales processes, and reduce related costs and overhead.

Aluminum-mold technology. All of our units are currently built with concrete walls using aluminum-mold technology. We believe this construction method is suited to the operational and financial dynamics of the MCMV program and contributes to a highly streamlined and efficient construction cycle. Given the

financial dynamics of operating within the MCMV program, it also contributes to increased efficiency in managing the capital we employ to build our projects. We believe using aluminum-mold technology, consistent with our standardization strategy, allows us to efficiently replicate projects on a cost-effective basis in the metropolitan regions in which we operate. Aluminum-mold technology requires a specialized workforce for mold assembly, and we believe this contributes to increased workforce productivity and expertise. In addition, we also believe that our construction method allows us to delay construction on a project until the majority of the units of that project have been sold (and “passed through”), which significantly reduces our need for working capital.

We believe the four pillars of our current business model give us significant competitive advantages in the affordable housing segment, and allow us to execute our projects with greater efficiency, minimize use of our own working capital, mitigate execution risks, simplify project management, and facilitate economies of scale.

In addition to the four pillars, our current business model also focuses on the following key aspects:

Standardization of our units. Each unit we build consists of two bedrooms, a bathroom and a living room with an eat-in kitchen. We believe the standardization of our units has resulted in building processes comparable with industrial assembly lines and has reduced complexity in our construction methods. Standardization allows us to replicate our projects more efficiently because we are able to evaluate variables across our projects, such as construction periods, cost per unit, delivery dates and required workforce, among others.

Focus on key metropolitan regions. We operate in six of Brazil’s largest metropolitan areas: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife. We believe this has significantly streamlined our project management activities, and has reduced the need for us to enter into partnerships with local development companies whose strategies may not be aligned with ours. All of our projects and developments are currently wholly-owned. We also believe the economies of scale in the areas in which we operate allow us to negotiate competitive prices with our service providers and suppliers, which reduces our underlying costs and allows us to maintain competitive sales prices for our units.

History

Our headquarters are located at Rua Álvares Penteado, 61, 5th Floor, in the city of São Paulo, state of São Paulo. The telephone number of our investor relations department is +55 (11) 3111-2711 and the e-mail is ri@tenda.com. Our website is www.tenda.com/investidores. The information contained in our website is not part of, and is not incorporated by reference in, this Information Statement.

We were founded in 1993 in the city of Belo Horizonte and began operating in January 1994. In February 1999, our transformation into a *sociedade anônima* was approved and we adopted our current name. In the same year, we began

expanding our operations into São Paulo and, in 2006, into the city of Rio de Janeiro.

The year 2007 was marked by the entry of new shareholders and by our preparation for growth. In the first half of that year, we began operating in the metropolitan areas of Salvador, Porto Alegre, Goiânia, Brasília and Vitória. On July 30, 2007, our management and that of EDSP92 Participações S.A. (one of our shareholders at the time) agreed to merge both companies. As a result of this merger, the Company received the net assets of EDSP92 Participações S.A., in the amount of R\$20,381 thousand while the shareholders of EDSP92 Participações SA, namely, Modal Participações S.A. and Diniz Ferreira Baptista, Ramiro Lopes de Oliveira, Thomaz Srougi, Luiz Claudio do Nascimento, Mauricio Luis Luchetti and José Antonio Mourão, became direct shareholders through the subscription of 687,800 shares issued by us, representing 14.75% of our total and voting capital.

On October 15, 2007, we concluded an initial public offering in Brazil of 67 million shares, at a price per share of R\$9.00, with aggregate proceeds of R\$603 million, resulting in the sale of 55.07% of our capital stock. We became listed on the *Novo Mercado* segment of BM&FBOVESPA.

In October 2008, our shareholders approved the merger by us of shares of FIT Residencial Empreendimentos Ltda., a company controlled by Gafisa. As a result of the merger of FIT Residencial Empreendimentos Ltda. by us, Gafisa became our parent company, holding approximately 60% of our outstanding shares.

In December 2009, we were merged into Gafisa, with the exchange of our shares for those of Gafisa at an exchange ratio agreed to between Gafisa and the independent committee constituted in order to negotiate the transaction.

As a consequence of the merger, we became a wholly-owned subsidiary of Gafisa and our shares were no longer traded on the BM&FBOVESPA and in June 2010 we converted our registration with the CVM to a publicly held company on category B registration, pursuant to CVM Instruction No. 480/09.

In 2011, Gafisa began implementing a strategic plan to implement a corporate reorganization aimed at improving its performance. This plan contemplated a new organizational structure for the Gafisa group's brands (Gafisa, Tenda and Alphaville) and the appointment of executive officers responsible for income and losses of each brand, with each brand being treated as a separate business unit. This strategy was aimed at promoting the sustainable growth of the Gafisa group, including us, by improving margins and stabilizing cash flow.

At that time, our new management decided to freeze the launches of new projects while we finalized ongoing projects, which had been launched using a different set of construction processes and methods called legacy projects. Our management took advantage of this period to analyze our competitive position in the Brazilian real estate sector and determined that we could be competitive in the segment of the market centered on Band 2 of the "My House, My Life" (*Minha Casa Minha Vida*) housing program. As a result, we began operating under a new business concept based on four pillars, called foundation or current business model, which served as the basis for its business model for projects beginning in 2013.

We chose to focus only on metropolitan areas, with our current operations being focused on São Paulo, Rio de Janeiro, Belo Horizonte, Salvador, Recife and Porto Alegre.

On February 7, 2014, we and Gafisa announced to the market that the management of Gafisa was authorized by its board of directors to initiate studies for a potential spin-off of the company from Gafisa, in order to enhance value creation for Gafisa and its shareholders. The rationale for this was the fact that the two companies have different strategic and operational profiles, different capital structures and relatively low synergies between their operations.

On July 2014, the application for conversion of our publicly-traded registration with the CVM into a Category A company, pursuant to CVM Instruction No. 480/09, was approved.

On April 29, 2015, we and Gafisa announced to the market stating that the potential spin-off of the business units was still in progress, aiming to achieve conditions understood as sufficient for its implementation. Since the beginning of the process, several activities had already been carried out with a view to perform the spin-off, such as the conversion of our publicly-traded registration with the CVM.

On August 16, 2016, we and Gafisa announced to the market that the companies continued to work on the analysis of strategic alternatives for the spin-off, aiming at maximizing value for the shareholders of Gafisa, which would involve an offer of securities and/or a sale of equity interest, in addition to the spin-off itself.

On December 14, 2016, we, Gafisa and Jaguar entered into the SPA for the sale, in a private transaction, of up to 30% of the shares issued by Tenda, at a price of R\$8.13 per share. Under the terms of the SPA, Gafisa will receive cash proceeds of R\$231.7 million, valuing Tenda's full capital stock of R\$539.0 million.

Our Operations

Our corporate purpose is (i) the execution of civil construction works, (ii) the promotion of, participation in, administration or production of real estate projects of any nature, including incorporation and allotment of own or third-party real estate, (iii) the acquisition and sale of real estate, ready or to be built, residential or commercial, land and ideal fractions linked to future units, (iv) the rendering of services, (v) the intermediation of the commercialization of consortium quotas, (vi) the participation in other companies in Brazil and abroad and (vii) the development and implementation of marketing strategies related to own and third party real estate projects.

Acquisition of Land

Developing and selling real estate units starts with acquiring the land on which construction is to occur.

Based on strategy planning, we identify cities with sufficient demand to support steady operations - i.e., where we can build housing units on a continuous basis. Certain key factors utilized by our management in deciding on land purchases and new developments are also established, such as the location, expected demand for the new development, the existing inventory of housing units in the region, and the cost of acquiring the relevant plots of land.

When suitable terrain is identified, a study is first undertaken to determine the best way to utilize the space, using our standard design. This preliminary study forms the basis for an analysis of economic viability of the project, which takes into account, among other variables, revenues, costs, timeframe to conclude sales, pricing, and timing, so as to assess the project's potential profitability. Based on internal studies, information on the expected demand for the proposing housing unit and potential competition is also analyzed.

Once these phases are completed, we commence legal diligence on the property, to identify encumbrances, liens and covenants, ways to surmount them (if possible) and their costs. We also begin conducting diligence focused on environmental and technical aspects.

Each decision to purchase land is analyzed and approved by the executive committee and submitted to the board of directors when so required under the terms of the committee's internal regulations. For more information on our committees and boards, see "Management".

We use swaps in order to acquire new land, through which the seller is granted a given number of the units of the development to be built on the land, or a percentage of the revenues from sales of the units in the development. This reduces our cash needs and helps maximize returns. When implementing this swap strategy is not possible or commercially attractive, land is acquired through cash payments. The acquisition of the land is done both through private agreements and public deeds, in which we generally seek to include clauses and conditions that ensure closing on the land in order to protect our holding of the land even in the event of a judicial challenge to the transaction. As of September 30, 2016, 12.5% of the land we owned was acquired through swaps, and 87.5% was acquired through cash payments.

Our current landbank represents approximately R\$4.2 billion in general sales value, consisting of 127 different projects/phases, of which 24% are in São Paulo, 14% in Rio Grande do Sul, 22% in Rio de Janeiro, 6% in Minas Gerais and 34% in the Northeast, specifically in Bahia and Pernambuco.

We intend to maintain a portfolio of land that permits us to capture its full growth potential, since we believe maintaining land enables us to accelerate the launch rate for new developments. We intend to continue to acquire land in the regions we have identified as strategic, through cash transactions and physical and financial swaps, when possible.

The following table presents the total amount of our potential sales in *reais* and the representation of the total swaps we have in relation to the total value of the potential units for the indicated periods:

	Potential sales (in thousands R\$)	% Swap Total	Potential Units
September 30, 2016	4,204	12.5%	31,123
December 31, 2015	4,733	14.2%	34,422
December 31, 2014	3,955	13.9%	28,936
December 31, 2013	2,428	25.8%	20,018

Project Development

We have a department dedicated to product development, which is responsible for analyzing the housing need of each city we operate in preparing the initial studies for the land prospecting phase, as well as legal drafts, descriptive memoranda, and the images and materials used by the marketing and sales departments.

The teams, including architects, engineers, and marketing and sales professionals, work together on planning and preparing our development projects. At this stage, a team responsible for preparing the business plan, budget and assessment of the financial viability of each of our projects is also involved. Concurrently with planning the developments, we initiate the process of obtaining all the necessary regulatory and governmental licenses and

approvals, as well as selecting and entering into the necessary agreements with a financial institution to finance the development.

The stages of the development processes are summarized in the diagram below:

The entirety of the affordable entry-level housing units we build are buildings of four or five floors with 2-bedroom apartments and a private area of approximately 40 square meters. The prices at which we offer the housing units we construct are suited to and aimed at potential buyers falling within Band 2 of the program, whose monthly household income ranges from R\$2,350 to R\$3,600.

Construction

Before commencing any new project, the teams involved prepare studies, analyses and plans to create the most appropriate product possible. The construction model and the system for planning and control were developed to optimize productivity and minimize losses of raw materials. We analyze the performance of each project on a monthly basis, and have adopted a system to manage quality that was certified for ISO 9001:2008 and PBQP-H Siac 2012 – level A, by *Fundação Bureau Veritas*.

We invest continuously in developing new technologies. Our construction includes building concrete walls utilizing aluminum molds. This technological model has facilitated a variety of optimizations in the cost of construction and a planned management of the support areas; by means of the continuous improvement and synchronization of the construction projects.

Our procurement team is structured so as to take advantage of the opportunities generated by our construction model and its ramifications, thereby generating gains from the standardization and synchronization of our construction projects. This procurement model has generated significant savings in contracting services and acquiring materials, including through the use of strategic agreements with suppliers.

Marketing and Sales

We have two types of marketing structures to attract clients: (i) our own showrooms, and (ii) sales stands. Our showrooms are always located in areas with significant traffic, and are principally meant to generate scale in sales and provide after-sale customer service. The sales stands are “satellites” of the showrooms and provide extra reach to the sales system. The stands are set up in areas permitting work in the micro-region of the development being launched.

Currently, we have 44 showrooms and some mobile sales stands, all of which sell the entire portfolio of products in their respective regions.

Utilizing an internal sales team guarantees that the sales teams is familiar with our brand and products. This provides the sales team with the best and most complete arguments to convince potential clients to purchase our products, flexibility for framing the products of interest, and capacity to adjust the payment options to the client’s cash flow.

The marketing campaign is planned in advance and generally commences 30 days before launching a development. After filing the applicable papers with the competent real estate recording office, we begin publicizing the development in compliance with applicable law. We base our campaign on our reputation for quality developments which are affordable for the incomes of our target customers, and on the support of real estate financing from the banks underwriting construction. The developments are advertised through newspapers, television, direct marketing and the distribution of fliers in neighboring areas, as well as through telemarketing centers and internet sites. In addition, we invest in publicizing the brand itself in order to facilitate brand recognition among potential clients.

Our marketing and market intelligence department is responsible for planning and executing all our campaigns.

Client Financing

We and the entities we control allow buyers of the housing units we construct to pay in installments, utilizing bank financing granted under Band 2 of the “My House, My Life” (*Minha Casa Minha Vida*) housing program currently through CEF or BB.

Clients pay directly to us or the entities we control a percentage of the sales price for the unit prior to delivery of the property, and the remaining balance is paid through bank financing.

The entirety of financings through CEF or BB are utilized by clients whose monthly income does not exceed 10 times Brazil’s minimum wage. This financing model involves differentiated interest rates and maturities adapted to the financial capacity of these clients.

Competition

The real estate market for affordable entry-level housing segment in Brazil is highly competitive, characterized principally by limited pricing, low execution costs, special bank financing, design, quality, reputation, reliability, and on-time delivery.

In the majority of the states in which we are active, our main competitor is MRV Engenharia e Participações S.A. Due to the high level of market fragmentation, no single developer or builder has been able to obtain a significant share in the development and construction markets in all the income segments. Given this fragmentation, there is no consolidated quantitative information on our segment to analyze market share and competition on a national level. Except for the large metropolitan regions, where there are figures for the large competitors with shares listed on the

BM&FBOVESPA, in the other regions one generally finds less capitalized small- and medium-sized local competitors. We believe we occupy an important position in the markets in which we are active.

Seasonality

Although the Brazilian real estate market generally is not seasonal, during January, February, July and December the market slows down. These months coincide with school holidays, resulting in delays in decisions to buy housing units.

Raw Materials and Suppliers

We seek to maintain long-term relationships with our suppliers, which are periodically assessed. Upon identifying any problems, we work together with the relevant suppliers to try to resolve them. However, whenever necessary, we switch suppliers.

We have no agreements for exclusivity with suppliers. We work with anticipated scheduling that facilitates intelligent production planning in order to meet the specified demand. This model helps anticipate any diversions or delays and also allows better relationships with the suppliers. The result of this strategy is that in recent years we have had no significant construction delays.

Our relationships with suppliers are not controlled or regulated by the government.

Dependence on limited suppliers

One of the pillars of our current business model is to build exclusively using aluminum mold technology.

The sequencing model for our construction work and the high level of reutilization and exploitation of the molds has led us to work with one specific supplier for this input. Our molds are produced outside Brazil. To avoid delays in the supply of this material, our policy is to buy in advance and maintain a reasonable inventory to sustain our operations and minimize dependence on the supplier. Problems with this supplier may negatively impact the timing of some of our constructions projects.

As part of our constant technological development, we are working on a restricted basis with a new mold supplier, with a view to mitigating the risks of dependence and improving our productivity.

Notwithstanding the situation with the supply of aluminum mold technology, we are not dependent on or vulnerable in relation to any other supplier, since we work with a diversified array of suppliers. In general, suppliers are selected based on general proposals, with the objective of identifying those that offer quality materials on the best terms. Every supplier must meet the minimum quality standards required for each development. There are controls for the number of construction works served by suppliers and their capacity for demand.

Price Volatility

The great variety of raw materials we have acquired in the last three years have on average represented 54% of the total cost of our construction projects, excluding the cost of the land. The sole raw material representing 5% of the total cost is the steel used in reinforced concrete. For the nine-month period ended September 30, 2016, the INCC index measuring the variation in the cost of construction was 5.35%, while in 2015 it was 7.49%, in 2014 it was 6.94%, and in 2013 it was 8.14%. The IGP-M, which is the indicator utilized for inflation indexing of the selling price for units, for the nine-month period ended September 30, 2016 was 6.48%, while in 2015 it was 10.54%, in 2014 it was 3.67%, and in 2013 it was 5.52%. We work constantly to develop new construction techniques and to use alternative inputs to minimize cost increases, employ qualified workforce and improve the construction process.

Regulation

Real estate development requires a series of governmental licenses, the principal of which are listed below. In the course of our business, we and the entities we control have generally been maintaining close relationships with the

agencies responsible for governmental authorizations, so as to adapt our business to their demands without adversely affecting our performance.

The prior approvals for developments or subdivisions, authorizations to start construction, and certificates of occupancy are issued by the local municipalities provided that the applicable rules for the use and occupation of land are complied with.

Installing developments in areas of special interest, such as historic and cultural preservation areas, requires additional authorizations issued in advance by the applicable federal, state and municipal authorities.

Environmental Licensing

Brazilian environmental law establishes that installing developments that in any way materially impact the environment requires prior environmental licensing. This procedure is required both for the initial phases of the development and during the course of the development, and all such licenses issued must be periodically renewed. The Brazilian Institute for the Environment and Renewable Natural Resources (*Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis*), or the IBAMA, is responsible for granting these licenses for projects with regional or national environmental impact. In other cases, the municipal or state agencies are responsible for granting these environmental licenses, depending on the extent of the environmental impact caused by a given project.

The environmental licensing process consists of three phases: a preliminary license, an installation license, and an operating license. The preliminary license, issued during the preliminary planning phase of the development, approves the location and basic concept, and establishes the conditions and technical requirements to be observed in

further stages of development. The installation license authorizes the construction of the project. The operating license authorizes the commencement and continuation of operational activities. Operating licenses are subject to compulsory renewal depending on their validity.

The licensing of developments causing significant environmental impact, established beginning in July 2000, requires environmental offset payments as determined by the environmental licensing agency, in accordance with the degree of environmental impact caused by the development, to establish and/or maintain an Integral Protection Conservation Unit (e.g. national parks, biological reserves, etc.).

Building real estate developments normally requires grading the land, disposing of waste, and in many cases cutting back vegetation. These activities depend on prior authorization from the competent environmental agencies. As a condition to issuing such authorizations, these agencies may establish technical demands and offsetting measures, such as planting trees, or even the acquisition of forested areas at least equal in size to the impacted areas.

Brazilian legislation also requires special protections for certain specific types of flora and areas with special ecological purposes, imposing additional legal requirements to remove or handle such vegetation.

The licensing of projects with material environmental impacts located in a conservation unit or within its buffer zone will depend on prior authorization from the conservation unit's managing office.

Meanwhile, the suppression and intervention in areas for permanent preservation is restricted to circumstances involving public utility, the social interest or low environmental impact, and depend on the prior authorization of the competent environmental agency.

The development of projects that require gathering water from flows or groundwater, as well as the discharge of effluents into water flows, are subject to specific water use grants, to be issued by the relevant authorities. Water use grants are subject to certain conditions and technical requirements, including maximum capacity requirements and effluent treatment standards.

Lacking necessary authorizations and/or consents, failing to comply with their conditions, or taking actions without complying with the applicable environmental standards and regulations, constitute administrative violations. Persons found to have committed such administrative violations are subject to sanctions that may range from fines to the suspension or definitive interdiction of construction of the development, as well as criminal liability and an obligation to remediate and/or indemnify relevant parties for any environmental damage caused.

Environmental Practices

We are subject to municipal, state and federal laws and regulations relating to environmental protection.

Before acquiring any property, we attempt to conduct an evaluation of on all the relevant environmental aspects, with an emphasis on any springs, trees, other types of vegetation and any areas for permanent preservation. All costs relating to complying with the environmental regulation to which we are subject are considered in the viability studies for our developments but are not material when compared to the total sales prices of the developments.

At September 30, 2016, we had not committed ourselves to any national or international standards relating to environmental protection. We currently seek to comply with environmental law in accordance with standards established in the areas where new projects are developed.

Trademark

We hold the “Tenda” trademark, which is duly registered with the Instituto Nacional da Propriedade Industrial - INPI for our market segment. The “Tenda” brand is fundamental to developing our products, and any loss of this trademark would have a material adverse effect on our activities.

Licenses for the Developments

The regulation applicable to the real estate sector requires us to obtain various licenses relating to each and every new development, which means we are dependent on obtaining such licenses.

Human Resources

Employees

As of September 30, 2016, we had 1,617 employees allocated to financial administration, business development, operations and sales areas. The following table sets forth the total number of our employees by business area and geographic location as of the dates indicated:

Branch (state)	Board of Executive Officers	Number of employees			
		As of December 31,			As of September 30,
		2013	2014	2015	2016
Bahia	Financial Administration.	19	9	9	8
	Business Development.	9	8	9	9
	Operations	100	107	136	187
	Sales	28	32	38	55
	Subtotal	156	156	192	259
Distrito Federal	Financial Administration.	0	0	0	0
	Business Development	0	0	0	0
	Operations	2	0	0	0
	Sales	2	1	1	0
	Subtotal	4	1	1	0
Goiás	Financial Administration.	0	0	0	0
	Business Development.	0	0	0	0
	Operations	2	0	0	0
	Sales	10	5	2	0
	Subtotal	12	5	2	0
Maranhão	Financial Administration.	0	0	0	0
	Business Development.	0	0	0	0
	Operations	21	0	0	0
	Sales	0	0	0	0
	Subtotal	21	0	0	0
Minas Gerais	Financial Administration.	13	13	12	8
	Business Development.	12	13	9	9
	Operations	71	42	48	86
	Sales	38	35	29	38
	Subtotal	134	103	98	141
Pará	Financial Administration.	1	0	4	2
	Business Development.	0	0	0	0
	Operations	16	3	1	0
	Sales	25	13	11	9
	Subtotal	42	16	16	11
Pernambuco	Financial Administration.	1	2	4	4

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	Business Development.	0	6	5	4
	Operations	0	46	92	90
	Sales	11	18	30	43
	Subtotal	12	72	131	141
Rio de Janeiro	Financial Administration.	9	14	9	10

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	Business Development.	12	12	12	12
	Operations	237	124	136	175
	Sales	42	48	55	89
	Subtotal	300	198	212	286
Rio Grande Do Sul	Financial Administration.	4	5	4	4
	Business Development.	4	5	6	6
	Operations	18	8	91	90
	Sales	19	18	27	65
	Subtotal	45	36	128	165
Sao Paulo	Financial Administration.	62	150	177	196
	Business Development.	21	27	23	26
	Operations	160	166	208	260
	Sales	54	63	100	132
	Subtotal	297	406	508	614
Total		1,023	993	1,288	1,617

Outsourced

We have no control over the quantity of outsourced people who work with us, given the large volume of construction, and the fact that we contract the service - and not the labor - directly. We estimate the number of outsourced workers based on the quantity of people designated for the volume of jobs under construction, at their different phases, in each of Brazil's regions. The services normally provided are as follows: execution of structure, electric and plumbing installations, masonry, foundation equipment, façade and painting.

Region	Number of Outsourced			
	As of December 31,			As of
	2013	2014	2015	September 30, 2016
CW/N	0	0	0	0
NE	750	333	789	675
SE	3238	1,011	845	875
S	492	0	142	327
Total	4,480	1,344	1,776	1,877

Turnover

The table below sets forth our average annual turnover rate of voluntary departures of employees for the indicated periods:

	December 31, 2013	December 31, 2014	December 31, 2015	September 30, 2016(1)
Average annual turnover rate (voluntary departures)	15.4 %	9.6 %	8.7 %	6.6 %

(1) The result of September 30, 2016 shows the accumulated annualized turnover rate from January to September.

Relationships with Unions

The majority of our employees and outsourced professionals in São Paulo are represented by the *Sindicato dos Trabalhadores nas Indústrias de Construção Civil de São Paulo – SINTRACON*. Each year our *Sindicato da Indústria da Construção Civil de Grandes Estruturas no Estado de São Paulo – SINDUSCON-SP* negotiates the collective bargaining agreements applicable to our employees with the SINTRACON.

The majority of our employees and outsourced professionals in Rio de Janeiro are represented by the *Sindicato dos Trabalhadores nas Indústrias da Construção Civil, de Ladrilhos Hidráulicos e Produtos de Cimento e de Mármore e Granitos, e da Construção e de Estradas, Pavimentação e Obras de Terraplanagem em Geral e Manutenção e Montagem Industrial do Município do Rio de Janeiro – SINTRACONST-RIO*. Each year our

Sindicato da Indústria da Construção Civil no Estado do Rio de Janeiro – SINDUSCON-RIO negotiates the collective bargaining agreements applicable to our employees with the SINTRACONST-RIO.

Each of the other regions similarly negotiate their collective bargaining agreements.

Payroll and Benefits

Our policy for our executive compensation is to pay below-average fixed compensation but above average short-term variable compensation. In addition, our principal executives are eligible for long-term incentives. For other employees, our policy is to pay market wages and adjust them in accordance with labor law and the collective bargaining agreements for the applicable employee categories. We also increase salaries based on performance and the level of commitment of our employees.

Our employees are eligible for different benefits depending on their positions, such as life insurance, medical assistance, dental assistance, meal vouchers, childcare assistance, transport vouchers and parking. The benefits offered are commensurate with the relevant geographic location of our employees and their role within our organization, and not all employees are entitled to all benefits.

In addition, our management and certain employees are entitled to additional compensation under our stock option plans. For more information about our stock option plans, see “Management—Stock Option Plans.”

Legal and Administrative Proceedings

We and our subsidiaries are currently party to several legal and administrative proceedings arising from the normal course of our business, principally relating to labor, tax, social security, civil and environmental claims, including proceedings with a likelihood of probable, possible and remote risks of loss. We record provisions in our balance sheets in accordance with accounting rules. The determination of the amounts provisioned is based on a case by case analysis of each contingency by our internal and external counsel and, with respect to labor claims, based on prior experience regarding claim amounts. We establish provisions in amounts we deem sufficient to cover probable losses in connection with future settlements.

As of September 30, 2016, based on the history of success/loss in connection with legal and administrative proceedings arising from the normal course of our business and an analysis of the main claims in that regard, proceedings pursuant to which loss was classified as “possible” totaled R\$451.0 million, based on average past

outcomes adjusted to current estimates. We have not established provisions for these amounts because in the opinion of our management, it is not necessary to recognize provisions for occasional losses.

Civil claims

As of September 30, 2016, we and our subsidiaries were party to 8,063 civil proceedings, totaling approximately R\$469 million. Of these actions, we were the plaintiff in 274 actions and the defendant in 7,789 actions, with aggregate amounts of R\$1.6 million and R\$467 million, respectively. As of September 30, 2016, the provisions for civil claims totaled R\$35 million.

As of September 30, 2016, 4,604 (or 57.1%) of the 8,063 civil proceedings that we and our subsidiaries were party to involved ordinary course matters relating to delays in the delivery of units. As of September 30, 2016, the provisions for these ordinary course claims totaled R\$28.0 million.

Labor claims

As of September 30, 2016, we and our subsidiaries were defendants in 1,638 labor proceedings, of which approximately 53% were filed by outsourced workers. As of September 30, 2016, the provisions for labor proceedings totaled R\$17.0 million, of which R\$6.0 million related to labor claims filed by employees of third party contractors.

Tax and Social Security claims

As of September 30, 2016, we and our subsidiaries were party to administrative and judicial tax and social security proceedings involving tax and social security liabilities in the aggregate amount of R\$229 million. As of September 30, 2016, the provision for tax and social security liabilities amounted to R\$3 thousand.

Environmental claims

We and our subsidiaries are subject to ongoing investigations and procedures (both civil and criminal) relating to certain environmental proceedings in which we are defendants, in connection with alleged damage to the environment caused by our activities, the alleged implementation of developments without the necessary environmental licenses and allegations that certain of our operations are not in compliance with the corresponding environmental licenses.

These investigations and procedures may eventually result in public environmental claims against us and the findings in these inquiries may give rise to other administrative and criminal claims.

As of September 30, 2016, the provision for environmental claims totaled R\$0.3 million.

Judicial Deposits

As of September 30, 2016, judicial deposits we were required to make in accordance with court orders relating to certain tax, civil and labor claims totaled R\$23.7 million.

Arbitration

We are party to six arbitration proceedings. The risk of an unfavorable decision in each arbitration proceeding is as follows: (1) in the two proceedings in which our counsel has classified the risk of loss as “probable”, we may be required to make payments of amounts that we are unable to estimate at this stage of the proceedings; (2) in the three proceedings in which our counsel has classified the risk of loss as “possible”, we may be required to make payments totaling R\$46.5 million; and (3) in the one remaining arbitration proceeding by partners seeking to discuss damages suffered in connection with breach of contract and in which our counsel has classified the risk of loss as “remote”, we may be required to make payments of amounts that we are unable to estimate at this stage of the proceedings.

As of September 30, 2016, we had no provisions for arbitration proceedings.

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Management

Under our bylaws, we are managed by our board of directors (*conselho de administração*), which currently consists of five members, and by our board of executive officers (*diretoria*), which currently consists of ten members. We may also establish a non-permanent fiscal council that would consist of three members.

Board of Directors

Our board of directors is our decision-making body responsible for the formulation and implementation of the general guidelines and policies of our business, including our long-term strategies. Our board of directors is also responsible for appointing and supervising our executive officers. Under Brazilian Corporate Law, our board of directors is also responsible for hiring our external independent auditors. Most decisions of the board must be approved by a majority vote of the directors present.

According to our bylaws, our board of directors must have a minimum of five and a maximum of seven members. Directors are elected as a body at our shareholders' meeting for a two-year term and may be reelected or removed at any time by our shareholders at a special shareholders' meeting.

Under Brazilian Corporate Law, each director is elected by the holders of our common shares at the annual shareholders' meeting (*Assembleia Geral Ordinária*). In addition, pursuant to Brazilian Corporate Law, a director is prohibited from (i) voting on any matter that would result in such director having a conflict of interest with us; and (ii) borrowing funds or assets from us without prior authorization from our shareholders in a shareholders' meeting or from our board of directors. See "Description of Capital Stock—Board of Directors." The members of our board of directors will hold their offices until the annual shareholders' meeting of 2018.

Brazilian Corporate Law permits the adoption of cumulative voting upon a request by shareholders representing at least 10% of our voting capital. CVM Instruction No. 282, of June 26, 1998, allows the minimum voting capital percentage required for the adoption of the cumulative vote in publicly held companies to be reduced to 5 to 10% based on the value of their capital stock. Taking into consideration our current capital stock, shareholders representing 6% of the voting capital may request the adoption of cumulative voting to elect the members of our board of directors. If cumulative voting is not requested, our directors must be elected by the majority vote of the holders of our common shares, in person or represented by a proxy. The shareholders holding, individually or jointly, at least 15% of our voting shares are entitled to appoint one director and his alternate on a separate ballot.

The table below sets forth the names, ages, positions and dates of election of the members of our board of directors. All of the members of our board of directors are independent.

Name	Age	Position	Most Recent Date of Appointment
Odair Garcia Senra	69	Director	November 22, 2016
Cláudio José Carvalho de Andrade	45	Director	November 22, 2016
Rodolpho Amboss	43	Director	November 22, 2016
Nelson Machado	68	Director	November 22, 2016
Pedro Henrique Almeida Pinto de Oliveira	53	Chairman	November 22, 2016

We present below a brief biographical description of each member of our board of directors.

Odair Garcia Senra. Mr. Senra is currently a member of our board of directors. He started his career as an intern at former Gomes de Almeida Fernandes and occupied different positions in Gafisa S.A., such as construction engineer, general manager of construction, construction officer, and institutional relations officer. Currently, Mr. Senra also holds the following positions: chairman of the board of directors of Gafisa S.A.; member of the board of directors of Alphaville Urbanismo S.A.; executive officer of SECOVI SP – Sindicato das Empresas de Compra, Venda, Locação e Administração de Imóveis Residenciais e Comerciais de São Paulo, union for the companies involved in buying, selling and managing real estate in São Paulo; vice president of SINDUSCON SP – Sindicato da Indústria da Construção Civil do Estado de São Paulo, union for the construction companies in São Paulo; member of the board of directors of Instituto Mauá de Tecnologia, appointed as a representative of SINDUSCON SP; member of the Consulting Counsel of FIABCI/Brasil – Federação Internacional das Profissões Imobiliárias; and executive officer of BRIO Investimentos Imobiliários S.A., a real estate asset management company. He holds a

bachelor's degree in civil engineering from the Civil Engineering School of Mauá and was also a professor at the Civil Engineering School of Mauá in 1972.

Cláudio José Carvalho de Andrade. Mr. Andrade is currently a member of our board of directors, and partner of Polo Capital Gestão de Recursos and several other real estate asset and management companies that form part of the Polo companies group. He is also a member of the board of directors of Gafisa S.A. and a member of the board of directors of Casa e Vídeo Rio de Janeiro S.A., an electronic retail company. He holds a degree in business administration from EAESP Getulio Vargas Foundation University.

Rodolpho Amboss. Mr. Amboss is a member of our board of directors. He also holds the following positions: member of the board of directors of Gafisa S.A.; founding partner and managing director of Silverpeak Real Estate Partners LP, real estate asset management and fund; member of the board of directors of BR Properties, a construction company specializing in industrial sheds and large commercial buildings. He holds a degree in civil engineering from Rio de Janeiro Federal University and a master's degree in business administration from the Booth School of Business of the University of Chicago.

Nelson Machado. Mr. Machado is a member of our board of directors. Over the past five years, Mr. Machado has held the following positions (i) officer of Rocha e Machado Consultoria Ltda., a consulting firm.; (ii) chairman of the audit committee of the IRB Brasil RE; (iii) member of the board of directors of Gafisa S.A. In addition, he has held the following management positions in public companies: (a) member of the board of directors of Caixa Econômica Federal; (b) member of the board of directors of Brasilcap Capitalização S.A., an entity of Banco do Brasil S.A. specialized in capitalization securities; (c) member of the board of directors of Brasilprev Seguros S.A., an entity of the Banco do Brasil S.A. specialized in insurance; (d) member of the board of directors of FINAME, a special agency of industrial financing; (e) member of the board of directors of Petroquisa S.A., an entity of Petrobras group with operations in the petrochemical industry; (f) member of the fiscal council of Vale S.A., a publicly-held mining company; (g) member of the fiscal council of CESP – Companhia Energética de São Paulo, a publicly-held company engaged in generating electricity; (h) member of the fiscal council of Comgás - Companhia de Gás de São Paulo, a publicly-held company engaged in distributing piped natural gas; (i) member of fiscal council of Terrafoto S.A. Atividades de Aerolevantamentos, a publicly-held company specialized in photogrammetry; and (j) member of the fiscal council of Companhia Metropolitana de Habitação de São Paulo – Cohab–SP, a publicly-held company with the purpose of facilitating access to housing to low income population. He holds a law degree from Brasilia University (UnB), a master's degree in business from EAESP/FGV – SP and a doctorate in accounting and controlling from FEA/USP. On November 17, 2015, Mr. Machado issued a statement to the Federal Police (Regional Superintendence of São Paulo) in connection with the so-called *Operação Zelotes* (Operation Zealots) investigations being conducted by the Federal Police related to the period during which he held the position of executive secretary of the Ministry of Finance (between 2007 and 2010). At the beginning of 2016, Mr. Machado was summoned as a defense witness to the criminal proceedings related to the *Operação Zelotes* investigations. As of the date of this Information Statement, the *Operação Zelotes* investigations are ongoing and there are no further developments or statements by the Federal Police or the Public Prosecutor's Office in that regard.

Pedro Henrique Almeida Pinto de Oliveira. Mr. Oliveira is currently the chairman of our board of directors and a member of the fiscal council of Tarpon S.A., an asset management company. Over the past five years, Mr. Oliveira

has held the following positions (i) partner of Porto BSB Engenharia Ltda., an entity engaged in real estate development in Brasília, and as a consequence of this position, Mr. Oliveira is also administrator of the following companies (SPEs): PHO Participações Imobiliárias Ltda., Porto BSB Participações Ltda, Leuven Incorporadora Ltda., Disco Incorporadora Imobiliária Ltda., Gent Incorporadora Ltda., Jequitibá Incorporadora Imobiliária Ltda., Lafa Participações Imobiliárias Ltda., Lafani Participações Imobiliárias Ltda., Luik Incorporadora Ltda., Oriental Participações Imobiliárias Ltda., Capa Incorporadora Ltda., Sigma Incorporadora Ltda., Vilta Incorporadora Ltda., and ON Participações Ltda.; (ii) officer of Realty GAP Participações S.A., a private company; (iii) member of the board of directors of Minerva S.A., a food industry company; (iv) member of the board of directors of Odebrecht Agorindustrial S.A., a company of the Odebrecht's group, with focus on the production and commercialization of biofuels, specially ethanol; (v) member of the board of directors of CELES – Centrais Elétricas de Santa Catarina, an entity focused on marketing and distribution of electricity in Santa Catarina; and (vi) member of the board of director of COMGAS – Companhia de Gás de São Paulo, a publicly-held company engaged in distributing piped natural gas. He holds a bachelor degree in civil engineering from PUC University of Rio de Janeiro and a master's degree in business administration from KU Leven in Belgium.

Board of Executive Officers

Our executive officers are our legal representatives and are primarily responsible for managing our day-to-day operations and implementing the general policies and guidelines established by our board of directors. Under Brazilian Corporate Law, each executive officer must be a Brazilian resident. Additionally, not more than one-third of the members of our board of directors may be executive officers at any given time.

Our executive officers are appointed by our board of directors for three-year terms and may be reelected or removed by our board of directors at any time. Our bylaws require that our board of executive officers must have a minimum of two and a maximum of twelve members. Currently, our board of executive officers consists of ten members appointed at the meeting of our board of directors held on May 22, 2015, except for Mr. Ricardo Couto de Prada who was appointed at the meeting of our board of directors held on December 1, 2015.

Our investor relations office is located in the city of São Paulo, in the State of São Paulo.

The table below sets forth the names, ages, positions and dates of election for the current term of office of the members of our board of executive officers:

Name	Age	Position	Most Recent Date of Election
Rodrigo Osmo	40	Chief Executive Officer	April 22, 2015
Felipe David Cohen	38	Investor Relations Officer	April 22, 2015
Daniela Ferrari Toscano de Britto	42	Operations Officer	April 22, 2015
Fabricio Quesiti Arrivabene	43	Operations Officer	April 22, 2015
Marcelo de Melo Buozi	43	Operations Officer	April 22, 2015
Sidney Ostrowski	37	Operations Officer	April 22, 2015
Alexandre Millen Grzegorzewski	44	Operations Officer	April 22, 2015
Alex Fernando Hamada	43	Operations Officer	April 22, 2015
Rodrigo Fernandes Hissa	38	Operations Officer	April 22, 2015
Ricardo Couto de Prada	43	Operations Officer	December 1, 2015

We present below a brief biographical description of each member of our board of executive officers.

Rodrigo Osmo. Mr. Osmo is currently the chief executive officer and coordinator of our Investment Executive Committee and of our Ethics Committee. Over the last five years, Mr. Osmo has held the following positions (i) officer of development and business and chief executive officer of Gafisa S.A.; and (ii) manager officer of Alphaville Urbanismo S.A., company whose main activity is the construction and development of real estate projects, of which we hold 30% of its total capital stock. He holds a bachelor's degree in chemical engineering from Escola Politécnica –

USP and an MBA from Harvard Business School.

Felipe David Cohen. Mr. Cohen is currently chief financial officer and investor relations officer, as well as a member of our Financial, Investment Executive and Ethics Committees. Over the last five years, Mr. Cohen has held the following positions (i) chief executive officer and member of the board of directors of Sá Cavalcante S.A., a privately-held company whose main activity is the construction, development and management of shopping centers; and (ii) associate officer of UBS Investment Bank S.A. in the United States of America, an investment bank. He holds a bachelor's degree in mechanical and production engineering from PUC-RJ and a masters in finance from PUC-RJ. He also holds an MBA from the Wharton School, University of Pennsylvania.

Daniela Ferrari Toscano de Britto. Ms. Britto is currently an operations officer. Ms. Britto began her career at Gafisa S.A., as a trainee and covering various fields, such as construction, projects, costs, financial planning and incorporation. Over the last five years, Mrs. Britto has held the following positions (i) our business officer, and currently holding the operating officer position; and (iii) manager and owner of businesses in Gafisa S.A. She holds a bachelor's degree in civil engineering from Universidade Mackenzie, a post-graduation degree in production engineering from Fundação Vanzolini – USP, an MBA from Ibmecc SP and a certificate in executive education in leadership and innovation from Harvard Business School.

Fabricio Quesiti Arrivabene. Mr. Arrivabene is currently an operations officer. Over the past five years, Mr. Arrivabene has held the following positions (i) our regional business of Rio de Janeiro officer, and our national

manager of sales and real estate credit, and currently is an operating officer and a member of our Investment Executive Committee; (ii) national manager of sales, officer of direct operating and national officer of sales and real estate credit of Gafisa S.A.; and (iii) commercial manager of Companhia de Bebidas das Américas (Ambev), a public-held drinks company. He holds a bachelor's degree in production engineer from the Federal University of São Carlos and an executive MBA from the Business School of São Paulo.

Marcelo de Melo Buozi. Mr. Buozi is currently an operations officer. Over the past five years, Mr. Buozi has held the following positions (i) our businesses officer, and member of our Investment Executive Committee; and (ii) businesses manager and businesses officer of Gafisa S.A. He holds a bachelor's degree of civil engineering from Fundação Armando Álvares Penteado – FAAP and a business management MBA from Fundação Getúlio Vargas – FGV.

Sidney Ostrowski. Mr. Ostrowski is currently an operations officer. Mr. Ostrowski began his career at Gafisa S.A. as a trainee, and worked in several areas and held different positions, such as construction engineer, general manager of construction, etc. Over the last five years, Mr. Ostrowski has held the following positions (i) our businesses officer and member of our Investment Executive and Ethics Committee; and (ii) operating officer of Gafisa S.A. He holds a bachelor's degree in civil engineering from Universidade Mackenzie, a real estate management MBA from FAAP/SP and a business management MBA from Fundação Dom Cabral/MG.

Alexandre Millen Grzegorzewski. Mr. Grzegorzewski is currently an operations officer. Over the last five years, Mr. Grzegorzewski has been the businesses officer and regional officer responsible for P&L of the Rio de Janeiro's branch of Gafisa S.A. He holds a bachelor's degree in civil engineering from Escola Politécnica – Universidade de São Paulo.

Alex Fernando Hamada. Mr. Hamada is currently an operations officer. Over the last five years, Mr. Hamada has held the following positions (i) shared services' center officer of Gafisa S.A.; (ii) member of our Ethics Executive Committee; and (iii) product officer and projects and shared services' center officer of Walmart Brasil S.A., a privately-held company engaged in retail and wholesale trade. He holds a bachelor degree in business administration from Universidade São Marcos and a business management MBA from Fundação Getúlio Vargas - FGV.

Rodrigo Fernandes Hissa. Mr. Hissa is currently an operations officer. Over the last five years, Mr. Hissa has held the following positions (i) manager of the construction group of Gafisa S.A.; and (ii) our operating officer, having also held the positions of manager of construction group I and II, regional construction manager and manager of incorporation. He holds a bachelor's degree in civil engineering from Universidade de Fortaleza, a post-graduation for specialization in civil construction from Universidade Federal do Ceará is currently studying for a construction and real estate management MBA from Fundação Getúlio Vargas – FGV.

Ricardo Couto de Prada. Mr. Prada is currently an operations officer. Over the last five years, Mr. Prada has held the following positions (i) our planning manager and financial controller and businesses manager of the Rio de Janeiro's

branch, and regional manager of Rio Grande do Sul; (ii) projects manager of the Estruturadora Brasileira de Projetos S.A., an entity that, with the authorization of the Public Ministry, coordinates and integrates activities related to studies for structuring concessions and public-private partnerships to be auctioned by the state entity; and (iii) incorporation manager of Cyrela Brasil Realty S.A. – RJZ Cyrela, a publicly-held company whose main activity is the construction and developments of real estate. Cyrela Brasil Realty S.A. – RJZ Cyrela is one of our competitors, but it does not integrate the same economic group. He holds a bachelor's degree in production engineering from Universidade Federal do Rio de Janeiro and a business management MBA from Ibmec Business School – RJ.

Board Committees

We currently have two non-statutory committees the Investment Executive Committee and the Ethic Executive Committee. We also have two statutory committees the Financial Committee and the Remuneration, Nomination and Corporate Governance Committee.

Investment Executive Committee

The Investment Executive Committee of the Company must have at least three and not more than five members, elected by the board of directors, among the executive directors (whether or not statutory) of the Company and/or of its controlled companies. The current members of the Investment Executive Committee took office on May 5, 2016 and it is composed by Messrs. Rodrigo Osmo, as committee coordinator, Felipe David Cohen, Fabricio Quesiti Arrivabene, Marcelo de Melo Buozi and Sidney Ostrowski. Our Investment Executive Committee is a non-permanent body and its duties are, among others, to: (1) analyze, discuss and recommend land acquisitions and new real estate developments; (2) advise our executive officers during the negotiation of new deals and the structuring of new developments; (3) supervise the beginning of new projects and their related cash flows; and (4) in special cases, assist in the negotiation and structuring of new types of business. Each decision by our investment committee to acquire land is made by ensuring that the investment meets the minimum return threshold set by us and comparing it with other potential investments. Such decision is made independent of the geographical location of the investment in order to maximize return on our capital allocation as a whole.

Ethics Executive Committee

Our Ethics Executive Committee must have at least three and not more than six members, elected by the board of directors, among the executive directors (whether or not statutory) and/or those of our controlled companies, and our managers, allocated in the following departments: (i) financial; (ii) legal; (iii) people and management; (iv) operations; and (v) internal audit. The current members of the Ethics Executive Committee took office on May 5, 2016 and it is composed of six members: Messrs. Rodrigo Osmo, as the committee coordinator, Felipe David Cohen, Alex Fernando Hamada, Sidney Ostrowski and Daniel Gobi Lopes. This committee is responsible, among other duties, for the actions related to violation of our code of ethics and to our guidelines, solving ethics conflicts and evaluating the adequacy of amendments to the code of ethics and our guidelines, as well as proposing them to the board of directors.

Financial Committee

Our Financial Committee must have at least three members nominated by the Compensation, Appointment and Corporate Governance Committee and elected by the board of directors. The current members of the Financial Committee took office on May 5, 2016, reflecting a change in the composition of the committee, which occurred on November 22, 2016, and it is composed of three members: Messrs. Nelson Machado, as committee coordinator, Felipe David Cohen, and Odair Garcia Senra. This committee, among other responsibilities, evaluates and makes periodic recommendations to our board of directors regarding risk and financial investments policies, as well as reviews and discusses the audited annual and quarterly financial statements with our management and our independent auditors.

Compensation, Appointment and Corporate Governance Committee

The Compensation, Appointment, and Corporate Governance Committee must have at least three members, all of them also members of the board of directors and elected by such board, and at least one of them shall have prior experience with the management of human resources and in the performance of functions related to the establishment of policies of compensation, corporate goals, and recruiting and retaining people. The current members of the Compensation, Appointment, and Corporate Governance Committee took office on May 5, 2016 and consist of three members: Messrs. Cláudio José Carvalho de Andrade, as committee coordinator, Rodolpho Amboss, and Pedro Henrique de Oliveira. This committee, among other things, reviews and makes recommendations to our directors regarding its compensation policies and all forms of compensation to be provided to our executive officers and other employees, as well as considers and periodically reports on matters relating to the amount of members, identification, selection and qualification of the board of directors, executive officers and candidates nominated for the board of directors and its committees and is responsible for overseeing compliance with the corporate governance principles applicable to us under our bylaws and other policies, as well as for proposing improvements and changes to such applicable principles.

Fiscal Council

Under Brazilian Corporate Law, the *conselho fiscal*, or fiscal council, is a corporate body that must be independent of our board of directors, management and external auditors. The primary responsibility of the fiscal

council is to oversee management, analyze the financial statements and report its findings to the shareholders. The fiscal council is not the equivalent of an audit committee as contemplated by U.S. securities laws.

According to our bylaws, whenever appointed, our fiscal council must consist of three members, with an equal number of alternates. To be eligible to serve on our fiscal council, a person must be a resident of Brazil and either be a university graduate or have served as a company officer or fiscal council member of another Brazilian company for at least three years prior to election to our fiscal council.

Under Brazilian Corporate Law, when a fiscal council is not permanent, it must be established at a shareholders' meeting upon the request of shareholders who, in the aggregate, hold at least 10% of the voting shares, and its members must remain in office until the annual shareholders' meeting of the year following their election. According to CVM Instruction No. 324, as of January 19, 2000, this 10% threshold may be reduced to as low as 2% of our voting shares, depending upon the value of our capital stock. In addition, if we have a majority controlling shareholder or a group of controlling shareholders, minority shareholders holding in aggregate at least 10% of our voting shares have the right to designate one member to the fiscal council as well as his or her alternate, and the remaining shareholders may elect one more member than the total number of members elected by the minority shareholders.

If control is exercised by a shareholder holding less than 50% of our capital stock or by shareholders that are not members of a group of shareholders, Brazilian Corporate Law establishes that the majority controlling shareholder or the group of shareholders which, isolated or as a group, are holders of shares representing 10% or more of our capital stock, have the right to elect, in a separate election, one member and his or her alternate. The other shareholders or groups of shareholders will have equal rights and must observe the same rules and conditions. The other shareholders, with the exception of those who voted in the election of the member of the fiscal council in a separate election as referred to above, will be able to elect the members and alternates which, in any case, will be the same number as those elected as described above, plus one.

The fiscal council cannot include members of our board of directors, our board of executive officers or employees, members of the board of directors, executive officers or employees of any company that we control or that is under common control with us and/or spouses or relatives of our management. In addition, under Brazilian Corporate Law, each member of the fiscal council is entitled to receive compensation equal to at least 10% of the average salary paid to our executive officers, excluding fringe benefits, bonuses and income sharing arrangements.

Our fiscal council has been in place since April 2009 and the current appointment occurred on April 27, 2016, at the shareholders' meeting held on the same date, and operates on a non-permanent basis.

The following table lists the current members of our fiscal council:

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Name	Age	Position	Most Recent Date of Election
Olavo Fortes Campos Rodrigues Junior	54	Member	Apr 27, 2016
Peter Edward Cortes Marsden Wilson	44	Member	Apr 27, 2016
Dimitri Lopes Ojevan	38	Member	Apr 27, 2016

We present below a brief biographical description of each member of our fiscal council.

Olavo Fortes Campos Rodrigues Junior. Mr. Rodrigues is currently a member of our fiscal council and also holds the following positions: (a) member of the fiscal council of Gafisa S.A.; (b) member of the fiscal council of Usinas Paulista Lavrinhas and Paulista Queluz de Energia S.A., privately-held companies that operates in the hydroelectric generation sector and marketing of energy - PCHs; (c) partner officer of OREA Consultoria Empresarial, a company that operates in the consulting industry in business management and corporate governance; and (d) president of the Fundação São Isidoro, a non-profit foundation. Mr. Rodrigues began his career at Arthur Andersen in audit and consulting areas. He has experience in the management of service companies, industry and retail, and has worked at Carrefour, Pepsi-Cola Engarrafadora, Alcoa Brasil and Argentina and Grupo Siciliano, as chief executive officer. Over the last five years, Mr. Campor has held the following positions (i) member of the fiscal council of Duke Energy International, Geração Paranapanema S.A., a company that operates in the hydroelectric generation sector and energy trading; (ii) member of the board of directors of Renova Energia S.A., a publicly-held company that operates in the renewable energy sector, particularly wind power; (iii) alternate member of the fiscal council of São Carlos Empreendimentos e Participações S.A., asset management company of

commercial real estate; and (iv) member of the fiscal council of Alphaville Urbanismo S.A., a company that operates in urban land development sector, and of which hold 30% of the total capital stock. He holds a bachelor's degree in business administration from Universidade Mackenzie.

Peter Edward Cortes Marsden Wilson. Mr. Wilson is currently a member of our fiscal council. Over the last five years, Mr. Wilson has acted as partner responsible for the corporate finance and restructuring areas of medium-sized enterprises of Managrow Consultoria Estratégica em Finanças Ltda. Additionally, Mr. Wilson has held/holds the following management positions: (i) current member of the fiscal council of Gafisa S.A.; (ii) current member of the board of directors of Banco Mercantil do Brasil S.A., a financial institution; (iii) current member of the fiscal council of B2W S.A., retail industry company; (iv) member of the fiscal council of Bradespar S.A., an investment holding company in non-financial institutions; (v) member of the fiscal council of Vivo S.A., a telecommunications industry company; (vi) member of the fiscal council of Banco Pine S.A., a financial institution; (vii) member of the board of directors of Confab Industrial S.A., metallurgical society; (viii) member of the board of directors of Minupar Participações S.A., a holding investments in participating companies operating in the processing of pork and poultry products; (ix) current member of the fiscal council of Heringer S.A., a company engaged in the production, marketing and distribution of fertilizers; and (x) member of the fiscal council of Trisul S.A., a company engaged in the development of real estate ventures, operating in the same sector of the Company. He holds a bachelor's degree in business administration from and a professional master's degree in finance and economy, both from Fundação Getulio Vargas/SP.

Dimitri Lopes Ojevan. Over the last five years, Mr. Ojevan is currently a member of our fiscal council and has held/holds the following positions (i) senior analyst and operating manager at Caixa Econômica Federal, and third party asset management and is currently executive manager of structured funds at Caixa Econômica Federal; (ii) member of the fiscal council of Queiroz Galvão Desenvolvimento Imobiliário S.A., a privately held company whose main activity is the construction and development of real estate projects; (iii) member of the fiscal council of Odebrecht Realizações Imobiliárias, a privately held company whose main activity is the construction and development of real estate projects; (iv) alternate member of the board of directors of EMBRAPORT – Empresa Brasileira de Terminais Portuários S.A.; and (v) alternate member of the board of directors of Logbras Participações e Desenvolvimento Logístico S.A. The Queiroz Galvão Desenvolvimento Imobiliário S.A. and the Odebrecht Realizações Imobiliárias are our competitors, but they do not integrate the same economic group. He holds a bachelor's degree in accounting from Universidade Mackenzie and a post-graduation course in Investment Funds from Pontifícia Universidade Católica PUC/SP and Instituto Trevisan.

Compensation

According to our bylaws and Brazilian Corporate Law, our shareholders are responsible for setting the aggregate compensation we pay our directors and executive officers. In addition, our board of directors is responsible for allocating the aggregate compensation among directors and executive officers. In each of 2015, 2014 and 2013, total compensation to our board of directors and board of executive officers totaled R\$7.7 million, R\$11.3 million and R\$9.8 million, respectively. On April 27, 2016, the annual compensation to our executive officers and board members was approved at our general shareholders' meeting in the aggregate amount of R\$18.1 million.

The table below sets forth the proportion of each element of total compensation for our executive officers and members of our board of directors for 2015.

Executive Officers	
Fixed compensation	66%
Variable compensation	6 %
Stock option	28%
Board of Directors	
Fixed compensation	30%
Variable compensation	70%

The table below sets forth the compensation paid to our executive officers and members of our board of directors for the periods indicated:

	Expected for the year ending December 31, 2016			
	Year ended December 31, 2015			
	2015	2014	2013	
(in thousands of R\$, except average number of members)				
Executive Officers				
Average number of members	10.17	10.08	8.75	8.58
Fixed compensation				
Salary	5,440.4	4,959.1	4,116.0	3,574
Benefits	715.5	703.6	568.7	443.9
Other	1,088.1	991.8	791.7	719.2
Variable compensation				
Bonus	—	—	—	—
Income sharing	7,251.8	632.7	5,634.2	5,072
Stock-based compensation	2,275.6	2,802.3	2,590.7	—
Other	—	—	—	—
Total	16,771.4	10,089.5	13,701.3	9,809.1
Board of Directors				
Average number of members	8.83	10	10	4
Members receiving remuneration	2.58	2.75	0.67	0
Fixed compensation				
Salary	342.5	336.2	126.3	—
Benefits	—	—	—	—
Other	68.5	67.2	25.3	—
Variable compensation				
Bonus	—	—	—	—
Income sharing	—	—	—	—
Stock-based compensation	—	—	—	—
Total	411.0	403.4	151.6	—

Insurance

Gafisa has contracted civil liability insurance coverage for acts carried out by their and our directors and executive officers in the course of their duties. The maximum amount of coverage is U.S.\$50 million. Following the reorganization of our corporate structure, we will be required to contract another insurance.

Stock Option Plans

Our stock option plan, as adopted under the terms of article 168, §3 of the Brazilian Corporate Law, was approved at an extraordinary shareholders' meeting held on August 11, 2014. Based on the plan, our board of directors or a committee, as applicable, can establish programs granting stock options to our administrators and management level employees.

In addition, some of our executives are beneficiaries of the stock option programs approved and issued by our parent Gafisa in 2011, 2012 and 2013, based on Gafisa's stock option plan approved at a shareholders' meeting held on June 18, 2008.

Our and Gafisa option plans seek to: (1) stimulate expansion and success in pursuit of their corporate purposes, by permitting the respective beneficiaries to acquire shares of their issuance; (2) attract high level administrators and employees to provide their services, by offering them the additional advantage of becoming our shareholders and Gafisa's shareholder with a potential edge; and (3) aligning the interests of the high level administrators and employees with the interests of their shareholders.

The 2014 Program

Pursuant to our stock option plan, our 2014 program and its respective regulations were approved by our board of directors on August 11, 2014 and amended on November 22, 2016, establishing a global number of 5,010,000 common shares, corresponding at that date to 8.35% of our capital stock.

As of the date of this Information Statement, beneficiaries under the 2014 program have been granted 42,259,687 options, of which 1,100,400 have been revoked due to the departure of beneficiaries. The options granted in the context of the 2014 program may be exercised through March 31, 2024, and the strike price for each option granted in the context of the 2014 program was R\$0.77. In a meeting of our board of directors held on February 2, 2016, the strike price for the options granted in the 2014 program was adjusted from R\$0.77 to R\$0.85, so as to correctly reflect our assessment value as ascertained by an independent bank at the time the program was approved.

The 2016 Program

Pursuant to our stock option plan, our 2016 program and its respective regulations were approved by our board of directors on May 9, 2016 and amended on November 22, 2016, establishing a global number of 120,000 common shares, corresponding at that date to 0.20% of our capital stock.

As of the date of this Information Statement, beneficiaries under the 2016 program have been granted 1,637,067 options. The options granted in the context of the 2016 program may be exercised through March 31, 2026, and the strike price for each option granted in the context of the 2016 program is R\$0.88.

For more information about our stock option plan, see note 19.2 to our unaudited interim consolidated financial statements as of and for the nine-months period ended in September 30, 2016.

Agreements and Other Obligations Among Executive Officers and Directors

As of the date of this Information Statement, other than employment agreements or any agreements pertaining to the stock option plan, there are no other business arrangements between us, our executive officers and our directors.

Family Relationships

As of the date of this Information Statement, the members of our board of directors and our executive officers did not have any family relationships among themselves, with the members of the boards of directors of our subsidiaries, with our controlling shareholder or with the boards of directors of our subsidiaries.

Legal and Other Administrative Proceedings Involving our Management

None of our directors or executive officers is currently involved in any administrative or judicial proceedings arising from our operations or from their service with us.

Stock Ownership

As of the date of this Information Statement, our capital stock was R\$1,094,000,000, fully issued and paid-in comprising 54,000,000 common shares without par value, all of which had been fully paid-in. Pursuant to our bylaws, our board of directors may increase our capital stock up to the limit of our authorized capital stock of R\$900,000.00 without seeking specific shareholder approval, upon authorization of the board of directors, regardless of any amendment to our bylaws. Our shareholders must approve any capital increase in excess of that amount at a shareholders' meeting.

As of the date of this Information Statement, all of the outstanding shares of Tenda common stock are owned by Gafisa. After the distribution, Gafisa may retain no more than a 20% interest in Tenda's total capital stock (assuming that the sale to Jaguar is consummated pursuant to the SPA). The following table provides information with respect to the expected beneficial ownership of Tenda common stock by each of our shareholders who we believe will be a beneficial owner of more than 5 percent of Tenda outstanding common stock (assuming they maintain such ownership positions when the distribution occurs) based on current publicly available information. We based the share amounts on each person's beneficial ownership of Gafisa common stock as of the dates indicated below and applying the distribution ratio of one share of our common stock for every share of Gafisa common stock after the reverse split.

Except as otherwise noted in the footnotes below, each person or entity identified below is expected to have sole voting and investment power with respect to such securities. Following the distribution, Tenda will have outstanding an aggregate of approximately 54,000,000 shares of common stock based upon approximately 27,000,000 shares of Gafisa common stock outstanding, assuming no exercise of Gafisa stock options, and applying the distribution ratio of one share of our common stock for every share of Gafisa common stock after the reverse split.

To the extent our directors and executive officers own Gafisa common stock at the Distribution Record Date, they will have the right to exercise their preemptive rights over the Offered Shares, as described under "The Separation," on the same terms as other holders of Gafisa common stock.

Holdings of Major Shareholders

The following table sets forth information regarding each shareholder who is expected to beneficially own more than 5 percent of our common stock following the distribution (as of the date of such shareholder's Schedule 13G filing for Gafisa with the SEC):

Name and address of beneficial owner	Amount of beneficial	Percentage
--------------------------------------	-------------------------	------------

	ownership ⁽¹⁾		
Jaguar Real Estate Partners, LP	16,200,000	30.00	%
Gafisa S.A.	10,800,000	20.00	%
Polo Capital Gestão de Recursos Ltda. and Polo Capital Internacional Gestão de Recursos Ltda.	7,873,200	14.58	%
Pátria Investimentos Ltda.	3,024,000	5.60	%

(1) Includes common stock for which the indicated owner has sole or shared voting or investment power as of the date of such indicated owner's Schedule 13G filing for Gafisa (after applying the distribution ratio).

Principal Shareholder

Currently, our principal shareholder is Gafisa S.A., a publicly held company (*companhia aberta*), with headquarters in the city of São Paulo, State of São Paulo, at Avenida das Nações Unidas, No. 8.501, 19th floor, ZIP Code 05425-070, enrolled with the CNPJ/MF under No. 01.545.826/0001-07.

Share Ownership

As of the date of this Information Statement, except for Mrs. Odair Garcia Senra, José Écio Pereira da Costa Junior, Guilherme Affonso Ferreira, Claudio José Carvalho de Andrade, Rodrigo Osmo, Fabricio Quesiti Arrivabene, Marcelo de Melo Buozi, Sidney Ostrowski, Rodrigo Fernandes Hissa, Alex Fernando Hamada and

Ricardo Couto de Prada, through their holdings in Gafisa, which amount to 1,370,339 common shares of Gafisa S.A., that indirectly represent 0.36% of our total capital stock, none of our directors and executive officers held any beneficial interest in our common shares. See “Principal Shareholder.”

Certain Relationships and Related Transactions

The Separation from Gafisa

The separation will be accomplished by means of the distribution by Gafisa of all the outstanding shares of Tenda common stock to holders of Gafisa common stock entitled to such distribution, as described under “The Separation” included elsewhere in this Information Statement. Completion of the distribution will be subject to satisfaction or waiver by certain conditions described under “The Separation—Conditions to the Distribution.”

As part of our separation from Gafisa, we will enter into a Separation and Distribution Agreement and one other agreement with Gafisa to effect the separation and provide a framework for our relationships with Gafisa after the separation. See “The Separation—Agreements with Gafisa” for information regarding these agreements.

Related Party Transactions

As a current subsidiary of Gafisa, we engage in related party transactions with Gafisa. Gafisa currently guarantees certain of our third-party indebtedness for which we pay Gafisa a fee. In addition, certain overhead functions and costs are shared between Gafisa and Tenda.

For more information about our related party transactions, see Note 7 to our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013, and to our unaudited interim consolidated financial statements as of and for the nine months ended September 30, 2016 and 2015, included elsewhere in this Information Statement.

Description of Our Capital Stock

The following descriptions are summaries of the material terms of our amended and restated bylaws (“Bylaws”) adopted prior to our separation from Gafisa.

Registration

We are currently a publicly-held company incorporated under the laws of Brazil, registered with the Board of Trade of the State of São Paulo (JUCESP) under NIRE 353.0034820-6 and with the CVM under No. 21148, and enrolled with the Brazilian Taxpayer’s Authorities under CNPJ/MF No. 71.476.527/0001-35.

Corporate Purposes

Article 3 of our bylaws provides that our corporate purpose is to: (1) promote and develop any type of real estate project, whether our own or that of a third party, in the latter case as a contractor and agent; (2) purchase and sell any type of real estate; (3) perform civil construction and provide civil engineering services; and (4) develop and implement marketing strategies for any type of real estate project, whether our own or that of a third party.

Issued Share Capital

As of the date of this Information Statement, our capital stock was R\$1,094,000,000, fully issued and paid-in comprising 54,000,000 common shares without par value, all of which had been fully paid-in. Pursuant to our bylaws, our board of directors may increase our capital stock up to the limit of our authorized capital stock of 80,000,000 shares without seeking specific shareholder approval, upon authorization of the board of directors, regardless of any amendment to our bylaws. Our shareholders must approve any capital increase in excess of that amount at a shareholders’ meeting.

Company Management

We are managed by a board of directors (*Conselho de Administração*) and a board of officers (*Diretoria*).

The members of the board of directors and of the board of officers must be individuals, provided that the latter must also be Brazilian residents.

Conflict of Interests

According to the Brazilian Corporate Law a director or an officer shall not take part in any corporate transaction in which he/she has an interest which conflicts with the interest of the company. In this case, he/she shall disclose his/her disqualification to the other directors or officers and shall cause the nature and extent of his/her interest to be recorded in the minutes of the board of directors or board of officers' meeting, as the case may be.

With due compliance with the rules above relating to conflict of interests, a director or an officer may only contract with the company under reasonable and fair conditions, identical to those which prevail in the market or under which the corporation would contract with third parties. Any business contracted otherwise is voidable and the director or the officer concerned shall be obliged to transfer to the corporation all benefits which he/she may have obtained in such business.

According to Brazilian Corporate Law, a director or officer may not:

- perform any act of generosity to the detriment of the company;

- without prior approval of the shareholders' general meeting or the board of directors, borrow money or property from the company or use its property, services or take advantage of its standing for his/her own benefit, for the benefit of a company in which he/she has an interest or for the benefit of a third party; and

- by virtue of his or her position, receive any type of direct or indirect personal advantage from third parties, without authorization in the bylaws or from a shareholders' general meeting.

According to our bylaws, any business or agreement between the company and any director or officer must be previously approved by the board of directors, except if specified in our annual budget or business plan.

Rules for Retirement

There is no retirement age relating to directors or officers pursuant to the Brazilian law and our bylaws.

Policy for the Trading of Our Securities

On October 19, 2016, our board of directors approved the amendment of our Conduct Manual on Information Disclosure and Use and Securities Trading Policy passed on July 15, 2009, which establishes the following procedures regarding the policy for the trading of our securities:

the company and all of our directors, executive officers, employees, members of the other bodies with technical or consultant duties, our possible controlling shareholders, and whoever by virtue of his/her position, job, or post at our company or our subsidiaries and affiliates, and who have signed the compliance statement and became aware of information of a material transaction or event involving our company, are restricted from trading in our securities until such material transaction or event is disclosed to the market as a material fact, except as regards treasury stock transactions, through private trading, the exercise of options to purchase shares of our capital stock, with stock option plan approved by the shareholders, or a possible buyback, also through private trading, carried out by us, provided that such buyback program is carried due to the exercise of stock options in connection with the plan or program. This restriction is extended to periods prior to the announcement of such information or annual or interim financial statements or prior to disclosure of a material fact in accordance with applicable law;

trading of our securities or transactions related to our securities carried out by the aforementioned persons pursuant to an Individual Investment Program, consisting of long-term investments, as defined in the Trading Policy, is not subject to the aforementioned restrictions; provided that the Individual Investment Program is filed with the investors relations officer at least 30 days in advance;

the restrictions of the Trading Policy also apply to our former directors and executive officers who resigned prior to the public disclosure of a transaction or fact that began during their administration (a) for the six month period following the end of their duties with the company, or (b) until the disclosure of the material event or the related financial statements, whichever occurs first; and

the abovementioned restrictions also apply to indirect trading carried out by such persons, except those conducted by investment funds, provided that the investment funds are not exclusive and the transaction decisions taken by the investment fund officers cannot be influenced by its unit holders.

Rights of Common Shares

Each of our common shares entitles its holder to one vote at an annual or special shareholders' general meeting. Pursuant to our bylaws, and Brazilian Corporate Law, owners of common shares are entitled to dividends, or other distributions made in respect of common shares, in proportion to their ownership of outstanding shares. In addition, upon our liquidation, holders of our shares are entitled to share all our remaining assets, after payment of all our liabilities, ratably in accordance with their respective participation in the total amount of our issued and outstanding shares. Holders of our common shares are entitled to participate on a *pro rata* basis in future capital calls by our company except in some specific circumstances under Brazilian law, as described in "—Preemptive Rights." Our common shares have tag along rights, which enable their holders to, upon the sale of a controlling interest in us, receive 100% of the price paid per common share of the controlling block by a single or series of transaction.

Options

According to our bylaws, we may, within our authorized share capital and upon resolution of the shareholders' general meeting, grant stock options to (1) our directors, executive officers and employees, or (2) individuals who provide services to us or to companies we control.

Appraisal Rights

Shareholders who are absent, dissent or abstain from voting on certain actions taken during a shareholders' general meeting have the right under Brazilian Corporate Law to withdraw from our company and to receive the value of their shares.

According to Brazilian Corporate Law, shareholder appraisal rights may be exercised in the following circumstances, among others:

- a reduction in the percentage of our mandatory dividends;

- a change in our corporate purpose;

- an acquisition, by our company, of a controlling stake in another company if the acquisition price is outside of the limits established by Brazilian Corporate Law;

- a merger of shares involving our company, a merger of our company into another company, if we are not the surviving entity, or our consolidation with another company; or

- an approval of our participation in a group of companies (as defined in Brazilian Corporate Law).

Brazilian Corporate Law further provides that any resolution regarding a spin-off will also entitle shareholders to withdraw if the spin-off:

- causes a change in our corporate purpose, except if the equity is spun-off to a company whose primary activities are consistent with our corporate purposes;

- reduces our mandatory dividends; or

- causes us to join a group of companies (as defined in Brazilian Corporate Law).

In cases where (1) our company merges with another company where we are not the surviving company, or (2) we are consolidated with another company, or (3) we participate in a group of companies (as defined in Brazilian Corporate Law), our shareholders will not be entitled to withdraw from our company if their respective shares are (a) liquid, i.e.

part of the BM&FBOVESPA index or other stock exchange index in Brazil or abroad, (as defined by the CVM), and (b) widely held, such that less than 50% of our shares are held by a controlling shareholder or by companies a controlling shareholder controls. After the separation the company will have no controlling shareholder. Therefore, our shares will be widely held for the purposes of this paragraph. The company may or may become part of the IBOVESPA (the BM&FBOVESPA index) after its registration.

The right to withdraw expires 30 days after publication of the minutes of the relevant shareholders' general meeting. We are entitled to reconsider any action giving rise to withdrawal rights for within 10 days after the expiration of the 30-day period if the redemption of shares of absent, dissenting or non-voting shareholders would jeopardize our financial stability. If shareholders exercise withdrawal rights, they are entitled to receive the economic value of the company's shares, as determined by a valuation report issued by a specialized firm. If the resolution giving rise to the appraisal rights is made later than 60 days after the date of the last approved balance sheet, the shareholder may demand that his or her shares be valued according to a new balance sheet dated no less than 60 days before the resolution date. In this case, we must immediately pay 80% of the equity value of the shares according to the most recent balance sheet approved by our shareholders, and the remaining balance must be paid within 120 days after the date of the resolution of the shareholders' general meeting.

Redemption of Shares

According to Brazilian Corporate Law, we may redeem our shares by a decision taken in a special shareholders' general meeting by shareholders representing at least 50% of our share capital. The share redemption may be paid with our profit, profit reserves or capital reserves. If the share redemption is not applicable to all shares, the redemption will be made by lottery.

Registration of Shares

Our shares are held in book-entry form with Itaú Unibanco Corretora S.A., which will act as the custodian agent for our shares. Transfer of our shares will be carried out by means of book entry by Itaú Unibanco S.A., debiting the share account of the seller and crediting the share account of the buyer, with the presentation of a written order of the transferor or a judicial authorization or order to effect such transfers.

Preemptive Rights

Except as provided below, our shareholders have a general preemptive right to participate in any issuance of new shares, convertible debentures and warrants, in proportion to their respective shareholding at such time, but the conversion of debentures and subscription warrants into shares, the granting of options to purchase shares and the issuance of shares as a result of its exercise, are not subject to preemptive rights. In addition, Brazilian Corporate Law allows for companies' bylaws to give the board of directors the power to exclude preemptive rights or reduce the exercise period of such rights with respect to the issuance of new shares, debentures convertible into shares and subscription warrants up to the limit of the authorized share capital if the distribution of those shares, debentures or subscription warrants is effected through a sale on a stock exchange, through a public offering or through an exchange of shares in a tender offer the purpose of which is to acquire control of another company. Shareholders are allowed to exercise the preemptive rights for a period of at least 30 days following the publication of notice of the issuance of shares, convertible debentures and warrants, and the right may be transferred or disposed of for consideration.

Shareholders' General Meetings

Under Brazilian Corporate Law, at our shareholders' meetings, shareholders are empowered to take any action relating to our corporate purpose and to pass any such resolutions as they deem necessary. The approval of our financial statements and the determination of the allocation of our net profits with respect to each fiscal year occur at our annual general shareholders' meeting immediately following such fiscal year. The election of our directors and, if requested by shareholders, of members of our fiscal council typically takes place at the annual general shareholders' meeting, although under Brazilian law it may also occur at a special shareholders' general meeting.

A special shareholders' general meeting may be held concurrently with the annual general shareholders' meeting. Pursuant to our bylaws and Brazilian Corporate Law, the following actions, among others, may only be taken at a general shareholders' meeting:

- amendment of our bylaws, including amendment of our corporate purpose;

· election and dismissal, at any time, of our directors and members of our fiscal council;

· determination of the aggregate compensation of our board of directors and board of officers, as well as the fiscal council's compensation;

· approval of stock splits and reverse stock splits;

· approval of a stock option plan;

· approval of the company's financial statements;

· resolution upon the destination of our net profits and distribution of dividends;

· election of the fiscal council to function in the event of our dissolution;

· cancellation of our registration with the CVM as a publicly-held company;

· suspension of the rights of a shareholder who has violated Brazilian Corporate Law or our bylaws;

· acceptance or rejection of the valuation of in-kind contributions offered by a shareholder in consideration for shares of our capital stock;

- approval of our transformation into a limited liability company or any other corporate form;

- reduction in the percentage of mandatory dividends;

- participation in a group of companies (as defined in Brazilian Corporate Law);

- approval of any merger, consolidation with another company or spin-off;

- approval of our dissolution or liquidation, the appointment and dismissal of the respective liquidator and the official review of the reports prepared by him or her; and

- authorization to petition for bankruptcy or request for judicial or extrajudicial restructuring.

According to Brazilian Corporate Law, neither a company's bylaws nor actions taken at a shareholders' meeting may deprive a shareholder of specific rights, such as:

- the right to participate in the distribution of profits;

- the right to participate equally and ratably in any remaining residual assets in the event of liquidation of the company;

- preemptive rights in the event of subscription of shares, convertible debentures or subscription warrants, except in some specific circumstances under Brazilian law described in "—Preemptive Rights;"

- the right to inspect and monitor the management of the company's business in accordance with Brazilian Corporate Law; and

- the right to withdraw from the company in the cases specified in Brazilian Corporate Law, described in "—Appraisal Rights."

Quorum for our Shareholders' General Meetings

As a general rule, Brazilian Corporate Law provides that a quorum at a shareholders' general meeting consists of shareholders representing at least 25% of a company's voting capital on the first call and, if that quorum is not reached, any percentage on the second call. A quorum for the purposes of amending our bylaws consists of shareholders representing at least two-thirds of voting capital on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of our issued and outstanding common shares present in person or represented by proxy at a shareholders' general meeting is required to ratify any proposed action, with abstentions not taken into account. However, the affirmative vote of shareholders representing one-half of our issued and outstanding voting capital is required to:

- reduce the percentage of mandatory dividends;
- change our corporate purpose;
- merge or consolidate our company with another company;
- spin-off a portion of our assets or liabilities;
- approve our participation in a group of companies (as defined in Brazilian Corporate Law);
- apply for cancellation of any voluntary liquidation;
- approve our dissolution; and
- approve the merger of all our shares into another company.

A quorum smaller than one-half of our issued and outstanding voting capital may be authorized by the CVM for a publicly-held company with widely-traded and widespread shares that has had less than half of the holders of its voting shares in attendance at its last three shareholders' meetings. In such case, resolutions may only be taken on a third call.

Notice of our Shareholders' General Meetings

According to Brazilian Corporate Law, notice of our shareholders' general meetings must be published at least three times in the *Diário Oficial do Estado de São Paulo*, the official newspaper of the State of São Paulo, and in another widely circulated newspaper in the same State, previously chosen at an annual shareholders meeting, which, in our case is *O Estado de São Paulo*. The first notice must be published no later than 15 days before the date of the meeting on the first call, and no later than eight days before the date of the meeting on the second call. However, in certain circumstances, upon the request of any shareholder, the CVM may require that the first notice be published 30 days in advance of the meeting if the meeting relates to complex transactions and, accordingly, shareholders need more time to be familiarized with and analyze such transactions. In addition, the CVM may suspend for up to 15 days the required prior notice of the special shareholders' general meeting so that it may further analyze the proposal to be voted upon at such meeting. Such call notice in all circumstances shall contain the date, time, place and agenda for the meeting and a list of the documents that will be required from our shareholders to be admitted at the meetings, and in case of amendments to the bylaws, the indication of the relevant matters. CVM Regulation No. 481 of December 17, 2009 also requires that additional information be disclosed in the call notice for certain matters. For example, in the event of an election of directors, the call notice shall also disclose the minimum percentage of equity participation required from a shareholder to request the adoption of cumulative voting procedures. All documents pertaining to the matters to be discussed at the shareholders' general meeting shall be made available to the shareholders upon publication of the first call notice, except if the law or CVM regulations provide otherwise.

Location of our Shareholders' General Meetings

Our headquarters are located at Rua Álvares Penteado, 61, 5th Floor, in the city of São Paulo, state of São Paulo. The telephone number of our investor relations department is +55 (11) 3111-2711 and the e-mail is ri@tenda.com. Our website is www.tenda.com/investidores. Brazilian Corporate Law allows our shareholders to hold meetings outside our head offices in the event of force majeure, provided that the relevant notice contains a clear indication of the place where the meeting will occur, which, in any case, shall never be held outside the city where the company's headquarters are located.

Who May Call our Shareholders' General Meetings

According to Brazilian Corporate Law, our board of directors may call a shareholders' general meeting. Shareholders' general meetings may also be called by:

any shareholder, if our directors fail to call a shareholders' general meeting within 60 days after the date they were required to do so under applicable laws and our bylaws;

shareholders holding at least 5% of our share capital if our directors fail to call a meeting within eight days after receipt of a request to call the meeting by those shareholders, and such request must indicate the proposed agenda;

shareholders holding at least 5% of voting share capital or 5% of non-voting share capital if our directors fail to call a meeting within eight days after receipt of a request to call the meeting to convene a fiscal council; and

our fiscal council (if installed), in the event our board of directors delays calling an annual shareholders' meeting for more than one month. The fiscal council may also call a special general shareholders' meeting at any time if it believes that there are significant or urgent matters to be addressed.

Conditions for Admission at our Shareholders' General Meetings

A shareholder may be represented at a shareholders' general meeting by a proxy, as long as the proxy is appointed less than a year before such shareholders' general meeting. The proxy must be either a shareholder, an

executive officer or a director of our company, a lawyer or a financial institution. An investment fund must be represented by its investment fund officer.

Shareholders attending a shareholders' general meeting must deliver proof of their status as shareholders and proof that they hold the shares they intend to vote by delivery of proper identification and a receipt issued by the custodian agent of our shares.

Arbitration

The arbitration clauses contained in our bylaws will only become effective upon Tenda being admitted to the *Novo Mercado* listing segment of BM&FBOVESPA.

Going Private Process

We may become a private company by decision of our controlling shareholder or group of controlling shareholders only if we or our controlling shareholders conduct a public tender offer to acquire all of our outstanding shares in accordance with the rules and regulations of Brazilian Corporate Law and the CVM regulations. The minimum price offered for the common shares in the public tender offer will correspond to the economic value of such shares, based upon a valuation report issued by a specialized firm. The cancellation of a publicly-listed company is subject to the following conditions: (i) shareholders holding more than two-thirds of our outstanding shares (*i.e.*, shares not held by our controlling shareholders, persons related to them, our directors, officers or controlling shareholder, or held in treasury) have expressly agreed or accepted the public tender offer; and (ii) in connection with outstanding securities other than our shares or its certificate (a) were redeemed, (b) its holders expressly accepted the delisting of the company; or (iii) has matured.

The valuation report must be prepared by a specialized and independent firm of recognized experience. In accordance with our bylaws, in the event that our shares are listed on the *Novo Mercado* listing segment of BM&FBOVESPA, the specialized and independent firm should be chosen at the general shareholders' meeting by a list of three institutions presented by our board of directors and by the shareholders representing the majority of the outstanding shares, not including blank votes, the common shares held by the controlling shareholder, its partner and any dependents included in the income tax statement, treasury shares, shares held by our subsidiary or associated companies and by other companies that are a part of our economic group. The quorum for a shareholders' meeting resolving such matter consists of shareholders representing at least 20% of our issued and outstanding shares on the first call and, if that quorum is not reached, any percentage on the second call. All the expenses and costs incurred in connection with the preparation of the valuation report must be paid for by the offeror.

Shareholders holding at least 10% of our outstanding shares may require our management to call a special shareholders' meeting to determine whether to perform another valuation using the same or a different valuation method. This request must be made within 15 days following the disclosure of the price to be paid for the common shares in the public offering. The shareholders who make such request as well as those who vote in its favor must reimburse us for any costs involved in preparing the new valuation if the new valuation price is not higher than the original valuation price. If the new valuation price is higher than the original valuation price, the public offering must be made at the higher price.

Purchases by us of our own Shares

Our bylaws entitle our board of directors to approve the acquisition of our own shares. The decision to acquire our shares for purposes of maintaining the acquired shares in treasury or of cancelling them may not, among other things:

· result in the reduction in our share capital;

· require the use of resources greater than our profit reserves and other available reserves, as provided in our financial statements;

· create, as a result of any action or inaction, directly or indirectly, any artificial demand, supply or condition relating to share price;

involve any unfair practice;

be used for the acquisition of unpaid shares or shares held by our controlling shareholders; or

when a public offer for acquisition of the shares of the company is being made.

We may not keep in treasury more than 10% of our outstanding common shares, including the shares held by our subsidiaries and affiliates.

On February 26, 2014, the Board of Directors of Tenda approved the closing of Tenda's repurchase of shares program as approved on December 9, 2013. During the course of this program, Tenda purchased 15,500,000 common shares issued by Gafisa to be kept in treasury and future disposal.

Any acquisition by us of our own shares must be made on a stock exchange and cannot be made in a private transaction, except if within the limits set forth by the CVM and, as the case may be, previously approved by a general shareholders' meeting or by our board of directors. Moreover, we may acquire or issue put or call options related to our shares upon prior approval of the shareholders.

Disclosure Requirements

We are subject to the reporting requirements established by Brazilian Corporate Law and the CVM.

Disclosure of Information

The Brazilian securities regulations require that a publicly-held corporation provide the CVM and the relevant stock exchanges with periodic information that includes annual information statements, quarterly financial statements, quarterly management reports, independent auditor reports, notices and minutes of shareholders' meetings, among others. In addition, we also must disclose any material development related to our business to the CVM and the BM&FBOVESPA.

We, as a publicly-held and a CVM registered category A company, are required to, among other things:

present the company's financial statements, standard financial statements form (DFP), quarterly information form (ITR) and Reference Form (*Formulário de Referência*);

- include a note in the quarterly information form (ITR) regarding all operations with related parties;

disclose and maintain updated the information presented in the Reference Form regarding any shareholder holding, directly or indirectly, at least 5% of the company's capital stock, considering the information received by company from the relevant shareholders;

disclose, monthly, the individual and consolidated amount and characteristics of our securities held directly or indirectly by controlling shareholders (if this is the case); and

disclose, monthly, the individual and consolidated changes in the amount of securities held by controlling shareholders (if this is the case), as well as their respective spouses or dependents, as per their income tax statements, as the case may be.

Disclosure of Trading by Insiders

CVM regulations require our directors, executive officers, members of the fiscal council, and members of any other technical or advisory body to disclose to us, to the CVM and to the BM&FBOVESPA, the total amount, the characteristics and form of acquisition of securities issued by us, listed companies under our control or the control of our listed controlling shareholders, including derivatives referenced in such securities that are held by each of them, as well as any change in such investments within 10 days after the end of the month when the securities were traded. In the case of individuals, such information shall also include securities held by the spouse, companion or dependents of such persons, included in the annual income tax statement and companies controlled directly or indirectly by such person.

In addition, our controlling shareholders, our shareholders who have caused the election of members of our board of directors or fiscal council, as well as any individual, legal entity or group of persons acting jointly whose direct or indirect participation reaches, following the acquisition or sale of a relevant shareholding interest, directly or indirectly, in a single trade or in a series of trades, that reaches five percent (5%), ten percent (10%), fifteen percent (15%) and so forth, successively, of our shares, must provide to us, and we shall transmit such information to the CVM and the BM&FBOVESPA, the following information:

the name and qualification of the person providing the information;

reason and purpose for the acquisition and amount of securities to be acquired, including, as the case may be, a representation of the acquirer stating that the acquisition does not aim at modifying the management or the controlling structure of the company;

amount of shares and other securities and derivative instruments referenced in such shares, whether physical or cash settlement, specifying the amount, class and type of shares referenced;

any agreement or contract regarding the exercise of voting rights or a purchase and sale of securities issued by the company; and

if the shareholder is a non-Brazilian resident, the name or company name and registration number with the Individual Taxpayers' Registry or the Legal Entity Taxpayers' Registry of the respective agent or legal representative in Brazil for the purposes of article 119 of Brazilian Corporate Law.

Disclosure of Material Developments

According to Law No. 6,385 of December 7, 1976, and subsequent amendments, and CVM Instruction No. 358 of January 3, 2002, and subsequent amendments, we must disclose any material development related to our business to the CVM and to the BM&FBOVESPA and must publish a notice of the material development. A development is deemed to be material if it has a material impact on the price of our securities, on the decision of investors to trade in our securities or on the decision of investors to exercise any rights as holders of any of our securities.

Under special circumstances, we may request confidential treatment of certain material developments from the CVM, when our management believes that public disclosure could result in adverse consequences to us.

Listing

We have no intention to perform an initial public offering of our common stock after the separation.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock will be Itaú Corretora de Valores S.A.

Unaudited *Pro Forma* Condensed Combined Financial Statements

The unaudited *pro forma* condensed combined financial statements presented below have been derived from our historical consolidated financial statements included in this Information Statement. While the historical consolidated financial statements reflect the past financial results of Gafisa's affordable housing business, these *pro forma* statements give effect to the separation of that business into an independent company from Gafisa. The *pro forma* adjustments to reflect the separation include the distribution of Tenda common stock to Gafisa shareholders.

With respect to the Gafisa *pro forma* adjustments, such adjustments made therein are based on available information and assumptions we believe are reasonable; however, such adjustments are estimates and may not prove to be accurate. The unaudited *pro forma* condensed combined financial statements do not reflect all of the costs reduction that were incurred by Tenda, including additional information technology, tax, accounting, treasury, legal, investor relations, insurance and other similar expenses associated with operating as a stand-alone company. Only costs that we have determined to be factually supportable and recurring are included as *pro forma* adjustments to our *pro forma* income statement, including the items described above. Our *pro forma* balance sheet includes *pro forma* adjustments both for items that have a continuing impact on our business and for non-recurring items that are factually supportable and directly attributable to the separation, such as those related to our capital structure described above.

We are not including in this information statement any *pro forma* statements for Tenda as we believe the impact of the separation on Tenda's financial statements will be immaterial and de minimis.

Gafisa will generally pay the majority of nonrecurring third-party costs and expenses related to the separation and incurred prior to the distribution date. Such nonrecurring amounts are expected to include costs to separate investment banker fees (other than fees and expenses in connection with the debt financing), third-party legal and accounting fees, and similar costs in each case, incurred prior to the distribution date. After the separation, all costs and expenses related to the separation incurred by either Gafisa or Tenda will be borne by the party incurring the costs and expenses.

The Gafisa unaudited *pro forma* condensed combined statement of income for the nine months ended September 30, 2016 and for the year ended December 31, 2015, has been prepared as though the separation occurred on January 1, 2015. The Gafisa unaudited *pro forma* condensed combined balance sheet as of September 30, 2016, has been prepared as though the separation occurred on January 1, 2015. The Gafisa unaudited *pro forma* condensed combined financial statements are for illustrative purposes only, and do not reflect what Gafisa's financial position and results of operations would have been had the separation occurred on the dates indicated and are not necessarily indicative of Gafisa's future financial position and future results of operations.

Gafisa's retained cash balance are subject to adjustments following the distribution date to settle intercompany accounts. The following *pro forma* statements do not reflect any impact of such adjustments, as the amount of any

such adjustments are not currently determinable and would represent a financial projection. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Information Statement.

The Gafisa unaudited *pro forma* condensed combined financial statements should be read in conjunction with our historical consolidated financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this Information Statement. The Gafisa unaudited *pro forma* condensed combined financial statements constitute forward-looking information and are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. See “Cautionary Statement Regarding Forward-Looking Statements” included elsewhere in this Information Statement.

Gafisa S.A.

UNAUDITED *PRO FORMA* CONDENSED COMBINED BALANCE SHEET

September 30, 2016

(U.S.\$ in million)

	As Reported	(-) Tenda	<i>Pro Forma</i> Adjustments(1)	<i>Pro Forma</i>
ASSETS				
Current assets				
Cash and cash equivalents	161,340	(60,777)	219,510	320,073
Short-term investments	448,558	(193,732)	—	254,826
Trade accounts receivable	1,129,351	(348,383)	—	780,968
Properties for sale	2,118,652	(539,537)	—	1,579,115
Other receivables	281,093	(176,166)	—	104,927
Total current assets	4,138,994	(1,318,595)	219,510	3,039,909
Non-current assets				
Trade accounts receivable	440,056	(126,254)	—	313,802
Properties for sale	523,895	(199,559)	—	324,336
Other receivables	158,146	(58,091)	100,000	200,055
Property and equipment and intangible assets	102,051	(46,294)	—	55,757
Investments	990,176	(153,298)	—	836,878
Total assets	6,353,318	(1,902,091)	319,510	4,770,737
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Loans and financing	650,973	(19,298)	—	631,675
Debentures	373,449	(102,793)	—	270,656
Payables for purchase of properties and advances from customers	369,029	(138,362)	—	230,667
Payable for goods and service suppliers	66,018	(26,978)	—	39,040
Labor and tax obligations	146,149	(68,157)	—	77,992
Provision for legal claims	98,689	—	—	98,689
Other payables	260,137	(70,814)	—	189,323
Total current liabilities	1,964,444	(426,402)	—	1,538,042
Non-current Liabilities				
Loans and financing	739,092	(77,307)	—	661,785
Debentures	286,497	—	—	286,497
Payables for purchase of properties and advances from customers	131,149	(85,842)	—	45,307
Deferred income tax and social contribution	22,173	(12,088)	—	10,085
Provision for legal claims	139,026	(51,768)	—	87,258
Other payables	142,188	(90,617)	—	51,571
Equity				
Equity	2,926,451	—	(808,936)	2,117,515
Non-controlling interests	2,298	—	(29,621)	(27,323)
Total equity	2,928,749	—	(838,557)	2,090,192

Total liabilities and equity 6,353,318 (744,024) (838,557) 4,770,737

The *pro forma* adjustments include the following items: (a) the reduction in Gafisa's capital stock, through restitution, to its shareholders of shares corresponding to 50% of Tenda's capital stock; (b) the consummation of the (1) exercise by Gafisa shareholders of their preemptive rights for the acquisition of Tenda shares, corresponding to 50% of Tenda's capital stock; and (c) receivables from Tenda, related to its capital reduction, in the amount of R\$100.0 million, yet to be received.

Gafisa S.A.

UNAUDITED *PRO FORMA* CONDENSED COMBINED STATEMENT OF INCOME

Nine Months Ended September 30, 2016

(U.S.\$ in million, except per share amounts)

	As reported	(-) Tenda	<i>Pro forma</i> adjustments	<i>Pro</i> <i>Forma</i> (1)
INCOME STATEMENT				
Continuing operations				
Net operating revenue	1,417,685	(765,804)	—	651,881
Operating costs				
Real estate development and sales of properties	(1,160,100)	538,722	—	(621,378)
Gross profit	257,585	(227,082)	—	30,503
Operating (expenses) income				
Selling expenses	(126,788)	65,096	—	(61,692)
General and administrative expenses	(136,195)	62,125	—	(74,070)
Income from equity method investments	(1,776)	(12)	—	(1,788)
Depreciation and amortization	(32,451)	9,119	—	(23,332)
Other income (expenses), net	(81,050)	32,996	—	(48,054)
Income (loss) before financial income and expenses and income tax and social contribution	(120,675)	(57,758)	—	(178,433)
Financial expenses				
Financial expenses	(94,254)	38,386	—	(55,868)
Financial income	72,359	(23,866)	—	48,493
Income (loss) before income tax and social contribution	(142,570)	(43,238)	—	(185,808)
Current income tax and social contribution				
Current income tax and social contribution	(15,114)	7,506	—	(7,608)
Deferred income tax and social contribution				
Deferred income tax and social contribution	(4,565)	5,528	—	963
Total Income tax and social contribution	(19,679)	13,034	—	(6,645)
Net income (loss) from continuing operations	(162,249)	(30,204)	—	(192,453)
Net income from discontinued operations				
Net income (loss) for the year	(162,249)	(30,204)	—	(192,453)
(-) Attributable to:				
Non-controlling interests	2,039	6,257	—	8,296
Shareholders of Gafisa	(164,288)	(36,461)	—	(200,749)

(1) There are no *pro forma* adjustments other than the deconsolidation of Tenda's financial statements from Gafisa's financial statements.

Gafisa S.A.

UNAUDITED *PRO FORMA* CONDENSED COMBINED STATEMENT OF INCOME

Year Ended December 31, 2015

(Thousands of dollars, except per share amounts)

	As reported	(-) Tenda	<i>Pro forma</i> adjustments	<i>Pro Forma</i> (1)
INCOME STATEMENT				
Continuing operations				
Net operating revenue	2,294,319	(850,962)	—	1,443,357
Operating costs				
Real estate development and sales of properties	(1,667,505)	605,584	—	(1,061,921)
Gross profit	626,814	(245,378)	—	381,436
Operating (expenses) income				
Selling expenses	(163,260)	65,311	—	(97,949)
General and administrative expenses	(181,413)	83,971	—	(97,442)
Income from equity method investments	41,766	(1,751)	—	40,015
Depreciation and amortization	(47,420)	14,835	—	(32,585)
Other income (expenses), net	(160,201)	52,567	—	(107,634)
Income (loss) before financial income and expenses and income tax and social contribution	116,286	(30,445)	—	85,841
Financial expenses				
Financial expenses	(162,258)	41,051	—	(121,207)
Financial income	124,131	(46,825)	—	77,306
Income (loss) before income tax and social contribution	78,159	(36,219)	—	41,940
Current income tax and social contribution				
Current income tax and social contribution	(24,598)	9,835	—	(14,763)
Deferred income tax and social contribution				
Deferred income tax and social contribution	17,418	(3,313)	—	14,105
Total Income tax and social contribution	(7,180)	6,522	—	(658)
Net income (loss) from continuing operations	70,979	(29,697)	—	41,282
Net income from discontinued operations				
Net income (loss) for the year	70,979	(29,697)	—	41,282
(-) Attributable to:				
Non-controlling interests	(3,470)	623	—	(2,847)
Shareholders of Gafisa	74,449	(30,320)	—	44,129

(1) There are no *pro forma* adjustments other than the deconsolidation of Tenda's financial statements from Gafisa's financial statements.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis is the Company's analysis of its financial performance and of significant trends that may affect future performance. It should be read in conjunction with our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013 and our unaudited interim consolidated financial information as of September 30, 2016 and 2015 and notes included in this Information Statement. It contains forward-looking statements including, without limitation, statements relating to the Company's plans, strategies, objectives, expectations and intentions. The words "anticipate," "estimate," "believe," "budget," "continue," "could," "intend," "plan," "potential," "predict," "seek," "should," "will," "would," "expect," "objective," "projection," "forecast," "goal," "effort," "target" and similar expressions identify forward-looking statements. The Company does not undertake to update, revise or correct any of the forward-looking information unless required to do so under the federal securities laws. Readers are cautioned that such forward-looking statements should be read in conjunction with the Company's disclosures under "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" included elsewhere in this Information Statement.

Basis of Presentation

We maintain our books and records in *reais*. Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, or IFRS, adopted in Brazil as applicable to real estate companies in Brazil, and as approved by the Accounting Pronouncement Committee (*Comitê de Pronunciamentos Contábeis*), or CPC, the CVM, and by the Brazilian Federal Accounting Council (*Conselho Federal de Contabilidade*), or CFC. Our individual financial statements have been prepared in accordance with Brazilian GAAP, including the accounting practices provided for in Brazilian Corporate Law and the pronouncements issued by CPC, approved by the CVM and are disclosed together with the consolidated financial statements.

The following financial statements are included in this Information Statement:

- our audited consolidated financial statements as of and for the years ended December 31, 2015, 2014 and 2013; and
- our unaudited interim consolidated financial information as of and for the nine months ended September 30, 2016 and 2015.

Trends Affecting Our Business

Brazilian Economic Environment

The Brazilian economic environment has historically been characterized by significant variations in economic growth, inflation and currency exchange rates. Our results of operations and financial condition are influenced by these factors and the effect that these factors have on employment rates, the availability of credit and average wages in Brazil. The following table sets forth Brazilian GDP inflation rates, interest and TR rates, and exchange rates as of and for the nine months ended September 30, 2016 and 2015, and as of and for the years ended December 31, 2015, 2014 and 2013:

	As of and for the nine months ended September 30,				As of and for the year ended December 31,					
	2016		2015		2015		2014		2013	
GDP growth (reduction) ⁽¹⁾	(4.6)%	(3.2)%	(3.8)%	0.1	%	2.7	%
Inflation (IGP-M) ⁽²⁾	6.47	%	8.35	%	10.5	%	3.7	%	5.5	%
Inflation (IPCA) ⁽³⁾	5.50	%	8.52	%	10.7	%	6.4	%	5.9	%
CDI ⁽⁴⁾	10.42	%	10.77	%	13.2	%	10.8	%	8.0	%
TR ⁽⁵⁾	1.68	%	1.44	%	1.80	%	0.86	%	0.19	%
Appreciation (depreciation) of the <i>real</i> vs. U.S. dollar in the period	16.47	%	(45.01)%	(47.0)%	(13.4)%	(14.6)%
Exchange rate at period end—U.S.\$1.00	R\$3.246		R\$3.973		R\$3.905		R\$2.656		R\$2.343	
Average exchange rate—U.S.\$1.00	R\$3.54		R\$3.17		R\$3.34		R\$2.35		R\$2.16	

Sources: Central Bank, FGV, IBGE and *CETIP S.A. – Mercados Organizados*, or CETIP.

(1) Brazilian GDP according to SIDRA (IBGE). Figures provided are for the six-month period ended June 30, 2016 as third quarter results have not yet been released as of the date of this Information Statement.

(2) The IGP-M is the general market price index measured by FGV.

(3) Inflation (IPCA) is the broad consumer price index as measured by IBGE (using year to date accumulated rate).

(4) The CDI rate is the average of the fixed rates of interbank deposits applicable in Brazil for one business day as registered with and settled by the CETIP system (using year to date accumulated rate).

The TR rate is published every day by the Central Bank and is used to calculate the yield of various investments, (5) such as government bonds, savings accounts, and other operations, such as housing financial system loans and installment payments. The figures correspond to the average of the period indicated.

(6) Represents the daily average of the exchange rates during the period.

General economic stability in Brazil following the onset of the global financial crisis in 2009 allowed the Central Bank to continue its policy of reducing interest rates. This resulted in a reduction in the short-term interest rate (*Sistema Especial de Liquidação e Custódia*), or SELIC rate, in annual terms to 10.91% at the end of 2011 and 7.29% at the end of 2012. However, due to inflation and other general macroeconomic concerns, the Central Bank began increasing interest rates, with the SELIC reaching 10.00% at the end of December 31, 2013, 11.75% at the end of December 31, 2014, 14.25% at the end of December 31, 2015 and 14.29% as of September 30, 2016.

The recent economic instability in Brazil caused by the rise of inflation, a slowdown in GDP growth, and uncertainty as to whether the Brazilian government will enact the necessary economic reforms in 2016 to improve Brazil's deteriorating fiscal accounts and economy have led to a decline in market confidence in the Brazilian economy and a government crisis. On May 12, 2016, the Brazilian Senate voted to commence a trial of President Rousseff, resulting in her suspension from the post for up to 180 days, during which time Vice President Michel Temer assumed the Presidency on an interim basis. On August 31, 2016, President Rousseff was convicted by the Senate and definitively removed from office. On the same date, Michel Temer assumed the Presidency of Brazil until the next general elections, scheduled for October of 2018. Rousseff appealed the Senate's final decision to the Supreme Court, whose decision is pending. In this context, it is currently uncertain whether Temer will enjoy the support of the Brazilian Congress, or what policies he will be able to implement. In addition, Temer and his government have been the target of protests throughout Brazil since he assumed power on a provisional and now definitive basis. We have no control over the situation and cannot foresee what policies or actions the Brazilian government may pursue. Any of these factors may adversely affect the Brazilian economy, our business, financial condition, results of operations and the trading price of our common shares. The Brazilian government may be subject to internal pressure to change its

current macroeconomic policies in order to achieve higher rates of economic growth, and has historically maintained a tight monetary policy with high interest rates, thus restricting the availability of credit and reducing economic growth. We cannot foresee what policies the government will adopt. In addition, in the past, the Brazilian economy has been affected by political events in the country, which have also affected the confidence of investors and the general public, which harms the performance of the Brazilian economy. Furthermore, any indecision by the Brazilian government in implementing changes in certain policies or regulations may contribute to economic uncertainty in Brazil, and increase stock market volatility.

On September 30, 2016, the main macroeconomic indicators that affect our results of operations are the INCC, the IGP-M; the CDI, and the Reference Rate (*Taxa Referencial*), or TR as set forth below:

- our costs of construction and portfolio of receivables from unfinished projects are adjusted by reference to the INCC;
- our portfolio of receivables from completed units is adjusted by reference to the IGP-M;
- our financial investments are linked to the CDI; and

80.9% of our indebtedness is linked to the TR.

We do not have any foreign-denominated indebtedness or receivables, and none of our material costs are denominated in a foreign currency.

Alphaville Sale

On June 6, 2013, our parent company Gafisa acquired the remaining shares of Alphaville it did not already own. The transaction involved us acquiring all of the shares of EVP Participações S.A., whose principal asset consisted of shares representing 20% of the capital stock of Alphaville. As a result, the shareholders of EVP Participações S.A. (the new name of Alphaville Participações S.A.), Renato de Albuquerque and Nuno Luis de Carvalho Lopes Alves, received R\$366.7 million from us.

In July 2013, we also, as the sole shareholder of EVP Participações S.A., approved at an extraordinary shareholders' meeting the redemption, and the subsequent cancellation, of 28,865,192 book-entry common shares without par value of EVP Participações S.A. that we held. This redemption of shares was paid to us through the delivery of 23,070,000 issued common shares of Alphaville. In September 2013, we became the direct holder of 20% of the capital stock of Alphaville.

On December 9, 2013, we and Gafisa completed the sale of a stake in Alphaville to Private Equity AE Investimentos e Participações, or Fundo AE, a company controlled by Pátria Investimentos Ltda. and Blackstone Real Estate Advisor L.P. The transaction was concluded with a sale of a 50% stake by Gafisa and a 20% stake by us, with Gafisa retaining the remaining 30% of Alphaville capital stock. The proceeds amounted to R\$1.54 billion, consisting of R\$1.25 billion from Fundo AE for the acquisition of Alphaville shares, and a R\$290 million dividend distribution by Alphaville.

Critical Accounting Policies

Overview

Our consolidated financial statements have been prepared in accordance with IFRS adopted in Brazil as applicable to real estate companies in Brazil, and as approved by the CPC, the CVM, and the CFC. Our individual financial statements have been prepared in accordance with Brazilian GAAP, including the pronouncements issued by CPC, approved by the CVM, and are disclosed together with the consolidated financial statements.

Specifically, the consolidated financial statements comply with the IFRS applicable to real estate development entities in Brazil, including OCPC Guideline 04 – Application of Technical Interpretation ICPC 02 to Brazilian real estate development entities, regarding treatment of revenue recognition for this sector and involving matters related to applying the concept of the continuous transfer of risks, rewards and control of the real estate units sold.

Management believes the preparation of our consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, as well as the disclosure of contingent liabilities, at the reporting date.

Accordingly, our officers believe that the critical accounting policies are as follows:

Impairment of non-financial assets

Management reviews annually and/or whenever some specific event occurs the net book value of the assets with the objective of assessing events or changes in the economic, operational or technological circumstances that could indicate deterioration or a loss of their recoverable value. When such evidence is identified, if the net book value exceeds the recoverable value, a provision is recorded, adjusting the net book value to the recoverable value. These losses are recorded in the result for the year when identified.

The calculation of the fair value less the selling costs is based on available information on sale transactions for similar assets or market prices less additional costs of disposal of the asset. The calculation of the value in use of the asset is based on the discounted cash flow model.

Cash flows are derived from the budget for the subsequent five years, and do not include restructuring activities to which we have not yet committed ourselves or significant future investments that will improve the asset basis of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used under the discounted cash flow method, the estimated future cash inflows, and the growth rate used for purposes of extrapolation.

Share-based payment transactions

We measure the cost of transactions with employees to be settled with shares based on the fair value of equity instruments on the grant date. The estimate of the fair value of share-based payments requires the determination of the most adequate assessment model for grants of equity instruments, which depends on the grant terms and conditions. It also requires the determination of the most adequate data for the assessment model, including the expected term of the option, the volatility and proceeds of dividends, and the corresponding assumptions.

Provisions for judicial claims

We recognize provisions for tax, labor and civil claims. The assessment of the probability of losing a claim includes the evaluation of the available evidence, the hierarchy of laws, existing case law, the latest court decisions and their significance in the judicial system, and the opinion of external legal counsel. Provisions are reviewed and adjusted to take into account any changes in circumstances, such as applicable statutes of limitations, findings of tax inspections, or additional exposures found based on new court matters or decisions. The settlement of the transactions involving these estimates may result in amounts that differ from the estimates due to imprecision inherent to the process of determining them. We review the estimates and assumptions at least annually.

There are uncertainties in relation to the interpretation of complex tax rules and to the value and timing of future taxable income. In the ordinary course of business, we are subject to investigations, audits, court processes and administrative proceedings in civil, tax and labor matters. Depending on the object of the investigations, court processes or administrative proceedings that are brought against us and the entities we control, we may be adversely affected, regardless of the respective end result.

Fair value of financial instruments

When the fair values of the financial assets and liabilities presented in the balance sheet cannot be obtained in the active market, they are determined using valuation techniques, including the discounted cash flow method.

The data for such methods is based on available market information; however, when it is not possible, judgment is required to establish the fair value. The judgment includes considerations regarding the data used, such as interest rates, liquidity risk, credit risk, and volatility. Changes in the assumptions about these factors may affect the stated fair value of financial instruments.

Estimated cost of construction

Estimated costs, mainly comprising the incurred and future costs for completing the construction projects, are regularly reviewed, based on the progress of construction, and the effect of such reviews are reflected in our results.

Realization of deferred income tax

The initial recognition and subsequent analyses of the realization of deferred income tax occurs when it is probable that a taxable income will be available in subsequent years to offset the deferred tax asset, based on projections of results based on internal assumptions and future economic scenarios that would make their full use, or partial use if the full credit is constituted, possible.

Description of the Primary Components of our Revenue

We generate our revenues principally through developing and selling real estate properties. We recognize revenues from real estate developments as a function of their construction, based on a financial measurement of completion of the developments, and not on the timing of the execution of the sales contracts.

The table below sets forth the primary components of our operating revenue for the periods indicated:

	Nine-month period ended September 30,		Year ended December 31,		
	2016	2015	2015	2014	2013
	(in thousands R\$)				
Real estate development and sales	812,498	674,506	907,362	551,790	823,440
Reversal (recognition) of allowance for doubtful accounts and cancelled contracts	12,151	26,048	16,112	68,055	71,133
Deductions from gross revenue	(58,845)	(56,414)	(72,512)	(49,707)	(77,112)
Total net operating revenue	765,804	644,140	850,962	570,138	817,461

Total net operating revenue increased 18.9%, from R\$644.1 million for the nine months ended September 30, 2015, to R\$765.8 million for the nine months ended September 30, 2016, mainly due to the higher volume of launches and the increase in net sales during construction.

Total net operating revenue increased 49.3%, from R\$570.1 million for the year ended December 31, 2014, to R\$851.0 million for the year ended December 31, 2015. This increase was mainly due to an increase in the volume of net sales, from R\$396.0 million for the year ended December 31, 2014, to R\$1,016.1 million for the year ended December 31, 2015, and a decrease in contract cancellations as a share of gross sales, from 56.9% in 2014 to 15.9% in 2015.

Total net operating revenue decreased 30.3%, from R\$817.5 million for the year ended December 31, 2013, to R\$570.1 million for the year ended December 31, 2014. This decrease was mainly due to the lower volume of net sales as a result of the lower volume of launches of projects under the current business model, which only started in March 2013.

The table below sets forth the contracted sales and general sales value of launches for the periods indicated:

	Nine-month period ended September 30,		Year ended December 31,		
	2016	2015	2015	2014	2013
	(in thousands of R\$)				
Contracted Sales	830,176	778,679	1,016,131	395,981	490,403
Launches (VGV)	968,614	786,306	1,088,941	613,299	338,776

Consolidated Results of Operations

Nine Months Ended September 30, 2016 Compared to Nine Months Ended September 30, 2015

The following table sets forth our consolidated financial information for the nine months ended September 30, 2016 and 2015.

	Nine months ended September 30,		Variation	
	2016	2015		
	(in millions of R\$)			
Net operating revenue	765.8	644.1	18.9	%
Operating costs from real estate development and sales	(538.7)	(457.4)	17.8	%
Gross income	227.1	186.7	21.6	%
Operating income (expenses)				
Selling expenses	(65.1)	(47.0)	38.5	%
General and administrative expenses	(62.1)	(63.2)	(1.8)	%
Share of income/(loss) of equity method investments	0	3.3	(99.6)	%
Other income (expenses), net	(42.1)	(43.1)	(2.3)	%
Financial expenses	(38.4)	(34.6)	11.1	%
Financial income	23.9	39.8	(40.0)	%
Total income (expense) tax and social contribution	(13.0)	(0.8)	1,590.5	%
Net income for the period	30.2	41.2	(26.7)	%

Net operating revenue

Net operating revenue increased by 18.9%, from R\$644.1 million for the nine months ended September 30, 2015, to R\$765.8 million for the nine months ended September 30, 2016. This increase was mainly due to a 6.6% increase in the volume of general sales value and a 23.2% increase in the volume of project launches, allowing for increased revenue recognition.

Operating costs from real estate development and sales

Operating costs from real estate development and sales increased 17.8%, from R\$457.4 million for the nine months ended September 30, 2015, to R\$538.7 million for the nine months ended September 30, 2016. Despite this increase,

the ratio of cost of goods sold to net sales revenue decreased from 71.0% in the period ended September 30, 2016 to 70.3% in the corresponding period of 2016, due to the effect of a higher operational scale as a result of our efforts to increase the volume of projects launched under our current business model.

Gross income

Gross income increased 21.6%, from R\$186.7 million for the nine months ended September 30, 2015, to R\$227.1 million for the nine months ended September 30, 2016. Gross margins increased from 29.0% for the nine months ended September 30, 2015 to 29.7% for the nine months ended September 30, 2016, impacted by the replacement of our legacy projects by projects launched pursuant to our current business model, the income margins of which are higher than our legacy projects.

Selling expenses

Selling expenses increased 38.5%, from R\$47.0 million for the nine months ended September 30, 2015, to R\$65.1 million for the nine months ended September 30, 2016. Selling expenses as a percentage of our net operating revenue increased from 7.3% for the nine months ended September 30, 2015, to 8.5% for the for the nine months ended September 30, 2016. The increase in selling expenses was mainly due to current market conditions, demanding an increase in marketing expenses and expenses related to our salesforce and showrooms as part of our strategy to increase the number of client visits to our showrooms.

General and administrative expenses

General and administrative expenses decreased 1.8%, from R\$63.2 million for the nine months ended September 30, 2015, to R\$62.1 million for the nine months ended September 30, 2016. General and administrative expenses as a percentage of our net operating revenue decreased from 9.8% for the nine months ended September 30, 2015 to 8.1% for the nine months ended September 30, 2016. This decrease was mainly due to a decrease in the volume of our legacy projects, a higher degree of efficiency in our construction operations and operational scale gains resulting from the streamlining of our operations pursuant to our current business model.

Share of income/(loss) of equity method investments

Share of income/(loss) of equity method investments decreased 99.6%, from R\$3.3 million for the nine months ended September 30, 2015, to R\$12,000 for the nine months ended September 30, 2016. This decrease was mainly due to a decrease in our share of the profits of SPE FRANERE GAFISA 08, from R\$10.0 million for the nine months ended September 30, 2015 to R\$0.4 million for the nine months ended September 30, 2016.

Other income (expenses), net

Other expenses, net decreased 2.3% from R\$43.1 million for the nine months ended September 30, 2015, to an expense of R\$42.1 million for the nine months ended September 30, 2016. Other expenses, net was mainly impacted by labor and civil contingencies principally related to our legacy projects. Other expenses, net as a percentage of our net operating revenue decreased 1.2%, from 6.7% for the nine months ended September 30, 2015, to 5.5% for the nine months ended September 30, 2016, mainly due to higher operating volume, permitting more efficient dilution of our cost and expense structure.

Financial expenses

Financial expenses increased 11.1%, from R\$34.6 million for the nine months ended September 30, 2015, to R\$38.4 million the nine months ended September 30, 2016. This increase was mainly due to the recognition of losses flowing from the co-obligation for the interest and financial charges of the financing contracts (pass-throughs) for clients in arrears during the construction period, principally relating to our legacy projects.

Financial income

Financial income decreased 40.0%, from R\$39.8 million for the nine months ended September 30, 2015, to R\$23.9 million for the nine months ended September 30, 2016, mainly due to a decrease in cash used in investing activities during the nine months ended September 30, 2016.

Total income tax and social contribution

Total income tax and social contribution expenses increased from R\$0.8 million for the nine months ended September 30, 2015, to an expense of R\$13.0 million for the nine months ended September 30, 2016. The increase in our effective tax rate from 1.8% for the nine months ended September 30, 2015 to 30.1% for the nine months ended September 30, 2016 was mainly due to a decrease during these periods in unrecognized tax rights benefits from R\$9.2 million to an expense of R\$0.6 million, which was related to (i) the change in continuing Tenda's projects mix, (ii) an increase in change of the taxation regime from presumed profit to Special Taxation Regime (RET) for our subsidiaries as a result of our better operating and financial performance and (iii) a few specific events which impacted these unrecognized tax rights benefits in the nine month period ended September 30, 2015.

Net income for the period

As a result of the foregoing, our net income decreased 26.7%, from an income of R\$41.2 million for the nine months ended September 30, 2015, to an income of R\$30.2 million for the nine months ended September 30, 2016.

Year ended December 31, 2015 Compared to Year ended December 31, 2014

The following table sets forth our consolidated financial information for the years ended December 31, 2015 and 2014.

	Year ended December 31,		Variation
	2015	2014	
	(in millions of R\$)		
Net operating revenue	851.0	570.1	49.3 %
Operating costs from real estate development and sales	(605.6)	(444.2)	36.3 %
Gross income	245.4	125.9	94.9 %
Operating income (expenses)			
Selling expenses	(65.3)	(53.0)	23.2 %
General and administrative expenses	(84.0)	(87.1)	(3.6)%
Share of income/(loss) of equity method investments	1.8	(19.1)	109.4%
Other income (expenses), net	(67.4)	(77.9)	(13.5)%
Financial expenses	(41.1)	(83.5)	(50.9)%
Financial income	46.8	58.7	(20.3)%
Total income (expense) tax and social contribution	(6.5)	(6.3)	3.2 %
Net income(loss) for the year	29.7	(142.4)	120.9%

Net operating revenue

Net operating revenue increased 49.3%, from R\$570.1 million for the year ended December 31, 2014, to R\$851.0 million for the year ended December 31, 2015. This increase was mainly due to (i) a 157% increase in the net volume of sales, which totaled R\$1.02 billion for the year ended December 31, 2015, and (ii) a reduction in the impact on our general sales value of related cancelled contracts in prior periods.

Operating costs from real estate development and sales

Operating costs from real estate development and sales increased 36.3%, from R\$444.2 million for the year ended December 31, 2014, to R\$605.6 million for the year ended December 31, 2015. This increase was mainly due to the increase in the volume of project launches and resulting construction progress.

Gross income

Gross income increased 94.9%, from R\$125.9 million for the year ended December 31, 2014, to R\$245.4 million for the year ended December 31, 2015. Gross margins increased from 22.1% for the year ended December 31, 2014 to 28.8% for the year ended December 31, 2015, impacted by the replacement of our legacy projects by projects launched pursuant to our current business model, the income margins of which are higher.

Selling expenses

Selling expenses increased 23.2%, from R\$53.0 million for the year ended December 31, 2014, to R\$65.3 million for the year ended December 31, 2015, mainly due the increase in the volume of project launches and unit sales. Selling expenses as a percentage of our net operating revenue decreased from 9.3% for the year ended December 31, 2014, to 7.7% for the year ended December 31, 2015, due to a more efficient use and maintenance of our own showrooms to sell and market our developments under our current business model. We believe that using our own showrooms to conduct marketing and sales efforts resulted in lower overhead costs, increased recognition of our brand, and gave us more flexibility to offer and market our products to clients.

General and administrative expenses

General and administrative expenses decreased 3.6%, from R\$87.1 million for the year ended December 31, 2014, to R\$84.0 million for the year ended December 31, 2015. This decrease was mainly due to a higher efficiency in our operations, resulting in a volume of general and administrative expenses in line with our business cycle, as we have simplified our operations with our new business model and had a lower volume of legacy projects in 2015 as compared to 2014.

Share of income/(loss) of equity method investments

Share of income/(loss) of equity method investments was a loss of R\$19.1 million for the year ended December 31, 2014, compared to an income of R\$1.8 million for the year ended December 31, 2015. This variation was mainly due to the increase in our share of the profits of SPE FRANERE GAFISA 08, from a loss of R\$12.7 million for the year ended December 31, 2014 to an income of R\$ 9.1 million for the year ended December 31, 2015.

Other income (expenses), net

Other expenses, net decreased 13.5% from R\$77.9 million for the year ended December 31, 2014, to R\$67.4 million for the year ended December 31, 2015. Other expenses, net was mainly impacted by the sale and run-off of our portfolio of legacy projects in recent years, and the lower volume of civil and labor contingencies relating to those projects in 2015.

Financial expenses

Financial expenses decreased 50.9%, from R\$83.5 million for the year ended December 31, 2014, to R\$41.1 million for the year ended December 31, 2015. Due to a 43.4% reduction in our total debt and the sale of certain financial assets in an amount of R\$32.2 million in 2014.

Financial income

Financial income decreased 20.3%, from R\$58.7 million for the year ended December 31, 2014, to R\$46.8 million for the year ended December 31, 2015, mainly due to a decrease in cash used in investing activities during 2015.

Total income tax and social contribution

Total income tax and social contribution increased 3.2%, from an expense of R\$6.3 million for the year ended December 31, 2014, to an expense of R\$6.5 million for the year ended December 31, 2015. The change in our effective tax rate from 4.7% for the year ended December 31, 2014 to (18.0)% for the year ended December 31, 2015 was mainly due to (i) our subsidiaries' tax calculation on the presumed income regime, which resulted in a current tax expense totaling R\$8.0 million for the year ended December 31, 2014, compared to a current tax expense of R\$9.8

million for the year ended December 31, 2015. Tax calculation on the presumed income regime is performed on operating revenue, which presented a significant increase in the period, rather than profit, (ii) an increase in deferred tax income from R\$1.7 million for the year ended December 31, 2014 to R\$3.3 million for the year ended December 31, 2015 mainly related to an increase in the recognition of tax credits for entities on the real profit regime.

Net income (loss) for the year

Net income (loss) for the year was a net loss of R\$142.4 million for the year ended December 31, 2014, compared to a net income of R\$29.7 million for the year ended December 31, 2015. This variation was mainly due to the increase in the volume of projects launched pursuant to our current business model, the income margins of which are higher than those of our legacy projects, and the better suitability of our cost structure which better reflects our current business situation.

Year ended December 31, 2014 Compared to Year ended December 31, 2013

The following table sets forth our consolidated financial information for the years ended December 31, 2014 and 2013.

	Year ended December 31, 2014		Variation
	(in millions of R\$)		
Net operating revenue	570.1	817.5	(30.3)%
Operating costs from real estate development and sales	(444.2)	(752.2)	(40.9)%
Gross income	125.9	65.2	92.9 %
Operating expenses			
Selling expenses	(53.0)	(77.6)	(31.7)%
General and administrative expenses	(87.1)	(97.3)	(10.5)%
Share of income/(loss) of equity method investments	(19.1)	31.3	(161.2)%
Gain on disposal of non-controlling interest	—	42.5	(100)%
Other income (expenses), net	(77.9)	(36.3)	114.6 %
Financial expenses	(83.5)	(41.3)	102.2 %
Financial income	58.7	37.5	56.5 %
Total income tax and social contribution	(6.3)	(8.7)	(27.6)%
Net loss for the year	(142.4)	(84.6)	68.3 %

Net operating revenue

Net operating revenue decreased 30.3%, from R\$817.5 million for the year ended December 31, 2013, to R\$570.1 million for the year ended December 31, 2014. This decrease was mainly due to the decrease in the volume of project launches and a decrease in the sale of our legacy projects as part of our strategy during that period in relation to the implementation of our current business model at that time.

Operating costs from real estate development and sales

Operating costs from real estate development and sales decreased 40.9%, from R\$752.2 million for the year ended December 31, 2013, to R\$444.2 million for the year ended December 31, 2014. This decrease was mainly due to the run off of, and reduction of our exposure to, our legacy projects, resulting in lower costs associated with our legacy projects, as well as to the reduced volume of launches of projects under the current business model in that period.

Gross income

Gross income increased 92.9%, from R\$65.2 million for the year ended December 31, 2013, to R\$125.9 million for the year ended December 31, 2014. Gross margins increased from 8.0% for the year ended December 31, 2013 to 22.1% for the year ended December 31, 2014, impacted by the replacement of our legacy projects by projects launched pursuant to our current business model, the margins of which are higher.

Selling expenses

Selling expenses decreased 31.7%, from R\$77.6 million for the year ended December 31, 2013, to R\$53.0 million for the year ended December 31, 2014. Selling expenses as a percentage of our net operating revenue decreased from 9.5% for the year ended December 31, 2013, to 9.3% for the year ended December 31, 2014, mainly due to the increased use of our own showrooms and a decrease in volume of sales.

General and administrative expenses

General and administrative expenses decreased 10.5%, from R\$97.3 million for the year ended December 31, 2013, to R\$87.1 million for the year ended December 31, 2014. This decrease was mainly due to a decrease in the volume of

our legacy projects, allowing a degree of efficiency in our construction operations more in line with our business cycle.

Share of income/(loss) of equity method investments

Share of income/(loss) of equity method investments was an income of R\$31.3 million for the year ended December 31, 2013, compared to a loss of R\$19.1 million for the year ended December 31, 2014. This variation was mainly due to (i) the decrease in our share of the profits of SPE FRANERE GAFISA 08, from an income of R\$6.0 million for the year ended December 31, 2013 to a loss of R\$12.7 million for the year ended December 31, 2014, (i)

a decrease in our share of the profits from other partnerships with other developers, from an income of R\$ 14.1 million for the year ended December 31, 2013 to a loss of R\$ 4.1 million for the year ended December 31, 2014.

Gain on disposal of non-controlling interest

This line item refers to the sale of our 20% stake in Alphaville, which resulted in non-recurring income of R\$42.5 million for the year ended December 31, 2013. This gain is a result of the following: R\$358.4 million received upon the completion of the sale, less (i) goodwill in the amount of R\$252.5 million and (ii) investments in the amount of R\$63.4 million.

Other income (expenses), net

Other expenses was R\$36.3 million for the year ended December 31, 2013, compared to R\$77.9 million for the year ended December 31, 2014. This 114.6% increase was mainly due to the large volume of labor and civil contingencies relating mainly to legacy projects delivered during 2013 and 2014. The provision for contingencies increased by R\$22.6 million related to labor matters and R\$25.4 million related to civil matters.

Financial expenses

Financial expenses increased 102.2%, from R\$41.3 million for the year ended December 31, 2013, to R\$83.5 million for the year ended December 31, 2014. This increase was mainly due to an increase in interest rates on our total debt during the period, which resulted in an increase in our debt service expenses, and a non-recurring expense of R\$32.2 million resulting from the sale of certain financial assets in 2014.

Financial income

Financial income increased 56.5%, from R\$37.5 million for the year ended December 31, 2013, to R\$58.7 million for the year ended December 31, 2014. This increase was mainly due to (i) an increase in the CDI interest rate, which increased from 8.06% in 2013 to 10.81% in 2014, and (ii) an increase in the average volume of our unrestricted financial investments, which increase at an average of 49% from 2013 to 2014.

Total income tax and social contribution

Total income tax and social contribution decreased 27.6%, from R\$8.7 million for the year ended December 31, 2013, to R\$6.3 million for the year ended December 31, 2014. The change in our effective tax rate from 11.4% for the year ended December 31, 2013 to 4.7% for the year ended December 31, 2014 was mainly due to: (i) an increase in deferred tax income from an expense of R\$1.1 million for the year ended December 31, 2013 to an income of R\$1.7 million for the year ended December 31, 2014 mainly related to an increase in the recognition of tax credits for subsidiaries subject to the real profit regime, (ii) our subsidiaries' tax calculation on the presumed income regime, which resulted in a current tax expense totaling R\$7.5 million for the year ended December 31, 2013, compared to a current tax expense of R\$8.0 million for the year ended December 31, 2014 due to improved operational and financial performance in the year ended December 31, 2014.

Net income (loss) for the year

As a result of the foregoing, net income (loss) for the year was a net loss of R\$142.4 million for the year ended December 31, 2014, compared to a net loss of R\$84.6 million for the year ended December 31, 2013.

Liquidity and Capital Resources

Our principal source of financing for working capital is from loans we obtain with the Brazilian government's SFH, and/or the SFI.

Consolidated Cash Flows

Nine Months Ended September 30, 2016 Compared to Nine Months Ended September 30, 2015

The following table shows our consolidated cash flows for the periods indicated.

	Nine months ended September 30, 2016 2015 (in millions of R\$)	
Net cash and cash equivalents from (used in) operating activities	94.4	(71.3)
Net cash from investing activities	12.1	141.9
Net cash and cash equivalents (used in) financing activities	(67.3)	(104.8)
Net increase (decrease) in cash and cash equivalents	39.1	(34.2)

Operating Activities. Net cash and cash equivalents from (used in) operating activities totaled R\$71.3 million of net cash used in operating activities in the nine months ended September 30, 2015, compared to R\$94.4 million of net cash generated from operating activities in the nine months ended September 30, 2016. This variation was mainly due to an increase in trade accounts receivables in cash of R\$193.1 million related to scale gains of the new current business model projects which have an accelerate cash flow generation.

Investing Activities. Net cash from (used in) investing activities totaled R\$141.9 million of net cash generated from investing activities in the nine months ended September 30, 2015, compared to R\$12.1 million of net cash generated from investing activities in the nine months ended September 30, 2016. This variation was mainly due to a decrease in returns from net redemptions of pledged securities and investments, from R\$135.1 million for the nine months ended September 30, 2015, to R\$18.9 million for the nine months ended September 30, 2016.

Financing Activities. Net cash and cash equivalents from (used in) financing activities totaled R\$104.8 million of net cash used in financing activities for the nine months ended September 30, 2015, compared to R\$67.3 million of net cash used in financing activities for the nine months ended September 30, 2016. This variation was mainly due to a decrease in principal repayments on debentures, loans and financings, from R\$122.6 million for the nine months ended September 30, 2015, to R\$68.8 million for the nine months ended September 30, 2016.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

The following table shows our consolidated cash flows for the periods indicated.

	Year ended December 31, 2015 2014 (in millions of R\$)	
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Net cash and cash equivalents from (used in) operating activities	(85.5)	19.3
Net cash from investing activities	222.3	95.5
Net cash and cash equivalents (used in) financing activities	(176.8)	(210.7)
Net decrease in cash and cash equivalents	(40.0)	(95.9)

Operating Activities. Net cash and cash equivalents from (used in) operating activities totaled R\$19.3 million of net cash generated from operating activities in the year ended December 31, 2014, compared to R\$85.5 million of net cash used in operating activities in the year ended December 31, 2015. This variation was mainly due to a R\$144.0 million increase in expenses associated with the purchase of land and a decrease in advances from customers.

Investing Activities. Net cash from investing activities totaled R\$95.5 million in the year ended December 31, 2014, compared to R\$222.3 million in the year ended December 31, 2015. This variation was mainly due to an increase in returns from net redemptions of pledged securities and investments, from R\$52.2 million for the year ended December 31, 2014, to R\$220.3 million for the year ended December 31, 2015. Additionally, in the year ended December 31, 2014, there was also the alienation of certain financial assets held for sale, which contributed to net cash generated from investing activities in the amount of R\$39.1 million.

Financing Activities. Net cash and cash equivalents used in financing activities totaled R\$210.7 million in the year ended December 31, 2014, compared to R\$176.8 million in the year ended December 31, 2015. This decrease

was mainly due to the increase of loan transactions with related parties in the amount of R\$49.6 million resulting from certain loan transactions with related parties, and to an increase in principal repayments on debentures, loans and financings, from R\$249.5 million for the year ended December 31, 2014, to R\$261.2 million for the year ended December 31, 2015.

Year Ended December 31, 2014, Compared to Year Ended December 31, 2013

The following table shows our consolidated cash flows for the periods indicated.

	Year ended December 31, 2014 2013 (in thousands of R\$)	
Net cash and cash equivalents from operating activities	19.3	221.4
Net cash from (used in) investing activities	95.5	(95.5)
Net cash and cash equivalents from (used in) financing activities	(210.7)	(290.3)
Net decrease in cash and cash equivalents	(95.9)	(164.4)

Operating Activities. Net cash and cash equivalents from operating activities totaled R\$221.4 million in the year ended December 31, 2013, compared to R\$19.3 million in the year ended December 31, 2014. This variation was mainly due to a decrease in general sales value sales, from R\$490.4 million in 2013 to R\$396.0 million in 2014, and an increase of R\$72.9 million in cash used for other accounts payable.

Investing Activities. Net cash from (used in) investing activities totaled R\$95.5 million of net cash used in investing activities in the year ended December 31, 2013, compared to R\$95.5 million of net cash generated from investing activities in the year ended December 31, 2014. This variation was mainly due to an (i) increase in net investments of funds totaling R\$32.3 million in 2013, compared to redemptions of pledged securities and collateralized and free investments totaling R\$52.2 million in 2014, and (ii) the acquisition in 2013 of financial assets held for sale totaling R\$71.3 million which we sold in 2014, resulting in net cash generation of R\$39.1 million.

Financing Activities. Net cash used in financing activities totaled R\$290.3 million in the year ended December 31, 2013, compared to R\$210.7 million in the year ended December 31, 2014. This variation was mainly due to a net decrease in principal repayments on debentures, loans and financings, from R\$286.8 million in 2013, to R\$210.0 million in 2014.

Capital Structure

The table below sets forth our capital structure as of the dates indicated:

	As of September 30, 2016	As of December 31,		2013
		2015	2014	
	(in thousands of R\$)			
Total Liabilities	744,024	778,846	1,042,843	1,289,256
Equity	1,158,067	1,126,814	1,082,346	1,217,885
Total Liabilities and Equity	1,902,091	1,905,660	2,125,189	2,507,141
Total Liabilities as a percentage of Total Liabilities and Equity	39.12	% 40.87	% 49.07	% 51.42
Equity as a percentage of Total Liabilities and Equity	60.88	% 59.13	% 50.93	% 48.58

Indebtedness

Overview

We finance our working capital for our developments mainly through the SFH and the SFI. We believe that this source of funding offers lower interest rates than traditional private market lines of credit, involving a collateral and

an amortization process linked to the discharge of our clients through transfer of the receivables from clients to the banks. We use this source of funding to cover the portion of our cash exposure that is not covered by monthly receivable for each project.

In 2013, we entered into 13 SFH finance agreements in an aggregate amount of R\$15.4 million. In 2014, we entered into 28 SFH finance agreements in an aggregate amount of R\$235.0 million. In 2015, we entered into 47 SFH finance agreements in an aggregate amount of R\$427.3 million, and a CCB, in the amount of R\$6.5 million. In the nine months ended September 30, 2016, we entered into 64 SFH finance agreements in an aggregate amount of R\$553.6 million, and two CCBs in the amount of R\$31.7 million.

We do not invest in non-current assets.

The table below shows the composition of our loans and financings and their balances for the periods indicated:

	Average cost	Maturities	As of			
			September 30, 2016	As of December 31, 2015	2014	2013
Construction financing (SFH/SFI)	8.30-9.50% + TR	December 2016 to July 2020	58,482	39,893	48,933	229,161
Cédula de Crédito Bancário – CCB	CDI + 3.95-4.25% per annum	January-June 2018	31,791	—	—	—
Cédula de Crédito Bancário – CCB	Variation of the INCC-DI	June 2019	6,332	6,560	—	—
Debentures	9.00% + TR	November 2016	102,793	201,877	389,617	409,561
Total Loans, Financings and Debentures			199,398	248,330	438,550	638,722

The tables below show our obligations according to their nature and maturity for the periods indicated:

Nine months ended September 30, 2016

Type of obligation	Type of debt	Other guarantees	Less than one year	One to three years	Three to five years	More than five years	Total
			(in R\$)				
Debt instrument	Secured		142,020,237.16	85,841,983.95	-	—	227,862,221.11
Loan	Secured		15,745,546.44	22,377,631.59	—	—	38,123,178.03

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Financing	Secured		3,552,750.17	43,437,481.24	11,491,935.21	—	58,482,166.62
Financing	Floating collateral		102,792,957.60	—	—	—	102,792,957.60
Debt instrument	Unsecured	Subordinated or unsecured	162,290,219.02	154,473,039.45	—	—	316,763,258.47
Total			426,401,710.39	306,130,136.23	11,491,935.21	—	744,023,781.78

Year ended December 30, 2015

Type of obligation	Type of debt	Other guarantees	Less than one year	One to three years	Three to five years	More than five years	Total
			(in R\$)				
Debt instrument	Secured guarantee		143,140,585.40	102,412,143.25	—	—	245,552,728.65
Loan	Secured guarantee		1,143,038.61	4,333,333.33	1,083,333.33	—	6,559,705.27
Financing	Secured guarantee		7,755,888.38	24,165,565.85	7,971,951.98	—	39,893,406.21
Financing	Floating collateral		201,877,169.00	—	—	—	201,877,169.00
Debt instrument	Unsecured	Subordinated or unsecured	149,032,127.27	135,932,208.69	—	—	284,964,335.96
Total			502,948,808.66	266,843,251.12	9,055,285.31	—	778,847,345.09

The table below shows our different types of financings and their balances for the periods indicated:

	Nine-month period ended			
	September 30, 2016	Year ended December 31, 2015	2014	2013
Total secured debt	96,605	46,453	48,933	229,161
Total debt with floating collateral	102,793	201,877	389,617	409,561
Total unsecured debt	—	—	—	—

(in thousands of reais)