



TEC

Construindo qualidade de vida

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EZTEC S.A.

ON (Bovespa: EZTC3)
Closing Price: R\$17.05
Shares: 165,001,783
Market Share: R\$2,813 MN
Date: 10/24/2016

Preliminary Operational Results 3Q16



Cancellations volume stabilizes in the 3Q16

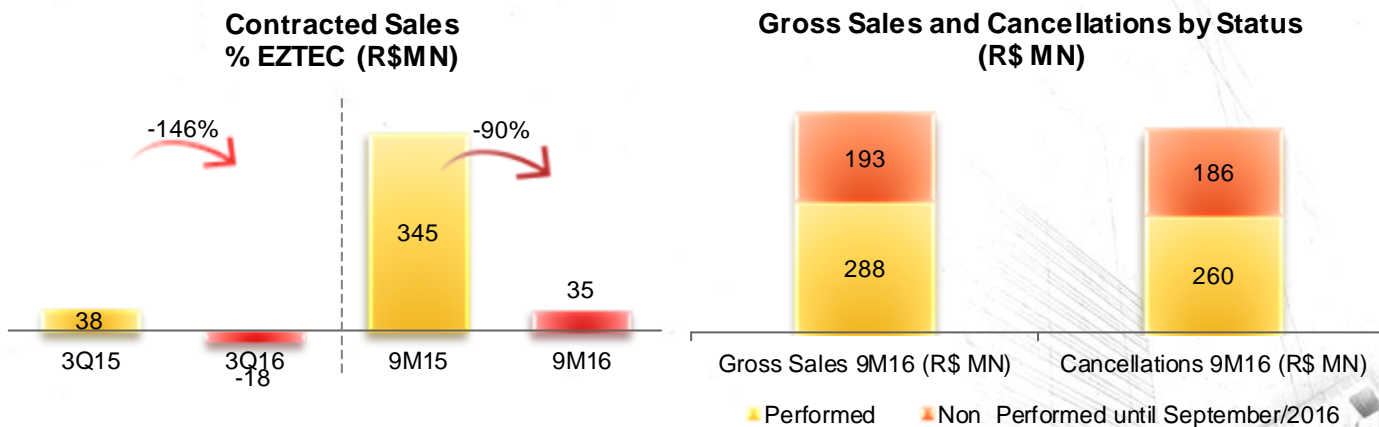
Finished Inventory showed an increase in Net Sales

São Paulo, October 24th, 2016 - EZTEC SA (BOVESPA: EZTC3; Bloomberg: EZTC3: BZ), announces its preliminary operating results for the third quarter of 2016 (3Q16). Note that the results presented here are managerial results and are subject to revision following the external audit. The complete and audited results for the 3Q16 are scheduled to be disclosed on November 09th, 2016, after market closure.

Contracted Sales and Cancellations

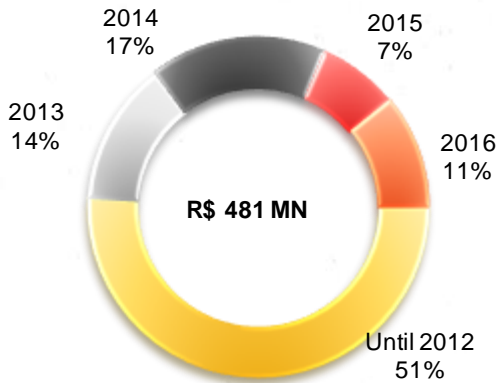
The Company had a quarter in which the cancellations exceeded sales. When we analyze the net result of **-R\$ 17.7 million in 3Q16**, with a positive accumulation of **R\$35.2 million in 9M16**, it is important to place some points: [i] despite the gross sales have been reduced between the months of July and August compared to the second quarter of this year, 74% came from completed units; [ii] unlike the last quarters, the 3Q16 showed no increase in the volume of cancellations; [iii] with less intense period of deliveries, there was a reduction in cancellations of performed projects, and these had net sales of R\$20.0 million in the quarter. In 2Q16, net sales of performed units was R\$9.2 million.

Still regarding the current sales situation, from the point of view of cash flow for the Company the cancellations represent disbursement of only part of the amount paid by customers, which value is at most 15 to 20% of the total value of unit. However, when we observe gross sales, which in 9M16 were 60% from units completed by September 2016, it is not only full revenue recognition, but the coming into of the total value in cash, or direct financing from EZTEC with the statutory lien. Thus, we could observe in 1H16 generation of more than R\$160 million in cash and the 3Q16, managerial unaudited figures also indicate new generation of approximately R\$45 million.

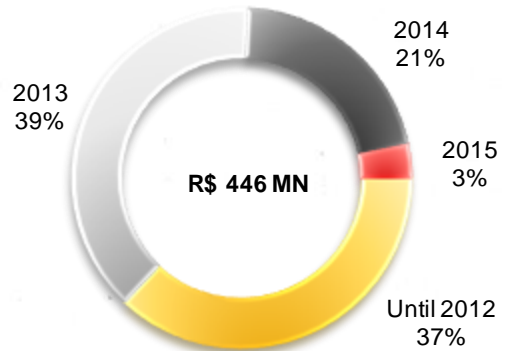


Managerial Data – 2016

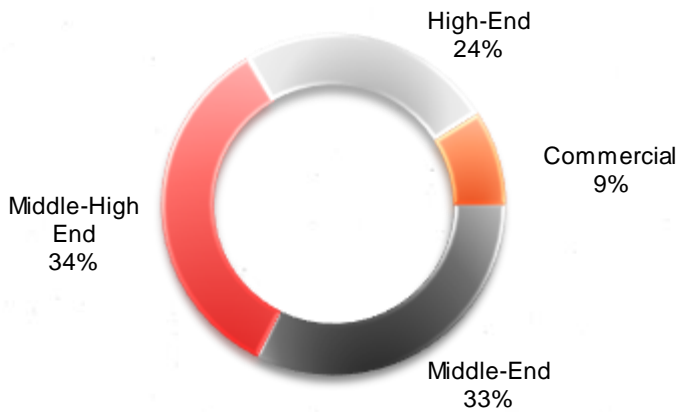
Gross Sales By Period of Launch



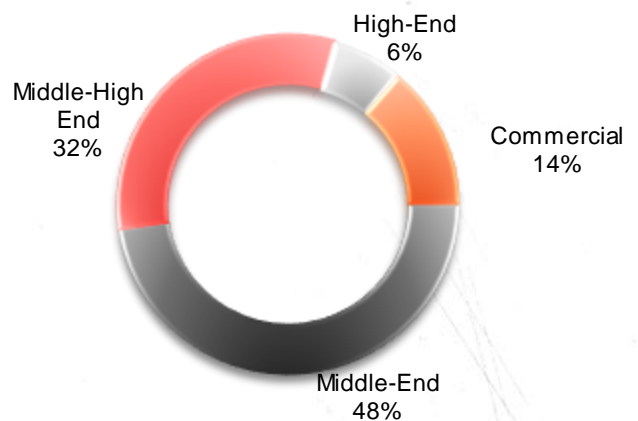
Cancellations By Period of Launch



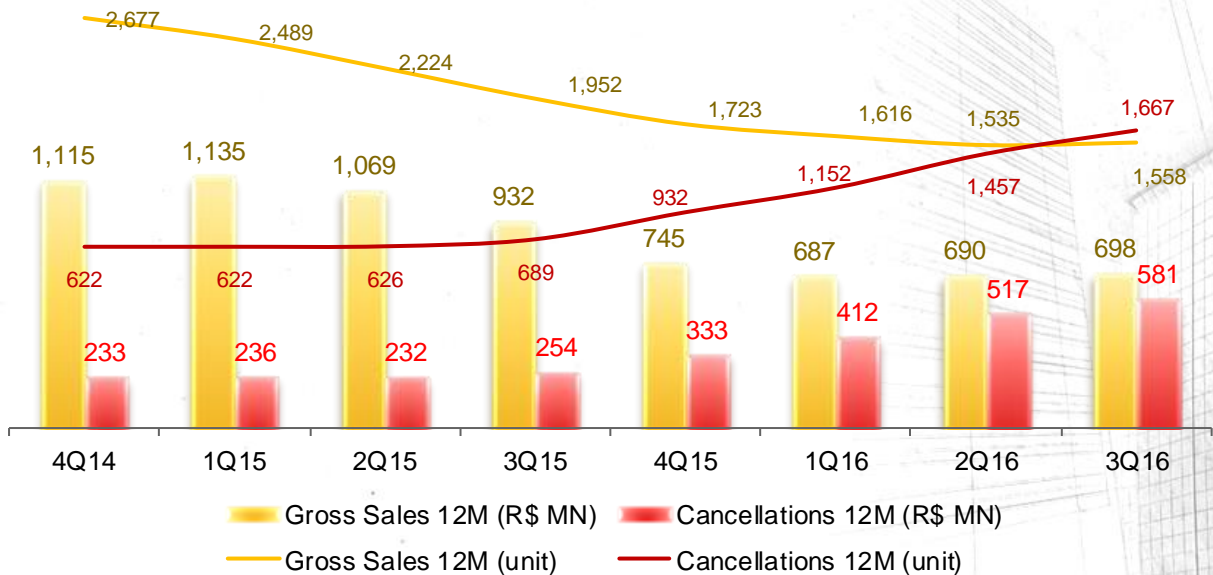
Gross Sales By Segment



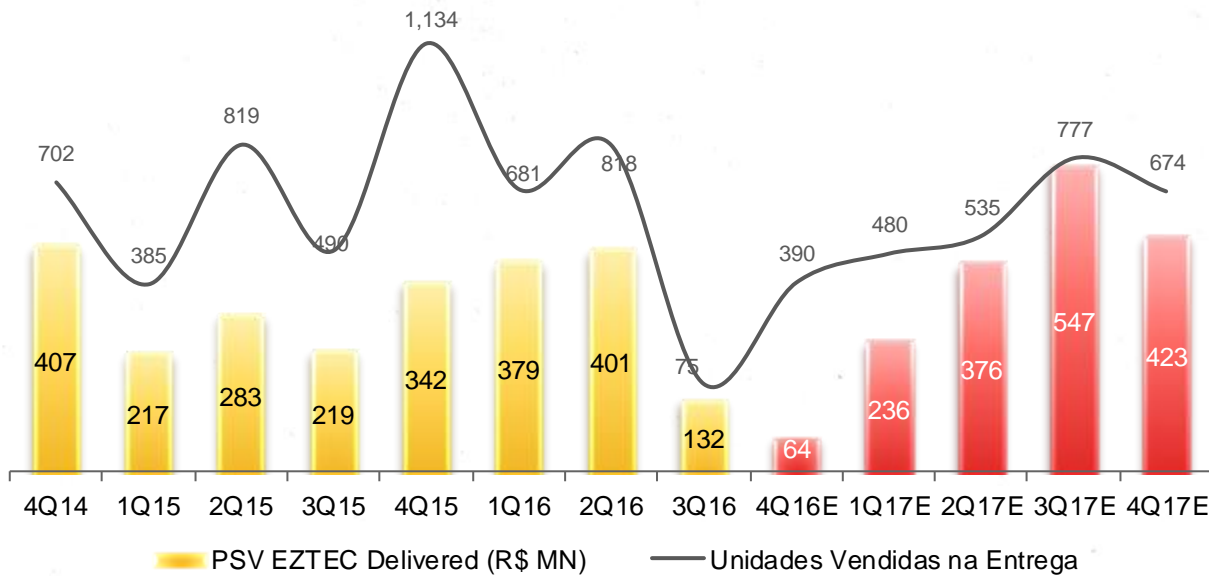
Cancellations By Segment



Oriented to transparency and continuing to the information provided in the last quarter, can be seen in the chart below, gross sales and cancellations accumulated in 12 months, for the last 8 quarters:



Important to note that when comparing the last delivery cycle with deliveries in the next 5 quarters, we observe a reduction in the amount of units leading to and the understanding that there may be a reduction in cancellations at least the next 2 quarters:



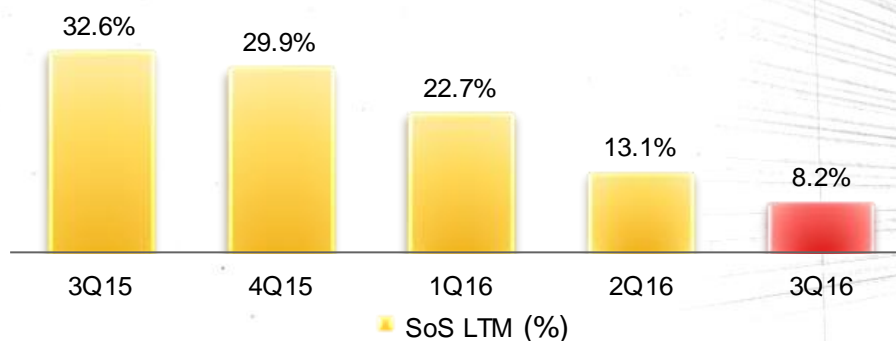
Management remains confident in the choices made in both sales policy and portfolio control, opting for the financial health and believing in the quality and liquidity of its inventory in the medium term.

Below is the calculation VSO (Sales Over Supply) weighted by the participation of EZTEC index, which reflects the liquidity of the products originated:

SALES-OVER-SUPPLY	3Q16	3Q15	9M16	1H15
+ Inventory on Sep/15 (sq. m)	161,669	169,177	151,103	185,371
+ Launches at period (sq. m)	0	0	12,382	25,935
= Inventory + Launches (sq. m)	161,669	169,177	163,485	211,306
- Sales at period (sq. m)	-4,417	4,961	-2,602	47,091
= Final Inventory (sq.m)	166,086	164,215	166,086	164,215
<i>Sales Over Supply</i>	<i>-2.7%</i>	<i>2.9%</i>	<i>-1.6%</i>	<i>22.3%</i>

*SoS 4Q15's Launches and Sales are considering the acquisition of 50% stake of the Chácara Cantareira project

In the chart below, accumulated SoS LTM can be observed.



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About EZTEC S.A.

With a track record of 37 years, EZTEC is one of the most profitable publicly held companies in the Brazilian real estate industry. Through its totally integrated business model, the Company has already launched 120 projects, totaling more than 3.5 million sq.m. of built area and area under construction, and 24,346 units. EZTEC is listed on the *Novo Mercado* Special Corporate Governance segment of the São Paulo Stock Exchange (BM&FBOVESPA) under the ticker EZTC3.

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

Índice
Brasil 100
IBRX 100

Índice
Brasil Amplo
BM&FBOVESPA
IBRA

Índice
BM&FBOVESPA
Small Cap
SMLL

Índice
Imobiliário
IMOB

Índice de
Setor
Industrial
INDX

Índice de
Governança
Corporativa Trade
IGCT

Índice de
Ações com Governança
Corporativa Diferenciada
IGC

Índice de
Ações com Top Along
Diferenciada
ITAG



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