



## **TOTVS and Bematech sign proposal to create the most complete business solutions provider to the Retail market**

**São Paulo, August 14, 2015 – TOTVS** (BM&FBovespa: TOTS3), the management software leader in Latin America and Brazil and in the Brazilian SMB market, providing integrated business solutions including management software, productivity and collaboration platforms for 10 different market industries, and **Bematech** (BM&FBovespa: BEMA3), the technology solutions leader for the retail, food service and hospitality markets and present, with software and hardware solutions, in more than 50% of the checkouts of automatized stores in Brazil, representing more than 500 thousand points of sale, announce a corporate reorganization proposed by their boards of directors to their respective shareholders.

Together, TOTVS and Bematech provide solutions for the whole retail value chain and will combine their know-how in e-commerce and physical commerce solutions, as well as their wide range of deeply specialized solutions like: foodservice, supermarkets, wholesalers, apparel, general retail, electronics, construction materials, drugstores, hotels, car dealerships, passenger transportation and many other.

Retail is one of the main drivers for growth in the Brazilian economy today, representing more than 50% of the 4.6 million businesses in Brazil, according to IBGE. To become more competitive, Brazil needs to increase the efficiency and productivity of these companies, which, especially in this sector, are becoming more digitalized every day.

The proposed merger of TOTVS and Bematch reinforces the value creation for their customers, who will benefit from a more specialized portfolio of solutions and innovations and from a larger national presence. Bematech distribution network is composed of more than 5 thousand resellers, which will be added to TOTVS's current distribution network.

"This movement with Bematech, a symbol of innovation in the retail, represents an important step in our expansion strategy, which began by consolidating the ERP market and was followed by an increase in industry specialization and now starts its third phase with the consolidation of each of these industries." says Laércio Cosentino, CEO and TOTVS founder.

"Bematech strategy, since its foundation, has been aligned with TOTVS strategic direction. Today, we are the largest and most complete software provider in Brazil and Bematech will increase our presence in the retail industry, combining our technology and innovation with a unique knowledge, integrated portfolio and extensive distribution reach". says Rodrigo Kede, TOTVS President.

"Bematech has the mission to make the retail industry more efficient. In this union with TOTVS we have the opportunity to significantly increase our value proposition, leveraging technology and generating value to our customers, shareholders and employees." says Cleber Moraes, Bematech CEO.

## CORPORATE REORGANIZATION

The corporate reorganization will be submitted to the approval of both companies' shareholders meetings and to the approval of the Brazilian antitrust authority (CADE - Administrative Council for Economic Defense). When approved, the reorganization will be implemented through the merger of Bematech shares into a wholly subsidiary of TOTVS (Makira II), and, concomitantly, the merger of this subsidiary with TOTVS, resulting in the migration of Bematech shareholders to TOTVS.

The shareholders who accede to the reorganization will receive in exchange for their shares R\$9.35 (ex-dividends) and 0.043421048 common shares of TOTVS ON (TOTS3). These sums do not include the value of R\$0.1585 per share, which will be distributed as dividends to Bematech shareholders.

This corporate reorganization will result in a combined operation with R\$2.2 billion in net revenues in 2014.

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### About TOTVS

Top provider of business solutions to enterprises of all sizes, absolute leader in the SMB, providing not only back-office, but also core/front-office solutions for those enterprises with integrated management software, collaboration and productivity platforms, as well as consulting services, being one of the largest ERP Suite providers in the world, leader in Latin America, and with over 50% market share in Brazil. TOTVS is considered the 22nd most valuable brand in Brazil, according to BrandAnalytics. TOTVS is present in 39 countries through its branch offices, franchises and development centers. TOTVS has 5 branch offices, 52 franchises and 9 development centers in Brazil. Abroad, TOTVS has 3 branch offices, 15 franchises and 2 development centers (United States and Mexico). For further information, visit [www.totvs.com](http://www.totvs.com)

### About Bematech

Bematech (BM&FBovespa: BEMA3) is a multinational Brazilian enterprise leader on developing full technology solutions for the retail, food service and hospitality segments. Through an integrated platform of equipment, management systems, services and means of payment - that automate processes and support commercial management - Bematech's solutions allows establishments to increase their profitability and control of their operations. For two decades, the company has pioneered the offer of complete and innovative solutions providing agility, efficiency and competitiveness, regardless of the segments where the Company operates or the size of the business. The Company has operations in approximately 500 thousand retailers in Brazil and abroad, including large retail chains, food and hospitality groups, and operates four R&D excellence centers, with more than 1,000 professionals in Brazil, China, Taiwan, USA, Argentina, Chile and Portugal.

*This report contains forward-looking statements that are based not just on historical facts but reflect the desires and expectations of TOTVS and Bematech management. The words "anticipate", "desire", "expect", "foresee", "intend", "plan", "predict", "project", "aim" and similar words are intended to identify statements that necessarily involve known and unknown risks. Known risks include uncertainties that are not limited to the impact of price and product competitiveness, acceptance of products by the market, market performance of the Companies' and their competitors' products, regulatory approval, currency fluctuations, difficulties in supply and production and changes in product sales, among others. This report also contains certain pro forma statements, prepared by the Company exclusively for informational and reference purposes and are therefore unaudited. This report is updated to the present date and TOTVS and Bematech are under no obligation to update it further to include new information and/or future developments*