

# **TOTVS S.A.**

*1st Private Issuance of Debentures*

*Trustee's Annual Report  
Fiscal Year 2012*

**TOTVS S.A.**  
**1ª Private Issuance of Debentures**

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**CHARACTERISTICS OF THE ISSUANCE**

<b>DATE OF ISSUANCE:</b>	08/19/2008
<b>DATE OF MATURITY:</b>	08/19/2019
<b>TRUSTEE:</b>	Oliveira Trust DTVM S.A.
<b>CARRYING BANK:</b>	Banco Itaú S.A.
<b>VOLUME(*):</b>	R\$ 200,000,000.00
<b>QUANTITY OF DEBENTURES(*):</b>	200,000
<b>NUMBER OF SERIES:</b>	2
<b>PUBLISHING:</b>	Diário Oficial do Estado de São Paulo and Valor Econômico newspaper – National Edition.
<b>USE OF PROCEEDS:</b>	According to the Investors' Relations Officer, statement the proceeds from the issuance were used for payment, by the Company, of the transaction of redemption of redeemable preferred shares issued by Makira do Brasil S.A., aiming at the integration between its activities and those of Datasul S.A.
<b>NATURE OF ISSUANCE:</b>	Private

(\* ) At the Date of Issuance

**CHARACTERISTICS OF THE 1<sup>ST</sup> SERIES**

<b>DATE OF ISSUANCE:</b>	08/19/2008
<b>DATE OF MATURITY:</b>	08/19/2019
<b>VOLUME(*):</b>	R\$ 100,000,000.00
<b>UNIT FACE VALUE (*):</b>	R\$ 1,000.00
<b>UNIT PRICE AS OF 12/31/2012(**):</b>	R\$ 1,037.46
<b>QUANTITY OF DEBENTURES(*):</b>	100,000
<b>FORM:</b>	Book-entry
<b>GUARANTEE:</b>	Floating
<b>CLASS:</b>	Convertible into common shares issued by the Issuing Company.

(\* ) At the Date of Issuance

(\*\*) Calculated by Oliveira Trust

The present Issuance is made through security deposit certificates, comprised by 2 non-detachable debentures, being 1 1<sup>st</sup> series debentures and 1 2<sup>nd</sup> series debentures ("Units").

**CONVERTIBILITY:**

The Units shall be mandatorily converted into common shares issued by the Company, if, since the Date of Issuance of the Units, the 360 consecutive days average weighted price of the common shares of the Company, calculated in trading dates at BVSP and determined at the date of anniversary of the Units in each conversion period provided in the Calculation Date is higher than the average weighted price per volume of shares of the Issuing Company, calculated in trading days at BVSP, in the period between 06/06/2008 and 08/31/2008, and restated according to the formula described in the Deed of Issue. The mandatory conversion of Units into common shares issued by the Company shall take place solely 2 years after the date of issuance and shall respect the following limits (paragraphs 3.18.1 and 3.18.2 of the deed of issue):

Calculation Date	% of units issued	Date
Shall occur after 2 years from the date of issuance (08/19/2010)	15%	In the 3 <sup>rd</sup> year from the date of issuance
	30%	In the 4 <sup>th</sup> year from the date of issuance
	45%	In the 5 <sup>th</sup> year from the date of issuance
	60%	In the 6 <sup>th</sup> year from the date of issuance

In addition to the hypothesis of mandatory conversion, the Units may be converted into common shares issued by the Company, at the Debenture holders' discretion, given the limits below are followed:

% of units issued	Date
Up to 15%	In the 3 <sup>rd</sup> year from the date of issuance
Up to 30%	In the 4 <sup>th</sup> year from the date of issuance
Up to 45%	In the 5 <sup>th</sup> year from the date of issuance
Up to 60%	In the 6 <sup>th</sup> year from the date of issuance

On August 3, 2012 we calculate the weighted average price - 360 days, reaching an amount of R\$32.38 and the Strike Price (PAaCo), finding the value of R\$23.660520. Therefore, since the weighted average price of 360 days exceeded the Strike Price on that date, whose condition was maintained until the fourth determination date anniversary, which is August 19, 2012 ("Determination Date"). In this sense, there was the mandatory conversion of up to 45% of Units issued.

As described below, the Issuing Company delivered the ordinary shares arising from the mandatory conversion on August 19, 2012, as provided in paragraphs 3.18.2.3 and 3.18.6 of the deed of issue:

Units to Conversion	Shares	Fractions of shares	Fractions in BRL
14,999	1,267,849	1.410726391	R\$33.38

**INDEXATION:**

There is no indexation.

**INTEREST:**

1 <sup>st</sup> period	
Beginning	08/19/2008
End	08/19/2019
Yield (*)	IPCA + 3.5% p.y. limited to TJLP plus 1.5% per year (360 days).
Calculation basis	360
U.P. at the Date of Issuance	R\$ 1,000.00
Payment	Annually, on every August 19, being the first payment in

	August 19, 2009 and the last in August 19, 2016.
Document	Deed of the Private Issue

**PREMIUM:**

Not applicable in view of the mandatory conversion of the Units on August 19, 2012. In the event of non-conversion, the 1<sup>st</sup> series debentures shall be entitled to the non-conversion premium equivalent to the difference between IPCA plus 8.0% per year (360 days basis) and interests effectively paid, where interests calculation basis is the lowest amount between IPCA plus 3.5% per year (360 days basis) and TJLP plus 1.5% per year (360 days basis), calculated based on the outstanding balance of the debentures in the determination date.

**AMORTIZATION OF FACE VALUE:**

The amortization shall be made in two installments in the seventh (08/19/2015) and eighth (08/19/2016) anniversaries, equivalent to 40% and 60% of the principal amount, respectively.

**RENEGOTIATION:**

Non Renegotiable.

**RATING:**

No Rating.

**PAYMENTS MADE PER DEBENTURE IN 2012:**

INTEREST:	
Payment Date	Unit Value (R\$)
08/20/2012	76.71

**CHARACTERISTICS OF THE 2<sup>nd</sup> SERIES**

DATE OF ISSUANCE:	08/19/2008
DATE OF MATURITY:	08/19/2019
VOLUME(*):	R\$ 100,000,000.00
UNIT FACE VALUE (*):	R\$ 1,000.00
UNIT PRICE AS OF 12/31/2012 (**):	R\$ 1,025.60
QUANTITY OF DEBENTURES	100,000
TYPE:	Book-entry
GUARANTEE:	Floating
CLASS:	Convertible into shares issued by the Issuing Company.

(\*) At the Date of Issuance

(\*\*) Calculated by Oliveira Trust

**CONVERTIBILITY:**

The Units shall be mandatorily converted into common shares issued by the Company, if, since the Date of Issuance of the Units, the 360 consecutive days average weighted price of the common shares of the Company, calculated in trading dates at BVSP and determined at the date of anniversary of the Units in each conversion period provided in the Calculation Date is higher than the average weighted price per volume of shares of the Issuing Company, calculated in trading days at BVSP, in the period between

06/06/2008 and 08/31/2008, and restated according to the formula described in the Deed of Issue. The mandatory conversion of Units into common shares issued by the Company shall take place solely 2 years after the date of issuance and shall respect the following limits:

Calculation Date	% of units issued	Date
Shall occur after 2 years from the date of issuance (08/19/2010)	15%	In the 3 <sup>rd</sup> year from the date of issuance
	30%	In the 4 <sup>th</sup> year from the date of issuance
	45%	In the 5 <sup>th</sup> year from the date of issuance
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14,999	1,267,849	1.410726391	R\$33.38

#### INDEXATION:

There is no indexation.

#### INTEREST:

1 <sup>st</sup> period	
Beginning	08/19/2008
End	08/19/2019
Yield (*)	TJLP + 1.5% p.y.
Calculation basis	360
U.P. at the Date of Issuance	R\$ 1,000.00
Payment	Semiannually, in August 19 <sup>th</sup> and February 19 <sup>th</sup> every year, being the first payment in August 19, 2009 and the last in August 19, 2016.
Document	Deed of the private issue

**PREMIUM:**

Not applicable in view of the mandatory conversion of the Units on August 19, 2012. In the event of non-conversion, the 2<sup>nd</sup> series debentures shall be entitled to a non-conversion premium of 3.5% per year (360-day basis), calculated on the balance due of the debentures in the calculation date. The non-conversion premium of the 2<sup>nd</sup> series debentures shall bear interest at TJLP plus 5.0% per year (360-day basis).

**AMORTIZATION OF FACE VALUE:**

The amortization shall be made in two installments in the seventh (08/19/2015) and eighth (08/19/2016) anniversaries, equivalent to 40% and 60% of the principal amount, respectively.

**RENEGOTIATION:**

Non Renegotiable.

**RATING:**

No Rating.

**PAYMENTS MADE PER DEBENTURE IN 2012:**

<b>INTEREST:</b>	
<b>Payment Date</b>	<b>Unit Value (R\$)</b>
02/22/2012	38.73
08/20/2012	36.56

**GUARANTEE STATUS:**

<b>Amounts as of 12/31/2012* - (R\$ Thousand)</b>	
A) Total Assets	R\$ 1,407,213
B) Collateral Goods	-
C) Discounted Invoices, Pledged Securities	-
D) Tax and Labor Liabilities	R\$ (1.461)
E) Unrecorded Asset (Free Asset) = A - B - C - D	R\$ 1,408,674
F) Issuance Value (**)	R\$ 110,626

(\*) disclosed by the Issuer

**Issuance Value = 7.85%****Free Assets**

It is worth noting that the floating guarantee may be affected if there are tax, labor and pension debts.

**ASSET STATUS AS OF 12/31/2012:**

Outstanding	55,002 (1 <sup>st</sup> series)
	55,002 (2 <sup>nd</sup> series)
Treasury	0 (1 <sup>st</sup> series)
	0 (2 <sup>nd</sup> series)
Canceled or Converted	44,998 (1 <sup>st</sup> series)
	44,998 (2 <sup>nd</sup> series)
<b>Total</b>	<b>100,000 (1<sup>st</sup> series)</b>
	<b>100,000 (2<sup>nd</sup> series)</b>

## **LEGAL AND CORPORATE EVENTS:**

**Annual and Extraordinary Shareholder's Meeting – 03/21/2012** – Was deliberated (i) With the management report and the financial statements, accompanied by the report of Ernst & Young Auditores Independentes S.S. - the independent auditors of the Company – in hand, relative to the fiscal year ended December 31, 2011, the Chairman submitted the documents to the appraisal and discussion of the attending members, recalling the absence of the report provided for in article 163, paragraph 3, of Law no. 6,404/76, in view of the fiscal council not being instated. After deliberation, the shareholders concluded in favor of the accuracy of the management report and of the financial statements, accompanied by the report of the independent auditors, as approved at the Company's Board of Directors meeting held on January 30, 2012, which effectively recorded the facts and events relative to the activities developed by the Company in 2011. (ii) Approve the following proposals of capital budget for the year 2012 and of allocation of the net income related to the fiscal year ended December 31, 2011, in compliance with the current corporate legislation and the provisions in the Company's Bylaws (iii) Elect new member to the Company's Board of Directors (iv) The global compensation of the managers was determined in up to thirty-eight million, nine hundred eight-one thousand and seventy-five reais and fifty-seven centavos (R\$38,981,075.57), in accordance with article 14 of the Company's Bylaws, and it will be incumbent upon the Board of Directors to carry out the distribution of the amount individually, after considering the report of the Company's Compensation Committee.

**Notice to the Market – 08/20/2012** – (“TOTVS”) (BM&FBovespa: TOTS3), in compliance with Instruction 358 of January 3, 2002, of the Securities and Exchange Commission of Brazil (CVM), as amended, hereby announces to its shareholders and to the market in general that, since the conditions that make mandatory for the debentureholders to convert 15% of the Units related to the 1st Private Issue of Debentures Convertible into Shares of TOTVS, that is 14,999 Units, represented by 14,999 debentures of the 1st Series and 14,999 debentures of the 2nd Series, amounting 45% of conversion of the Units issued, considering 2010 and 2011's conversion, as envisaged in clause 3.18.2 of the “Deed of Trust of the 1st Private Issue of Debentures Convertible into Shares, with Floating Charge, of TOTVS S.A.” were met, TOTVS Board of directors approved on this date, within the authorized capital stipulated by the Bylaws of TOTVS, the issue of 1,267,849 registered, book-entry, common shares with no par value, at the issue price of R\$23.660520 per share, with a consequent increase in the Company's capital stock of twenty-nine million and nine hundred ninety-eight thousand reais (R\$29,998,000.00). Thus, TOTVS capital will be four hundred and seventy-nine million, nine hundred and fifty-one thousand, two hundred and sixty-two reais and twenty-four centavos (R\$479,951,262.24), divided into 161,542,041 registered, book-entry, common shares with no par value. Once the capital increase is related to the conversion of debentures, the shareholders of TOTVS will not be entitled to preemptive rights, as set forth in Article 171, paragraph 3 of Law 6404/76.

**Material Fact – 11/27/2012** – (“TOTVS”) (BM&FBovespa: TOTS3), in compliance with Instruction 358 of January 3, 2002, of the Securities and Exchange Commission of Brazil (CVM), as amended, hereby announces to its shareholders and to the market in general that the Company's Board of Directors, at a meeting held on this date, approved the Repurchase Plan of the Shares owned by the Company. This program has as main objective the implementation of stock option to purchase shares of the company, and it shall abide by the following: I. Purpose: Repurchase of Shares that shall remain in the Company's treasury and to, subsequently, be disposed of or canceled, with no capital reduction, with the purpose of fulfilling the first phase of the implementation of the Share-based Incentive Plan, in which the eligible individuals, in order to become beneficiaries of the options to purchase the of Shares of the Company, shall acquire Shares issued by the Company with income from their Profit Sharing Plans (“PLR”). II. Number of Shares to be Purchased: Up to six hundred thousand (600,000) Shares, representing zero point five percent (0.5%) of the outstanding Shares issued by the Company and equivalent to zero point four percent (0.4%) of the Shares representing the corporate capital of the Company. III. Term of Effectiveness: The Repurchase Plan shall be effective for three hundred and sixty-five (365) days from the disclosure of the Notice to the Market which indicates its initial term, i.e., up to November

27th, 2013. IV.Number of Outstanding Shares in the Market: One hundred thirty two million eight hundred eighty one thousand and seven hundred and sixty (132,881,760) outstanding Shares issued by the Company, pursuant to the provisions of article 5 of CVM Instruction 10/80. V.Shares maximum price: The acquisition share price shall not be superior to its market value. VI.Financial Institution that shall act as Intervening Party: Itaú Corretora de Valores S.A., with its head office at Avenida Brigadeiro Faria Lima, 3.400, 10th floor, São Paulo/SP, Zip Code 04538-132, registered with the National Corporate Taxpayers' Register of the Ministry of Finance under CNPJ/MF No. 61.194.353/0001-64.

**Board Meeting – 12/20/2012** – (a) to approve the Company's capital increase, within the authorized capital limit, due to the exercise of stock options by beneficiaries, with the consequent issue of five thousand one hundred and fifteen (5,115) common shares, being three thousand seven hundred and forty (3,740) at the price of nine Reais and twenty-three cents (R\$9.23) each and one thousand three hundred and seventy-five (1,375) at the price of seven Reais and twenty-one cents (R\$7.21) each. Due to the resolution taken herein, and after verifying the subscription lists executed by beneficiaries, the Company's capital increase, within the authorized capital limit, was approved and ratified in the amount of forty four thousand, four hundred thirty-three Reais and ninety-five cents (R\$44,433.95), increasing the Company's capital to four hundred and eighty million, five hundred ninety-seven thousand, five hundred seventy-four Reais and eight cents (R\$480,597,574.08), divided into one hundred sixty-one million, six hundred twenty-nine thousand, nine hundred forty-five (161,629,945) registered, book-entry common shares with no par value. Shares are issued without the preemptive right, pursuant to Article 171, Paragraph 3, of Law 6,404/76, and Article 6, Paragraph 3, of the Company's Bylaws. Shares issued hereby will be equally entitled to all benefits, including dividends and capital remuneration that may be distributed by the Company on other shares, as of this date. (b) To authorize, pursuant to Article 19, paragraph xxxiv, of the Bylaws, the distribution of interest on equity to the Company's shareholders in the amount of forty million one hundred and ninety-nine thousand nine hundred fifty-three Reais and forty cents (R\$40,199,953.40), referring to fiscal year 2012; this amount corresponds to R\$0.248716 per share and will be imputed to the minimum mandatory dividend.

Copies of the minutes described above are available with the Trustee.

#### **INFORMATION UPDATING:**

The Investor Relations Officer of the issuer sent a statement to this Trustee representing that, during the fiscal year 2012:

- (i) No operations out of the by-law purposes of the Issuer were performed, in compliance with the by-laws, legal and regulation provisions in force;
- (ii) The resources from the debenture issuance were used according to the provisions of item 3.5, clause III, of the Private Indenture Deed of the 1st Private Issuance of Debentures convertible in Shares;
- (iii) The registry as publicly-held company at CVM was maintained;
- (iv) Services to the debenture holders was maintained through the Investor Relations Department;
- (v) On January 30, 2012, the Board of Directors approved the proposal of dividend distribution which was submitted to the General Shareholders' Meeting. As in previous years, calculation of dividends was made based on the net income of the year, not considering the effects of amortization of goodwill on acquisitions and the mark to market of convertible debentures. There is an reconciliation below:

Proposal of Dividend Distribution (In R\$ thousand)

Net income for the year 2011: 168,902

(-) 5% legal reserve: (8,445)

(=) Net income after legal reserve: 160,458

(+) Amortization of goodwill on acquisitions: 45,116

(+) Mark to market of convertible debentures: 5,324

(=) Basis for dividend distribution: 210,898



- (x) Percentage of dividend distribution: 45%
- (+) IR related to the payment of Interest on Equity: 4,607
- (=) Dividends proposed by the management: 99,511.

(vi) That the assets of the Issuer remained properly insured, according to current practices;

(vii) That it maintained its accounting updated and that it has recorded the respective accounting information according to the accounting standards;

(vii) That had not being incurred none of the hypothesis provided for in clause 4.1 of the Private Indenture Deed of the 1<sup>st</sup> Private Issuance of Debentures Convertible into Shares ("Accelerated Maturity"); and

(viii) That all provisions contained in "Guidelines Applicable to BNDES Contracts" were complied with.

#### **FOLLOW UP OF FINANCIAL INDEXES:**

We inform that the Issuing Company maintained its financial indexes within the limits established in item 5.1, "n" of clause V of the Indenture, in the year 2012, as the table below:

	<b>Limit</b>	<b>12/31/2012</b>
<b>Net Debt/EBITDA</b>	Less or equal to 4,0	-0.43
<b>EBITDA/NR</b>	More or equal to 10%	27%
<b>EBITDA/Debt Service</b>	More or equal to 1,0	17.23

#### **ADDITIONAL INFORMATION**

Based on the Joint Positive Certification with Negative Effects regarding Federal Taxes and Federal Outstanding Debt sent by the Issuing Company:

(i) there are outstanding debt related to taxes managed by the Brazilian Internal Revenue Service (Secretaria da Receita Federal do Brasil - RFB), with suspended pursuant to art. 151 of Law 5172 of October 25, 1966 - National Tax Code (CTN) and (ii) there are, in the Systems of the General-Attorney of the National Treasury (Procuradoria-Geral da Fazenda Nacional - PGFN), debt filed as Federal Outstanding Debt with suspended collection, as provided for in art. 151 of the National Tax Code (CTN), or guaranteed by pledge in tax foreclosure proceedings.

#### **MANDATORY INFORMATION IN COMPLIANCE WITH PROVISIONS OF CVM INSTRUCTION 28/83, AS WELL AS BY ANALOGY WITH THE TERMS OF SUBSECTION "B" OF PARAGRAPH 1, ARTICLE 68 OF THE LAW 6,404/76:**

Subsection "a" of item XVII of art. 12 of CVM Instruction 28/83 – "Occasional omission or untruth, that it has knowledge, contained in the information disclosed by the company or, yet, default or delay in the mandatory information disclosure by the company".	We do not have knowledge of any omission or untruth in the information disclosed by the Company or occasional default or delay, by the Company, in disclosing information.
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Subsection "b" of item XVII of art. 12 of CVM Instruction 28/83 – "Changes in the by-laws during the period".	We do not have knowledge of any changes in the By-Laws of the Company during the fiscal year 2012, as mentioned before in the section Legal and Corporate Events
Subsection "c" of item XVII of art. 12 of CVM Instruction 28/83 – "Comments about the financial statements of the company, focusing on economic, financial and capital structure indexes of the company".	Information disclosed in Comments about the Financial Statements.
Subsection "d" of item XVII of art. 12 of CVM Instruction 28/83 – "Status of the distribution or placement of debentures in the market".	Information disclosed above, in the table of outstanding debentures.
Subsection "e" of item XVII of art. 12 of CVM Instruction 28/83 – "Redemption, amortization, conversion, renegotiation and interest payment of debentures made in the period, as well as acquisitions and sales of debentures made by the issuing company".	There were conversions during the fiscal year 2012, as disclosed above. Interest payments and amortizations are described above. There was a mandatory conversion of the units on August 19, 2012 into common shares of the Issuer, as provided in the Indenture and as described above in convertibility by debenture. In this sense, remain in circulation 55,002 debentures of the 1 <sup>st</sup> series and 55,002 of the 2nd series, as described above in asset status.
Subsection "f" of item XVII of art. 12 of CVM Instruction 28/83 – "Set up and applications of the debenture amortization fund, if applicable"	No debenture amortization fund was set up.
Subsection "g" of item XVII of art. 12 of CVM Instruction 28/83 – "Follow up of the allocation of the proceeds from the issuance of debentures, according to data gathered with management of the Issuing company".	Information disclosed above, in the item use of proceeds.
Subsection "h" of item XVII of art. 12 of CVM Instruction 28/83 – List of goods and values entrusted to its management:	No goods or values were entrusted to the Trustee's management.
Subsection "i" of item XVII of art. 12 of CVM Instruction 28/83 – "Compliance with other obligations assumed by the company in the indenture".	Information disclosed in the present report.
Subsection "j" of item XVII of art. 12 of CVM Instruction 28/83 – "Statement regarding sufficiency and enforceability of the guarantees of the debentures".	The guarantee of the present issuance is floating, and it is sufficient and enforceable, as shown above.
Subsection "l" of item XVII of art. 12	Information disclosed below.

of CVM Instruction 28/83 – "Statement regarding its capability to remain serving as a trustee".	
Subsection "k" of item XVII of art. 12 of CVM Instruction 28/83 - "Statement on the existence of other issues of debentures, public or private, made by an affiliate, subsidiary, parent or member of the same group in which the broadcaster has acted as trustee for the period"	The Trustee of this issue does not act on other issues of debentures of companies in the same group, associated or subsidiary of the issuer.

## **COMMENTS ON THE FINANCIAL STATEMENTS OF TOTVS S.A.THE COMPANY**

STATUS OF THE COMPANY: Operational

NATURE OF EQUITY CONTROL: Private

### **FINANCIAL POSITION**

General Liquidity increased from 1.26 in 2011 to 1.72 in 2012. Current Liquidity increased from 1.97 in 2011 to 2.23 in 2012. Asset turnover increased from 0.96 in 2011 to 1.00 in 2012.

### **CAPITAL STRUCTURE**

The company experienced a change in the Loans on Shareholders' Equity ratio from 0.45 in 2011 to 0.27 in 2012. The Third Party Resources on Shareholders' Equity ratio changed from 0.78 in 2011 to 0.56 in 2012. The fixed asset ratio related to Shareholders' Equity changed from 0.08 in 2011 to 0.06 in 2012. The company experienced a 36.3% reduction in its Long Term Liabilities from 2011 to 2012 and a 5.9% increase in its Current Liabilities from 2011 to 2012.

### **INCOME STATEMENT**

The Result for the year 2012 was positive by R\$ 207,148 thousand, whilst it was positive by R\$ 169,383 thousand in 2011. Net Revenue in 2012 was 10.54% higher than 2011. Gross Margin was 67.69% in 2012, against 67.78% in the previous year, and Net Margin was 14.65% against 13.24% in 2011. Operating Expenses increased 4.51% from 2011 to 2012. Net Income was 22.3% higher than 2011. Net Income of the Year on Equity was 22.69% (Profit) in 2012 against 22.59% (Profit) in 2011. We recommend full reading of the Financial Statements, Management's Report and Independent Auditors' Report for a better analysis of the economic and financial position of the company.

### **TRUSTEE'S REPRESENTATION**

Oliveira Trust represents that it is fully capable to remain serving as Trustee to this issuance of debentures of TOTVS S.A.

<b>CONSOLIDATED BALANCE SHEET (Thousand Reais)</b>			
<b>ASSETS</b>			
		<b>12/31/2012</b>	<b>12/31/2011</b>
1	Total Assets	1,420,621	1,337,848
1.01	Current Assets	744,980	621,340
1.01.01	Cash and Cash Equivalents	412,408	287,079
1.01.02	Short-term Investments	10,168	28,502
1.01.03	Accounts Receivable	289,595	263,282
1.01.06	Recoverable Taxes	19,506	30,267
1.01.08	Other Current Assets	13,303	12,210
1.02	Noncurrent Assets	675,641	716,508
1.02.01	Long-term Assets	129,996	116,956
1.02.03	Fixed Assets	58,089	53,793
1.02.04	Intangible Assets	487,556	545,759
<b>LIABILITIES</b>			
		<b>12/31/2012</b>	<b>12/31/2011</b>
2	Total Liabilities	1,420,621	1,337,848
2.01	Current Liabilities	334,016	315,531
2.01.01	Social and Labor Liabilities	95,072	72,985
2.01.02	Suppliers	30,281	19,535
2.01.03	Tax Liabilities	3,518	6,544
2.01.04	Loans and Financing	97,329	98,565
2.01.05	Other Liabilities	107,816	117,902
2.02	Noncurrent Liabilities	173,459	272,450
2.02.01	Loans and Financing	150,815	235,172
2.02.02	Other Liabilities	16,274	34,690
2.02.04	Provisions	6,370	2,588
2.03	Consolidated Shareholders' Equity	913,146	749,867
2.03.01	Paid-in Capital	480,598	443,702
2.03.02	Capital Reserves	78,241	50,757
2.03.04	Profit Reserves	356,520	257,966
2.03.06	Asset Valuation Adjustments	-2,213	-2,558

<b>Income Statement for the Year CONSOLIDATED (Thousand Reais)</b>			
		<b>12/31/2012</b>	<b>12/31/2011</b>
3.01	Goods and/or Services Sales Revenue	1,413,976	1,279,160
3.01.01	Licensing Fees	329,424	306,965
3.01.02	Services	414,871	365,320
3.01.03	Maintenance	669,681	606,875
3.02	Cost of Goods and/or Services Sold	-456,820	-421,106
3.02.01	Cost of Licensing Fees	-55,969	-45,506
3.02.02	Cost of Services	-400,851	-375,600
3.03	Gross Income	957,156	858,054
3.04	Operating Expenses/Revenues	-660,336	-631,855
3.04.01	Sales Expenses	-88,058	-86,717
3.04.02	General and Administrative Expenses	-82,875	-78,176

3.04.03	Impairment Losses	0	0
3.04.04	Other Operating Revenues	0	0
3.04.05	Other Operating Expenses	-489,403	-466,962
3.04.06	Income before Equity	0	0
3.05	Income before Financial Income (Expense)	296,820	226,199
3.06	Financial Income (Expense)	-8,623	-17,747
3.06.01	Financial Revenues	45,415	40,527
3.06.02	Financial Expenses	-54,038	-58,274
3.07	Income before Income Taxes	288,197	208,452
3.08	Income Tax and Social Contribution	-81,049	-39,069
3.08.01	Current	-89,958	-41,179
3.08.02	Deferred	8,909	2,110
3.09	Net Income of Continued Operations	207,148	169,383
3.10	Net Income of Discontinued Operations	0	0
3.10.01	Net Income/Loss of Discontinued Operations	0	0
3.10.02	Net Gains/Losses on Operating Assets	0	0
3.11	Consolidated Income/Loss for the Year	207,148	169,383
3.11.01	Attributable to Controlling Shareholders	207,148	168,903
3.11.02	Attributable to Non-Controlling Shareholders	0	480
3.99	Earnings per Share (Real/Share)	0	0
3.99.01	Basic Earnings per Share	0	0
3.99.02	Diluted Earnings per Share	0	0

<b>Financial Indexes</b>		
	<b>12/31/2012</b>	<b>12/31/2011</b>
<b>Leverage</b>		
Third Party Resources / Shareholders' Equity	0.56	0.78
Loans / Shareholders' Equity	0.27	0.45
<b>Activity Index</b>		
Asset Turnover	1	0.96
<b>Fixed Assets</b>		
Fixed Asset Ratio	0.06	0.08
<b>Liquidity</b>		
General Liquidity	1.72	1.26
Current Liquidity	2.23	1.97
<b>Profitability</b>		
Gross Margin	67.69%	67.78%
Net Margin	14.65%	13.24%
Return on Capital	22.69%	22.59%

N/A – Not Applicable Source: Standard Financial Statements for the fiscal year 2012.