

TOTVS S.A.
Publicly Held Company

Corporate Taxpayers' Id. (CNPJ/MF): 53.113.791/0001-22
Company Registry No. (NIRE): 35.300.153.171

MATERIAL FACT

TOTVS S.A. ("TOTVS") (Bovespa: TOTS3), pursuant to CVM Instruction 358/2002, as amended, hereby informs its shareholders and the market in general that by exercising the call option envisaged in the Shareholders' Agreement executed on November 26, 2007, for R\$ 12,000.00 (twelve thousand reais), it has, on this date, acquired shares representing 30% (thirty percent) of the capital stock of **MIDBYTE INFORMÁTICA S.A. ("MIDBYTE")**, a privately held company that develops software for the retail sector in which **TOTVS** already held 70% of the equity interest.

With this acquisition, **TOTVS** now owns all the shares of **MIDBYTE**.

TOTVS also informs that it has rescinded the Shareholders' Agreement that regulated the rights and obligations of the shareholders in **MIDBYTE**.

The transaction will be submitted to the Brazilian antitrust agency, CADE (Administrative Council for Economic Defense).

São Paulo, January 5, 2010

José Rogério Luiz
Investor Relations Officer