

TOTVS ACQUIRES TOTALBANCO AND STRENGTHENS ITS PRESENCE IN THE FINANCIAL SERVICES SEGMENT



São Paulo, October 13, 2009 - TOTVS S.A. (BOVESPA: TOTS3), absolute leader in the integrated enterprise management software market in Brazil and the largest company in Latin America in the small and mid-sized enterprises segment, announces the acquisition of TotalBanco Consultoria e Sistemas S.A. ("TotalBanco"). Headquartered in the city of Porto Alegre, TotalBanco has more than 150 employees and 21 years of experience in providing specialized applications and consulting services for the financial segment.

TotalBanco's operation complements TOTVS' credit and card management portfolio, incorporates new leasing and credit management solutions for companies as well as expands core-banking offering, allowing integration of investment management and back-end credit management.

Considering this acquisition, TOTVS strengthens its position as Brazil's largest software provider to the financial services segment, one of the 11 segments of strategic importance determined by the Company. TOTVS now offers more comprehensive applications that cover the main operations at banks and financial institutions (assets, liabilities, compliance, credit and treasury), investment funds (administration, custody and portfolio management), development agencies, credit unions, etc., and also provides solutions to card administrators and leasing companies.

In Latin America, a major share of IT expenses is allocated to the financial segment and, in the area of ERP, financial services is one sector that receives investment the most, which grew by 34.1% in 2008, surpassing all other sectors, as stated in the Notices to the Market published on both September 3 and 9, 2009.

TOTVS is acquiring on this date 70% of TotalBanco's capital for 5.5 times projected EBITDA for 2009, and the remaining 30% may be acquired by exercising a call option in January 2011 on, for up to R\$ 12.2 million, based on the achievement by TotalBanco of certain operational targets set for the fiscal years 2009 and 2010. TotalBanco's projected net revenue and EBITDA for 2009 are R\$17.8 million and R\$2.8 million, respectively.

The founders of TotalBanco, as well as its management team, will continue to head up the operation and report to the Financial Services structure of TOTVS.

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About TOTVS

TOTVS is Latin America's largest developer of application software, the world's 8th biggest ERP developer and the leader in emerging markets. It is the absolute leader in Brazil, and the leader in the small and medium enterprises (SME) segment in Latin America. TOTVS was the first IT company in Latin America to go public, with its shares listed on the Novo Mercado segment of the São Paulo Stock Exchange (BOVESPA). Its ERP operations, represented by the products Datasul, Logix, Microsiga Protheus and RM, serve 23,700 customers and are complemented by a broad portfolio of vertical solutions, as well as value-added services such as consulting, infrastructure and BPO services. For more information, visit www.totvs.com.

This report contains forward-looking statements that are based on the beliefs and expectations of TOTVS management. The words "anticipate", "believe", "wish", "expect", "foresee", "intend", "plan", "predict", "project", and similar 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, the market performance of the Company's products and those of its competitors, regulatory approval, currency fluctuations, supply and production difficulties 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 is under no obligation to update it further to include new information and/or future occurrences.