

TOTVS IN 1Q09: 23.4% growth in Revenue, with record EBITDA (R\$59.9 million, 54.3% up) and Margin (26.2%)



São Paulo, April 29, 2009 - TOTVS S.A. (BOVESPA: TOTS3), the leader in developing and marketing integrated enterprise management software and provision of related services in Brazil, today announces its results for the first quarter 2009. The Company's consolidated financial statements are prepared in accordance with Brazilian corporate legislation (BRGAAP) and include the effects of Law 11638/07 for 1Q09. **To enable comparison, data of earlier periods presented in tables and comments in this report is pro forma (unaudited), as it includes the numbers since January 2005 for RM and Logocenter, as well as those earlier announced in the quarterly releases of Datasul S.A..**

Highlights of the Period

- **Net Revenue: R\$228.373 million in 1Q09**, organic growth of 23.4% over 1Q08. **Growth of over 20% for the 9th consecutive month.**
- **License Fees: 15.2% growth in the quarter**, totaling R\$58.536 million.
- Recurring revenue from the **Corporate Model** came to R\$ 11.679 million, **30.4% up on 1Q08.**
- **Revenue from Maintenance: 20.6% growth over 1Q08**, to reach a record **R\$117.564 million** in 1Q09.
- **Revenue from Services: R\$73.707 million in 1Q09, 26.2% growth over 1Q08.**
- **Costs and expenses:** gains in synergy and control over spending. Increase of 13.6% over 1Q08, **significantly lower than revenue growth** in the period.
- **EBITDA: Record R\$59.919 million** in 1Q09, representing **growth of 54.3%** over 1Q08.
- **EBITDA Margin: Record 26.2% in 1Q09, 520 basis points over 1Q08.**
- **Record number of clients served:** 4,279 new and existing clients served in 1Q09, **25.5% more than in 1Q08.** Client base currently has more than **23,300 active clients.**

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Conference Calls

Thursday, April 30, 2009

> English

09:00 am (US ET)
Webcast: www.totvs.com/ir
Phone: +1 (973) 935-8893
Code: 95313529
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Consolidated Financial Highlights	1Q09	1Q08 <i>pro forma</i>	Change (1Q09/1Q08)	1Q09 <i>pro forma</i>	4Q08 <i>pro forma</i>	Change (1Q09/4Q08)
Net Revenue	228,373	185,044	23.4%	228,373	233,427	-2.2%
Adjusted EBITDA	59,919	38,838	54.3%	59,919	51,545	16.2%
EBITDA Margin	26.2%	21.0%	520 bp	26.2%	22.1%	410 bp
Adjusted Net Income ⁽¹⁾	37,911	29,730	27.5%	37,911	32,551	16.5%

⁽¹⁾ Adjusted Net Income represents Net Income excluding the effect of amortization expenses related to the acquisitions of companies, net of taxes. Thus, Adjusted Net Income can be understood as Net Income from the Company's normal operations.

Recent Events



TOTVS is the world leader in corporate governance in the IT sector

For the second consecutive year, TOTVS is among the 5 best companies that employ the best corporate governance practices, according to a survey by IRGR. Equally important was its winning the award for best corporate governance in the Technology sector among companies from all over the world.

In its 11th year, the annual IRGR event - conducted by MZ Consult with assistance from KPMG, NYSE Euronext, The Bank of New York Mellon, Arnold & Porter, Barbosa, Mussnich & Aragão, Demarest & Almeida, Mattos Filho e Quiroga Advogados, Bloomberg and Corporate Asia Network - is the most comprehensive appraisal and ranking program for IR websites, corporate governance and financial disclosure procedures.



New advertising campaign

In order to strengthen the TOTVS brand image after the recent operations, the Company launched its new advertising campaign on April 26, 2009, which includes advertisements in the country's leading media vehicles.

Operating Performance

Operating Performance		1Q09	1Q08	Change (1Q09/1Q08)	1Q09	4Q08	Change (1Q09/4Q08)
# Customers	# Total Clients	4.279	3.410	25.5%	4.279	3.924	9.0%
	New Clients	457	518	-11.8%	457	603	-24.2%
	Base Clientes	3.822	2.892	32.2%	3.822	3.321	15.1%
Licenses R\$	License Fee / Client	13,165	13,613	-3.3%	13,165	15,523	-15.2%
	License Fee / New Client	26,160	27,227	-3.9%	26,160	29,311	-10.8%
	License Fee / Base Client	11,611	11,174	3.9%	11,611	13,020	-10.8%
	Corporate Model recurring revenue (R\$ thousands)	11,679	8,955	30.4%	11,679	-	-

In the software segment, TOTVS ended 1Q09 with **more than 23,300 active clients**, including software clients with help desk and maintenance service agreements.

The recurring revenue from the corporate model was R\$11.7 million in 1Q09, growth of 30.4%.

The Company's business model once again demonstrates its strength and flexibility, with a record number of clients served in the quarter. In 1Q09, **4,279** 4Q08.

The number of clients served was positively influenced by sales to base clients, both in the traditional and corporate models. **Volume of sales to base clients once again grew by over 30.0%** in comparison with the same period last year.

The Corporate Model is a billing model wherein software clients pay TOTVS in the first quarter of each year an additional license fee linked to their growth in the previous year based on a predefined metric. This additional fee in the **Corporate Model** resulted in a sum of R\$11.679 million in 1Q09, which is **30.4%** higher than in 1Q08.

The Company believes that the **factors that significantly contributed** to its consistent operating performance are: (i) the **low penetration** of its target market; (ii) better own and franchise **sales force structure**; (iii) the fact that **management software** is a critical element for the operational stability of clients (**utility with low churn**) and an important cost control tool; and (iv) the implementation of **SPED** (Public Digital Bookkeeping System) by the government, which has been an additional element in the purchase decision of new clients as well as base clients.

The Expanded Business Model, now known as the Value Added Services Model, also registered growth in 1Q09, especially in the Consulting business, whose gross revenue was 64.1% higher than in 1Q08.

Financial Performance

Breakdown of Gross Revenue from Sales and Services (In R\$ thousands)	1Q09	1Q08 <i>pro forma</i>	Change (1Q09/1Q08)	1Q09 <i>pro forma</i>	4Q08 <i>pro forma</i>	Change (1Q09/4Q08)
License Fees	58,536	50,812	15.2%	58,536	62,602	-6.5%
Services	73,707	58,421	26.2%	73,707	83,200	-11.4%
Maintenance	117,564	97,452	20.6%	117,564	114,132	3.0%
Total Gross Revenue from Sales and Services	249,807	206,685	20.9%	249,807	259,934	-3.9%
Net Revenue from Sales and Services	228,373	185,044	23.4%	228,373	233,427	-2.2%

For the 9th consecutive quarter, TOTVS posted growth of more than 20%.

Gross Revenue and Net Revenue

Gross revenue from services and sales totaled R\$249.807 million in the quarter, representing organic growth of 20.9% over 1Q08, being the 9th consecutive quarter in which TOTVS has grown by over 20%.

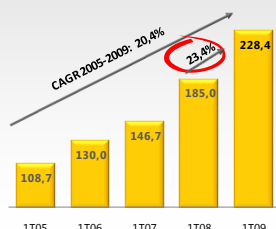
Net revenue from sales and services grew by 23.4% in 1Q09 over 1Q08, totaling R\$228.373 million. The accelerated growth in net revenue from sales and services was positively influenced by the reduction in cancellations, thanks to the continuous increase in the Company's sales.

In comparison with 4Q08, TOTVS recorded a slight decline of 2.2% in net revenue. One of the sector's characteristics is that 1Q revenues are generally lower than 4Q revenues. In recent years, TOTVS' business model has been able to overcome this seasonal effect in the first quarter. In 1Q09, excluding the Datasul operation, TOTVS' gross revenue would have grown by 1.1% between 4Q08 and 1Q09. The Company believes that its business model can produce similar effects on the Datasul product in the coming years, therefore interrupting this seasonal effect.

Pro forma CAGR of gross and/or net revenue in the past 5 quarters has been over 20%.

Management believes that the adverse global economic scenario negatively affected revenue growth, which makes the 1Q09 results – higher than the average growth of TOTVS in the past 5 years - even more significant.

Net Revenue and Growth (R\$ million)



License Fee Revenue

License fee revenue in 1Q09 was R\$58.536 million, 15.2% higher than the R\$50.812 million in 1Q08, thanks to the record number of clients served in the quarter as well as the recurring revenue of R\$11.679 million from the Corporate Model in 1Q09, which was 30.4% higher than in 1Q08.

In comparison with 4Q08, license fee revenue in 1Q09 fell by 6.5%, mainly due to the adverse seasonal effect of Datasul in the first quarter of each year, as mentioned in the section Gross Revenue, and it will be addressed in order to be reversed/diminished in future periods.

Revenue from Services

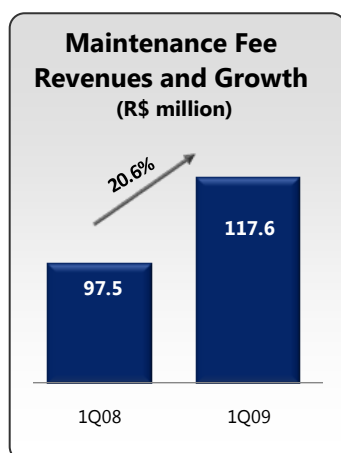
In 1Q09, revenue from services came to R\$73.707 million, 26.2% higher than the R\$58.421 million in 1Q08. In comparison with 4Q08, revenue declined by 11.4%, since a major part of the implementation professionals were on holiday. Value Added and Consulting Services (earlier known as the Expanded Business Model) grew by 48.6% between 1Q08 and 1Q09, representing 18.8% of total revenue from services, compared to 15.9% in 1Q08.

Maintenance Fee Revenues

Maintenance Fee Revenues in 1Q09 were 20.6% higher than the R\$117.564 million in 1Q08 which, again, is a record. This growth is due to the sales of new licenses to new and existing clients in previous quarters, as well as the low churn rate.

Maintenance agreements are billed on a monthly basis and give clients the right to receive new software versions and upgrades, as well as help desk services. Historically, even during economic slowdown, cancellation levels of such agreements have remained stable (low), due to several factors: (i) the functionalities added to the software in each new version; (ii) adaptation of the software to new rules; (iii) importance of the software for the operational stability of the client; and (iv) low average monthly ticket.

In 1Q09, maintenance fee revenues represented 47.1% of TOTVS' gross revenue, similar to their share in 1Q08 and above the average of 44.9% in 2008.



Operating Costs and Expenses

Main Operating Costs and Expenses (In R\$ Thousands)	1Q09	1Q08 <i>pro forma</i>	Change (1Q09/1Q08)	1Q09 <i>pro forma</i>	4Q08 <i>pro forma</i>	Change (1Q09/4Q08)
Cost of License Fees	(5,536)	(7,017)	-21.1%	(5,536)	(7,386)	-25.0%
Cost of Services	(67,301)	(59,245)	13.6%	(67,301)	(73,447)	-8.4%
Research and Development	(26,727)	(19,043)	40.4%	(26,727)	(25,384)	5.3%
Advertising Expenses	(3,243)	(3,685)	-12.0%	(3,243)	(5,819)	-44.3%
Selling Expenses	(12,630)	(11,952)	5.7%	(12,630)	(13,626)	-7.3%
Commissions	(23,478)	(19,556)	20.1%	(23,478)	(21,493)	9.2%
General and Administrative Expenses	(20,733)	(17,417)	19.0%	(20,733)	(19,181)	8.1%
Management Fees	(8,025)	(6,184)	29.8%	(8,025)	(9,551)	-16.0%
Provisions for Doubtful Accounts	(1,886)	(2,003)	-5.8%	(1,886)	(6,256)	-69.9%
Other Revenue (Expenses)	1,105	(104)	-1162.5%	1,105	261	323.7%
Subtotal	(168,454)	(146,206)	15.2%	(168,454)	(181,882)	-7.4%
Depreciation and Amortization	(17,135)	(17,265)	-0.8%	(17,135)	(32,758)	-47.7%
Non-recurring Expenses	-	-	-	-	(514)	-
Total	(185,589)	(163,471)	13.5%	(185,589)	(215,154)	-13.7%
Net Revenue from Sales and Services	228,373	185,044	23.4%	228,373	233,427	-2.2%

Control of costs, together with the optimization of resources and the gains in scale resulted in a substantially lower increase in costs and expenses compared to revenue.

Operating costs and expenses, excluding depreciation and amortization, totaled R\$168.454 million in 1Q09, 15.2% up year-on-year. This increase in said costs is notably lower than the 23.4% growth in net revenue. In comparison with 4Q08, total costs and expenses in 1Q09 decreased 7.4%, compared to the 2.2% decline in net revenue from sales and services during the period.

During one more quarter, the Company controlled its key costs and expenses, as a result of which their increase was lower than revenue growth. TOTVS is continuing the process of capturing synergies from the operations absorbed through earlier transactions, especially Datasul, and Management believes that this process will continue through 2009.

Following are the Company's costs and expenses as well as comments about their performance in the quarter.

Cost of License fees

Cost of License fees totaled R\$5.536 million in 1Q09, 21.1% lower than in 1Q08, due to the process that was started in previous years, of replacing third-party solutions with those developed using TOTVS technology.

Cost of Services and Sales

In 1Q09, Cost of Services and Sales rose 13.6% to R\$67.301 million, as against R\$ 59.245 million in 1Q08. This increase was lower than the 26.2% growth in revenue from services, representing a gain in service margin, resulting from the increased efficiency in the software implementation team and a higher share of revenue from Value Added and Consulting Services in the Service mix, whose margins are higher than those from software implementation services.

Research and Development

Research and development (R&D) expenses came to R\$26.727 million in 1Q09, 40.4% higher than the R\$19.043 million in 1Q08. Among others, the increase is due to the hiring of about 40 professionals for the development franchises model for Datasul products (FDES) and the realignment between FDES and TOTVS.

The increase in R&D costs was reduced in the same proportion as in the Cost of Services and Sales, with the costs relating to said professionals hired by TOTVS being specifically included in Datasul's accounts. For better analysis and comparison between 2008 and 2009 numbers, is recommended to consider the variation in the Cost of Services and Sales plus R&D costs. Between 1Q08 (R\$59.245 million + R\$19.043 million = R\$78.288 million) and 1Q09 (R\$67.301 million + R\$26.727 million = R\$94.028 million), these costs increased by 20.1%, which is below revenue growth.

Thus, TOTVS will dedicate efforts on taking R&D to 11.0% of the Company's net revenue.

Advertising Expenses

Advertising expenses totaled R\$3.243 million in 1Q09, down once again year-on-year, with the decline of 12.0% being mainly due to the lower spending on advertising, since the new advertising campaign for 2009 was being defined with the new advertising agency.

The advertising campaign, launched on April 26, 2009, focuses on strengthening the TOTVS brand as well as on creating a relationship between the products (Microsiga, Datasul, RM, Logix and others) and the TOTVS brand. TOTVS believes that, in addition to the quality of its products, the strengthening of its brand will contribute positively to sales.

Even with the new advertising campaign, whose impact will be greater in 2Q09, investments in marketing in 2009 should be within the usual range of 3.0% to 4.0% of the Company's net revenue.

Selling Expenses

Selling expenses rose by 5.7% in 1Q09 in comparison with 1Q08, totaling R\$12.630 million. The slower increase in selling expenses in comparison with sales shows the opportunities arising from the merger of the Company's own distribution channels.

The launch of TOTVS' New Marketing Campaign has not produced effect in 1Q09, showing a decrease as a share of net revenue.

Commissions

Commissions in 1Q09 totaled R\$23.478 million, a 20.1% increase over the R\$19.556 million in 1Q08. The increase in commission, which was once again lower than net revenue growth, resulted in a reduction of 30 basis points in this cost's share of net revenue, declining from 10.6% in 1Q08 to 10.3% in 1Q09.

The share of net revenue that commissions represent essentially reflects the variations in the sales mix between own channels and franchises. In this quarter, especially, sales were concentrated in the Company's own channels in comparison with the historical average.

General and Administrative Expenses

As in all the quarters of 2008, general and administrative expenses in 1Q09 rose lower than revenue growth, totaling R\$20.733 million, which was 19.0% higher than in 1Q08. The decrease in their share once again shows the potential gains in scale and synergy that can be captured from TOTVS' business.

Work on administrative integration will continue in 2009.

Management Fees

Management Fees totaled R\$8.025 million in 1Q09, 29.8% more than the R\$6.184 million in 1Q08, due to the increase in the number of statutory officers (creation of two new vice president positions and the exclusion of one executive officer position) and the stock option plan of approximately R\$700,000 which, according to the new accounting rules, is booked as an expense by the grant date though vesting is scheduled for 2011.

Provision for Doubtful Accounts

Provision for doubtful accounts totaled R\$1.886 million in 1Q09, a 5.8% decline from the 1Q08 provision of R\$2.003 million and 69.9% lower than in 4Q08. This provision, which is based on an analysis of the Company's receivables portfolio, was positively impacted by the improvement in the international portfolio.

Other Revenues and Expenses

Other revenues amounted to R\$1.105 million in 1Q09, as against an expense of R\$0.104 million in 1Q08.

📍 Depreciation and Amortization

Depreciation and amortization expenses totaled R\$17.135 million in 1Q09, a decrease of 0.8% from 1Q08.

Record EBITDA of R\$59.9 million, which is 54.3% higher than in 1Q08...

In comparison with 4Q08, depreciation and amortization declined by 47.7% due to the changes in the accounting practices adopted in Brazil, which are in the process of being aligned with the International Financial Reporting Standards (IFRS). In summary, according to the new rules, goodwill ascertained before 2008 will no longer generate amortization expenses as of 2009 and will be subjected to the annual impairment test. Goodwill amortized in 1Q09 was R\$14.747 million.

📍 EBITDA

EBITDA was a new quarterly record of R\$59.919 million, a 54.3% increase over the 1Q08 EBITDA of R\$38.838 million.

EBITDA Statement (In thousand R\$)	1Q09	1Q08 <i>pro forma</i>	Change (1Q09/1Q08)	1Q09 <i>pro forma</i>	4Q08 <i>pro forma</i>	Change (1Q09/4Q08)
Operating Profit (EBIT)	42,784	21,573	98.3%	42,784	18,273	134.1%
Depreciation and Amortization	17,135	17,265	-0.8%	17,135	32,758	-47.7%
Extraordinary Expenses	-	-	-	-	514	-
EBITDA	59,919	38,838	54.3%	59,919	51,545	16.2%

EBITDA margin reached 26.2% in 1Q09 and was positively impacted, mainly by the following factors: (i) quarterly record of clients acquiring new licenses; (ii) higher share of revenue from Value Added and Consulting Services; (iii) increased efficiency in the software implementation team (optimization of resources); (iv) dilution of costs and expenses, most of which increased less than the growth in net revenue (control and scale); and (v) improved performance of the international operations (see **TOTVS Operation in Mexico**).

...and record EBITDA margin of 26.2% in the quarter, which is 520 basis points over 1Q08.

The EBITDA margin of 26.2% exceeds for the first time the long-term guidance (in the range of 22% to 25%) for the years 2009 to 2011, defined in 2006 and updated in 2007. This guidance remains valid and may be changed after the results of 2009, as a result of Management's efforts to consolidate the synergy gains obtained.

📍 TOTVS Operation in Mexico

As mentioned in previous quarters, TOTVS focused its efforts on reorganizing the Mexican operations in order to create a solid base and to build a structured business in that country. In the course of 2008, we invested substantially in product development and in training employees working at the branch office, of whom only five are Brazilian expatriates.

The Mexican operation ends 1Q09 closer to the break-even point.

In line with the expectations announced during 2008, the Management informs that the steps taken in Mexico resulted in a negative EBITDA of R\$ 0.681 million in 1Q09, compared to negative EBITDA of R\$ 2.8 million in 4Q08 and R\$ 5.0 million in 3Q08, and clearly on course to breaking even in 2009.

Operating Profit and Net Income

In 1Q09, TOTVS posted an operating profit of R\$42.784 million, a 98.3% increase over 1Q08, thanks to the factors mentioned in the EBITDA section.

Adjusted net income totaled R\$37.911 million in 1Q09, 27.5% higher than in 1Q08, despite the additional financial expenses resulting from the debt assumed by the Company starting from 3Q08.

Adjusted net income refers to net income excluding extraordinary expenses, amortizations resulting from the acquisitions and the Datasul merger, as well as their respective effects on tax income and social contribution, as shown below.

Net Income Reconciliation (In thousand R\$)	1Q09	1Q08 <i>pro forma</i>	Change (1Q09/1Q08)	1Q09 <i>pro forma</i>	4Q08 <i>pro forma</i>	Change (1Q09/4Q08)
Net Income	29,033	19,821	46.5%	29,033	15,455	87.9%
Goodwill Amortization from acquisitions	13,452	15,013	-10.4%	13,452	25,390	-47.0%
Non-recurring Expenses	-	-	-	-	514	-100.0%
Income tax and social contribution effect	(4,574)	(5,104)	-10.4%	(4,574)	(8,807)	-48.1%
Adjusted Net Income	37,911	29,730	27.5%	37,911	32,551	16.5%

Net Debt

The Company ended 1Q09 with cash of R\$158.151 million and total debt of R\$375.005 million, composed of the PROSOFT loan from the Brazilian Development Bank (BNDES) and the debentures issued in 3Q08, resulting in net debt of R\$216.854 million.

Distribution of Dividends

The Annual General Meeting held on March 25, 2009, approved the payment of R\$16.511 million as dividend to shareholders, in addition to the R\$19.500 million as interest on equity proposed by the Board of Directors in December 2008 and paid in January 2009.

The dividends were based on the shareholding structure at the close of March 25, 2009, and shares were traded ex-dividend as of March 26, 2009. The dividends were paid to shareholders on April 24, 2009.

Capital Markets

Ownership Breakdown

Shareholder (In % of the free float)	1Q09	4Q08	3Q08	2Q08	1Q08
Non-Institutional Investor	7.1%	7.1%	6.7%	5.0%	5.0%
Institutional Investor	92.9%	92.9%	93.3%	95.0%	95.0%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

Shareholder (In % of the free float)	1Q09	4Q08	3Q08	2Q08	1Q08
National Investor	25.1%	24.4%	25.0%	18.7%	19.8%
International Investor	74.9%	75.6%	75.0%	81.3%	80.2%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

Free float on March 31, 2009 was 68.2%, i.e. 21,243,458 shares out of a total of 31,152,402. The remaining shares are held by the Company's administrators (25.3%), including related persons and subsidiaries, and by BNDES Participações S/A (6.5%).

In 1Q09, the Company's shares appreciated 10.2% (while the IBovespa index rose 9.0%), rising from R\$36.99 on December 31, 2008 to R\$40.75 on March 31, 2009. In the same period, average daily trading volume was 73,674 shares, or R\$3.0 million in financial volume.

Upcoming Events

1Q09 Results Conference Calls

April 30, 2009

English

Time: 09:00 am (US ET)

Phone: 1 (973) 935-8893

Code: 95313529

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Financial Statements

BALANCE SHEET (In R\$ Thousands)	Consolidated		
	31/3/2009	31/3/2008 <i>pro forma</i>	31/12/2008 <i>pro forma</i>
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	158,141	228,969	147,406
Accounts receivable	178,925	136,678	173,146
Provision for doubtful accounts	(18,811)	(11,791)	(19,139)
Income tax and social contribution deferred	17,551	14,832	18,127
Recoverable taxes	19,774	12,140	18,664
Other current assets	7,400	9,355	7,662
Current assets	362,980	390,183	345,866
<u>Non-current assets</u>			
Long-term assets			
Income tax and social contribution deferred	36,800	26,390	35,512
Judicial deposit	8,314	7,171	8,385
Other receivables	8,896	13,773	7,739
Permanent Assets			
Investments	21	76	21
Equipment	29,791	23,916	31,863
Intangible	597,508	282,484	614,936
	681,330	353,810	698,456
Total assets	1.044,310	743,993	1.044,322
LIABILITIES			
<u>Current liabilities</u>			
Accounts payable	22,074	16,394	27,704
Loans and financing	2,295	289	5,242
Debentures	9,508	-	5,635
Current obligation under capital leases	4,535	3,451	5,036
Taxes payable	4,901	6,695	7,937
Salaries and social charges payable	41,615	33,769	42,329
Commissions payable	21,364	20,413	19,341
Dividends payable	16,843	5,938	33,724
Notes payable	15,882	12,656	16,419
Other payable	5,618	2,359	4,541
Total Current liabilities	144,635	101,964	167,908
<u>Non-current liabilities</u>			
Loans and financing	163,021	766	163,270
Debentures	205,154	-	202,777
Current obligation under capital leases	3,584	2,020	4,444
Income Tax and Social Contribution deferred	-	282	-
Tax payable	-	108	-
Contingencies	16,838	15,803	15,384
Obligation relating to acquisitions	17,482	26,043	26,626
Other payable	4,462	259	1,902
Total non-current liabilities	410,541	45,281	414,403
<u>Minority interests</u>	6,376	3,017	5,541
<u>Shareholders' Equity</u>			
Capital	376,493	478,674	376,493
Treasury shares	-	(1,730)	-
Capital reserve	47,298	31,557	45,886
Income reserve	58,855	85,230	34,091
Cumulative translation adjustment	112	-	-
Total shareholders equity	482,758	593,731	456,470
Total liabilities and shareholders equity	1.044,310	743,993	1.044,322

INCOME STATEMENT (Pro forma, in R\$ Thousands)	Consolidated		
	1Q09	1Q08 <i>pro forma</i>	4Q08 <i>pro forma</i>
Gross revenue			
License fees	58,536	50,812	62,602
Services	73,707	58,421	83,200
Maintenance	117,564	97,452	114,132
	249,807	206,685	259,934
Deductions from revenue			
Cancellation of services and sales	(5,517)	(7,327)	(9,301)
Taxes	(15,917)	(14,314)	(17,206)
Net sales revenue	228,373	185,044	233,427
Licensing Costs	(5,536)	(7,017)	(7,386)
Cost of Services	(67,301)	(59,245)	(73,447)
Gross Income	155,536	118,782	152,594
Operating Expenses			
Research and Development	(26,727)	(19,043)	(25,384)
Advertising expenses	(3,243)	(3,685)	(5,819)
Selling expenses	(12,630)	(11,952)	(13,626)
Commissions expenses	(23,478)	(19,556)	(21,493)
General and Administrative Expenses	(20,733)	(17,417)	(19,181)
Management Fees	(8,025)	(6,184)	(9,551)
Depreciation and Amortization	(17,135)	(17,265)	(32,758)
Provision for Doubtful Accounts	(1,886)	(2,003)	(6,256)
Non-recurring expenses	-	-	(514)
Other expenses	1,105	(104)	261
	(112,752)	(97,209)	(134,321)
Operating profit, before financial effects	42,784	21,573	18,273
Financial revenues	6,940	7,271	12,874
Financial expenses	(15,070)	(1,473)	(18,833)
Non-operating income	-	28	(115)
Income before taxes	34,654	27,399	12,199
Income and social contribution taxes			
Current	(3,894)	(8,046)	(281)
Deferred	(976)	430	4,387
	(4,870)	(7,616)	4,106
Minority interest	(751)	38	(850)
Net income	29,033	19,821	15,455
EBITDA	59,919	38,838	51,545

CASH FLOWS (In R\$ Thousands)	Consolidated		
	1Q09	1Q08	4Q08
		<i>pro forma</i>	<i>pro forma</i>
<u>Cash flows from operating activities</u>			
EBIT	42,783	21,574	18,273
Depreciation and Amortization	17,135	17,265	32,758
Non-recurring expenses	-	-	514
EBITDA	59,918	38,839	51,545
<i>Cash Items after EBITDA</i>	<i>(3,155)</i>	<i>(1,902)</i>	<i>4,835</i>
Financial Result	739	6,144	5,116
Income Tax and Social Contribution on Net Income	(3,894)	(8,046)	(281)
<i>Non-Cash Items after EBITDA</i>	<i>5,558</i>	<i>2,975</i>	<i>6,923</i>
Allowance for doubtful accounts	1,886	2,003	6,256
Provision for contingencies	3,206	972	667
Share-based payment	465	-	-
<i>Changes in Working Capital</i>	<i>(15,951)</i>	<i>(13,514)</i>	<i>(37,476)</i>
Accounts receivable, net of commissions	(5,980)	(5,254)	(23,524)
Suppliers	(5,630)	(240)	(1,749)
Salaries and charges payable	(714)	2,875	(4,356)
Taxes payable	(4,146)	(2,762)	(20,663)
Judicial deposit	(1,681)	(833)	(726)
Other assets and liabilities	2,199	(7,300)	13,542
Net Cash from operating activities	46,370	26,398	25,827
<u>Cash flows from investment activities</u>			
Permanent investment	(7,322)	(29,156)	(7,074)
Acquisition of equipment	(2,213)	(3,428)	(9,859)
Intangible	(2,098)	(916)	(9,741)
Sales of Permanent Assets	53	79	-
Cash flows from investment activities	(11,580)	(33,421)	(26,674)
<u>Cash flows from financing activities</u>			
Bank loans	(5,813)	(490)	-
Debentures	-	-	-
Increase of lease obligations	(1,361)	92	4,825
Buy back of Datasul shares	-	(1,730)	-
Non-recurring expenses paid	-	-	(514)
Dividends paid	(16,881)	(37,839)	(29)
Cash flows from financing activities	(24,055)	(39,967)	4,282
<u>Increase of cash and cash equivalents</u>	10,735	(46,990)	3,435
Cash and cash equivalents at the beginning of the year	147,406	275,959	143,971
Cash and banks at the end of the year	158,141	228,969	147,406