

TOTVS releases additional information about the acquisition of Midbyte

São Paulo, November 27, 2007 - TOTVS S.A. (BOVESPA: TOTS3), the Brazilian and Latin American leader in the development and marketing of enterprise application software and the provision of related services for small businesses, releases additional information about the acquisition of Midbyte Informática S.A., which has been developing software for the retail segment since 1989. Midbyte Informática S.A. estimates net revenue of R\$ 3.1 million in 2008 and EBITDA of R\$ 1.2 million. The Company's EBITDA margin is 38.7%.

The initial price of the acquisition is R\$ 6.0 million and may reach R\$ 8.0 million at maximum (considering 100% of the capital) providing certain annual EBITDA targets for the next three years are met.

On payment of the R\$ 6.0 million, TOTVS acquires 70% of the total capital of Midbyte Informática S/A, the other 30% remaining in the hands of the founders, who will be in a lock-up for three years. TOTVS may exercise its right to acquire this 30%, at anytime ending up with a 100% of Company's capital.

The new business unit will be headed by Mr. Araquen Pagotto, Midbyte's CEO. A Systems Analysis graduate, Mr. Pagotto has almost 20 years experience in the retail software market.

The reasons behind the transaction are: a) to attract more clients at the lower end of the small business spectrum in order to sustain and expand TOTVS' organic growth, (b) to strengthen TOTVS' leadership of the retail segment; and (c) in the future, to possibly introduce this product into the Latin American market, which consumes self-implementing software, and into other TOTVS offerings.

This is TOTVS second acquisition in 2007. On July the Company acquired 46% of TOTVS-BMI, ending up with a participation of 100% in the company. This acquisition is part of a series of initiatives that began in September of this year with the launch of RM First, a new solution that is both simple to implement and easy to use.

Midbyte Informática S.A.

Midbyte Informática S.A. has been developing and selling software since 1989, focusing on micro and small retailers and is currently among the market leaders with almost 5,000 clients. As a result of the acquisition, TOTVS will complement its portfolio of retail products for micro and small businesses, adding the softwares Vitrine Loja and Vitrine Corporativo, as well as expanding its workforce by 37.

The Vitrine line originated in commercial automation for the clothing segment and is currently present in all types of industry, with an emphasis on small firms. It possesses front and back office modules and is authorized by the Finance

Departments of all Brazilian states, being fully in line with the stipulations of ICMS (state VAT) Agreement 85/91, entitled to issue SINTEGRA (interstate transactions) files and tax invoices and connected with the TEF (electronic fund transfer system). Vitrine Corporativo deals with all procedures of small firms, including production and inventories.

IR Contacts:

José Rogério Luiz, *Vice-President / CFO / IRO*
Julio Pagani, Bruno Salem Brasil, *Investor Relations*
Phone: + 55 (11) 3981-7097
ri@totvs.com.br

About TOTVS

Through its Logocenter, Microsiga and RM Sistemas divisions and TOTVS-BMI, TOTVS Infra and TOTVS BPO, TOTVS S.A. develops and sells integrated management software as well as provides related services. The company leads the Small and Medium Business (SMB) segment in Brazil and Latin America and also maintains a presence in the major corporate market in both regions. For further information, access the the website www.totvs.com.br/ir

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.