

TOTVS S.A.

Publicly-Held Company

Corporate Taxpayer's ID (CNPJ/MF) 53.113.791/0001-22

Company Registry under the Board of Trade (NIRE) 35.300.153.171

MATERIAL FACT

TOTVS S.A. ("TOTVS"), pursuant to CVM Instruction 358/2002, as amended, hereby informs its shareholders and the market that today TOTVS signed a Purchase and Sale Agreement to acquire 70% (seventy percent) of the capital stock of Totalbanco Consultoria e Sistemas Ltda. ("TOTALBANCO"), which operates in leasing, credit management for companies and core-banking areas, allowing the back-end integration of investment management and credit management.

The conclusion of the acquisition is subject to the compliance with certain conditions. Once said conditions are fulfilled, TOTVS will pay R\$ 10,780,000.00 (ten million, seven hundred eighty thousand reais) to the controlling shareholders of TOTALBANCO for the above-mentioned equity interest. Additionally, as part of this transaction, the controlling shareholders of TOTALBANCO granted TOTVS an option to acquire the remaining shares, which currently represent 30% of TOTALBANCO's capital stock, exercisable on or after January 1, 2011, for up to R\$ 12,220,000.00 (twelve million, two hundred twenty thousand reais) based on the achievement of certain targets set for TOTALBANCO for the fiscal years 2009 and 2010.

Pursuant to Article 256 of Law 6,404 of 1976, the acquisition will be submitted for ratification at the Extraordinary Shareholders Meeting, which will be called at a convenient date. Shareholders dissenting from the Extraordinary Shareholders' Meeting's resolution on the acquisition of TOTALBANCO may, pursuant to Law 6,404/76, exercise their withdrawal rights, which will be granted to holders of shares as on October 13, 2009 (i.e., trades carried out as of October 14, 2009 will not be considered for said withdrawal rights). The transaction will be submitted to the Brazilian anti-trust authorities, CADE.

São Paulo, October 13, 2009.

José Rogério Luiz
Investor Relations Officer