

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, for R\$12,000,000.00 (twelve million reais), 100% of the capital stock of HERY SOFTWARE LTDA. ("HERY"), a distribution franchise that arrived from Datasul S.A. which was merged by the Company, and operates in major centers such as São Paulo, Rio de Janeiro, Midwest Region and countryside of São Paulo state.

The acquisition of HERY is aligned with the Company's strategy of maintaining own operations in major centers of Brazil and continuing the process to consolidate distribution channels that began in the last quarter of 2007.

In accordance with Article 256 of Law 6,404 of 1976, the acquisition will be submitted for ratification to 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 HERY may, pursuant to Law 6,404/76, exercise their withdrawal rights, which will be granted to holders of shares as on October 14, 2009 (i.e., trades carried out as of October 15, 2009 will not be considered for said withdrawal rights). The transaction will be submitted to Brazilian anti-trust authorities, CADE.

São Paulo, October 14, 2009

José Rogério Luiz
Investor Relations Officer