

São Paulo, January 4, 2011 - TOTVS S.A. (BOVESPA: TOTS3), the leader in developing and marketing integrated enterprise management software and provision of related services in Brazil, announces the acquisition for up to R\$ 17.810 million of 100% of the capital of GENS TECNOLOGIA E INFORMÁTICA LTDA., a company that controls the operation of GENS S.A., a Development Franchise of Datasul for the health segment.

The acquisition will allow the Company to unify all TOTVS software technological platform used by products originated from Datasul in order to offer an increasingly complete and integrated portfolio.

The transaction is also part of Company's strategy to integrate the external development structures in order to create synergy gains, to achieve better efficiency in R&D area and to maintain R&D investments in desirable levels.

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About TOTVS

TOTVS is Latin America's largest developer of application software, the world's 7th 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 serve more than 26,200 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 further 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 other risks. 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.