

TOTVS S.A.
Public-Held Company
CNPJ/MF n.º 53.113.791/0001-22
NIRE 35.300.153.171

MATERIAL FACT

TOTVS S.A. ("TOTVS", BM&FBOVESPA: TOTS3), the Brazilian leader in the development and marketing of integrated business management software and related services, as based on the provisions of CVM Normative Ruling No. 358, as of January 3, 2012, as amended, hereby informs its shareholders and the market in general that through its subsidiary TOTVS Brasil Sales Ltda., executed, on the evening of November 25th, 2013, the Share and Quota Purchase Agreement ("Agreement") by which it will pay twelve million, four hundred and fifty thousand reais (R\$ 12,450,000.00), for the acquisition of 100% (one hundred percent) of the shares of **Seventeen Tecnologia da Informação em Informática Ltda. ("Seventeen")**. The Agreement also establishes the payment of a variable amount that can reach the amount of five million, seven hundred thousand reais (R\$5,700,000.00), which shall be paid in accordance with metrics defined in the Agreement until the last day of December, 2017 ("Transaction").

With over 8 years of experience in TOTVS management solutions development, that are used by customers of all sizes in the health sector, especially large health plan operators in Brazil, Seventeen works under a TOTVS Development Franchise contract, having more than 130 employees. In 2012 the company's revenues were R \$ 13.3 million.

With this transaction, TOTVS reinforces its specialization strategy as well as its positioning in the health industry, combining its distribution and customer relation platform with Seventeen's development and business know-how.

In addition, TOTVS clarifies that, regarding the Article 256 of Law 6404 of 1976, (i) the Transaction does not involve a relevant investment, and (ii) the Transaction valuation appraisal report showed that the criteria established in item II of Article 256 of Law 6404 were not exceeded, therefore the Transaction will not be subject to the shareholders' ratification at the Extraordinary Shareholders' Meeting and, consequently, TOTVS will not grant shareholders the right to withdraw.

São Paulo, November 25th, 2013.

ALEXANDRE DINKELMANN
Executive and Financial Vice-President and
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INVESTORS RELATIONS DEPARTMENT

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