

TOTVS

3Q13 Earnings Release

October 31st, 2013

Strategic Investiments

Financial support of R$658.6 million

To finance investments in innovation, development and commercialization of TOTVS´s Solutions.

Prosoft: R$596.8 million (annual interest of TJLP*+1.5%)

PSI: R$59.5 million (annual interest of 3.5%)

Social Support: R$3.3 million (annual interest of TJLP*)

**TJLP - Long Term Interest Rate – is currently 5% per annum*

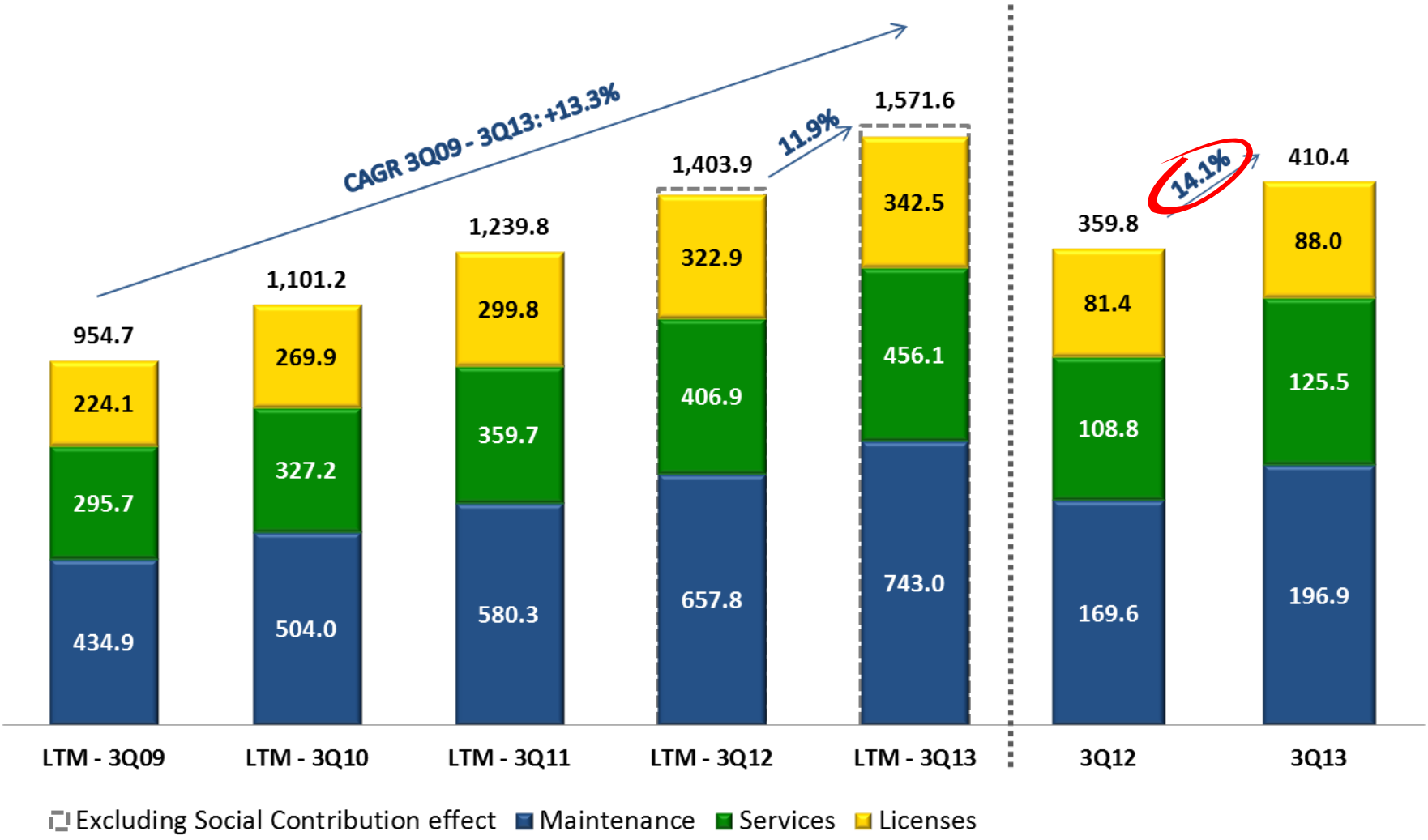
TOTVS Start it up Winner

Company focused on developing solutions for data analysis in real time.

The award is a 5-day immersion at TOTVS Labs, in Silicon Valley, as well as a possible investment of R$1.7 million by TOTVS Ventures.

Financial Performance

Net Revenue (R$ million)



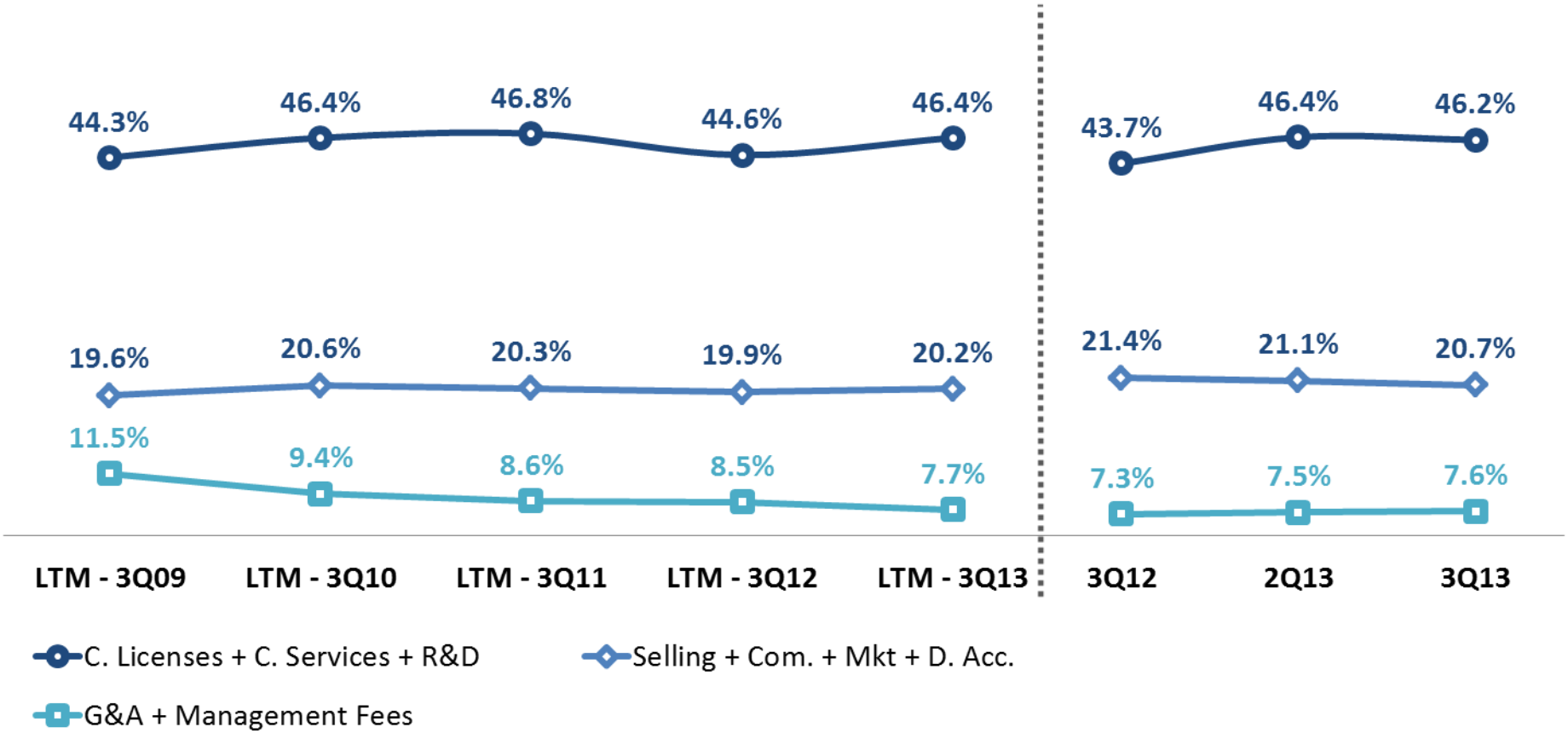
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Total Recurring Revenue (R$ million)



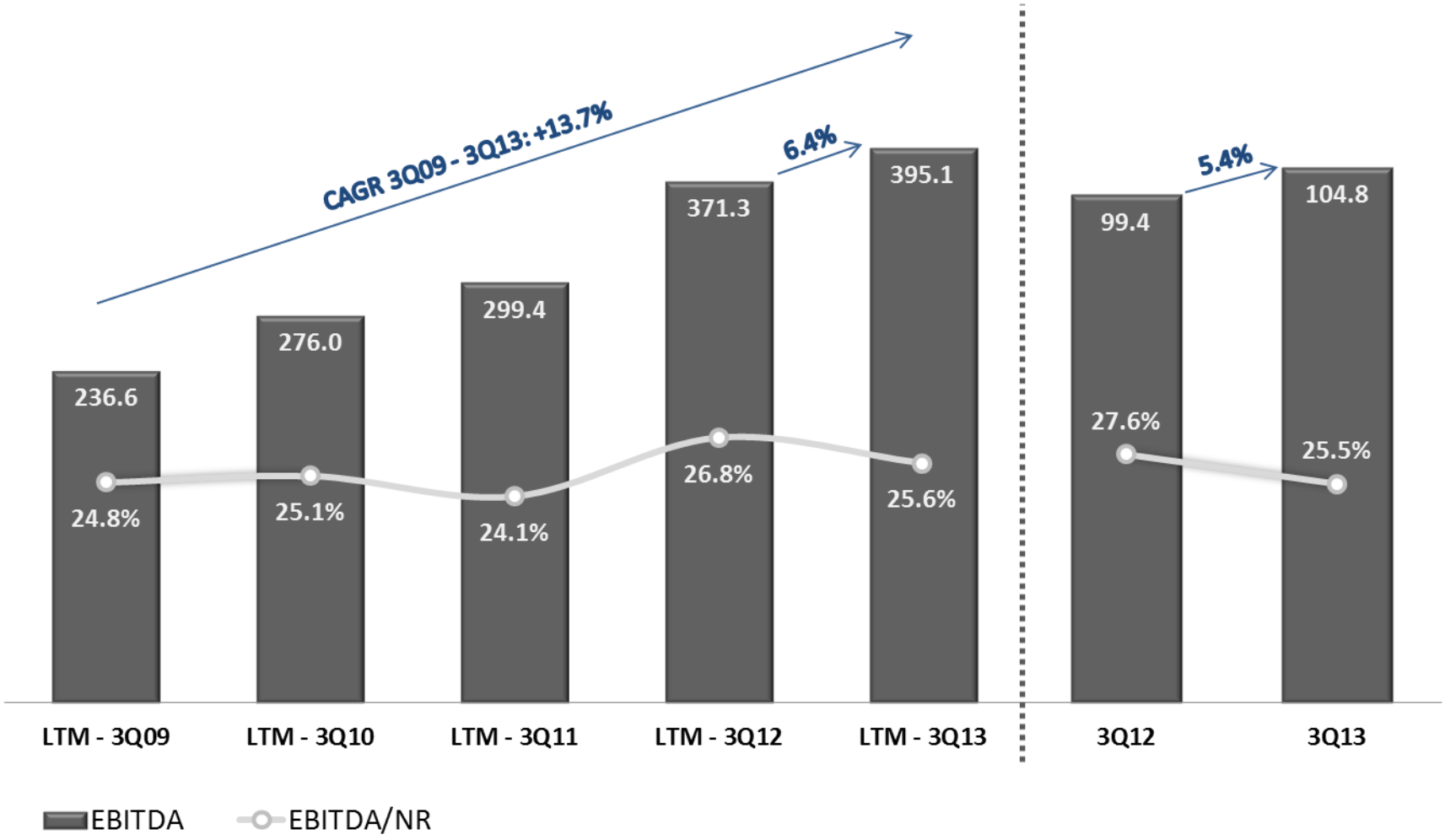
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Operating Costs and Expenses / NR



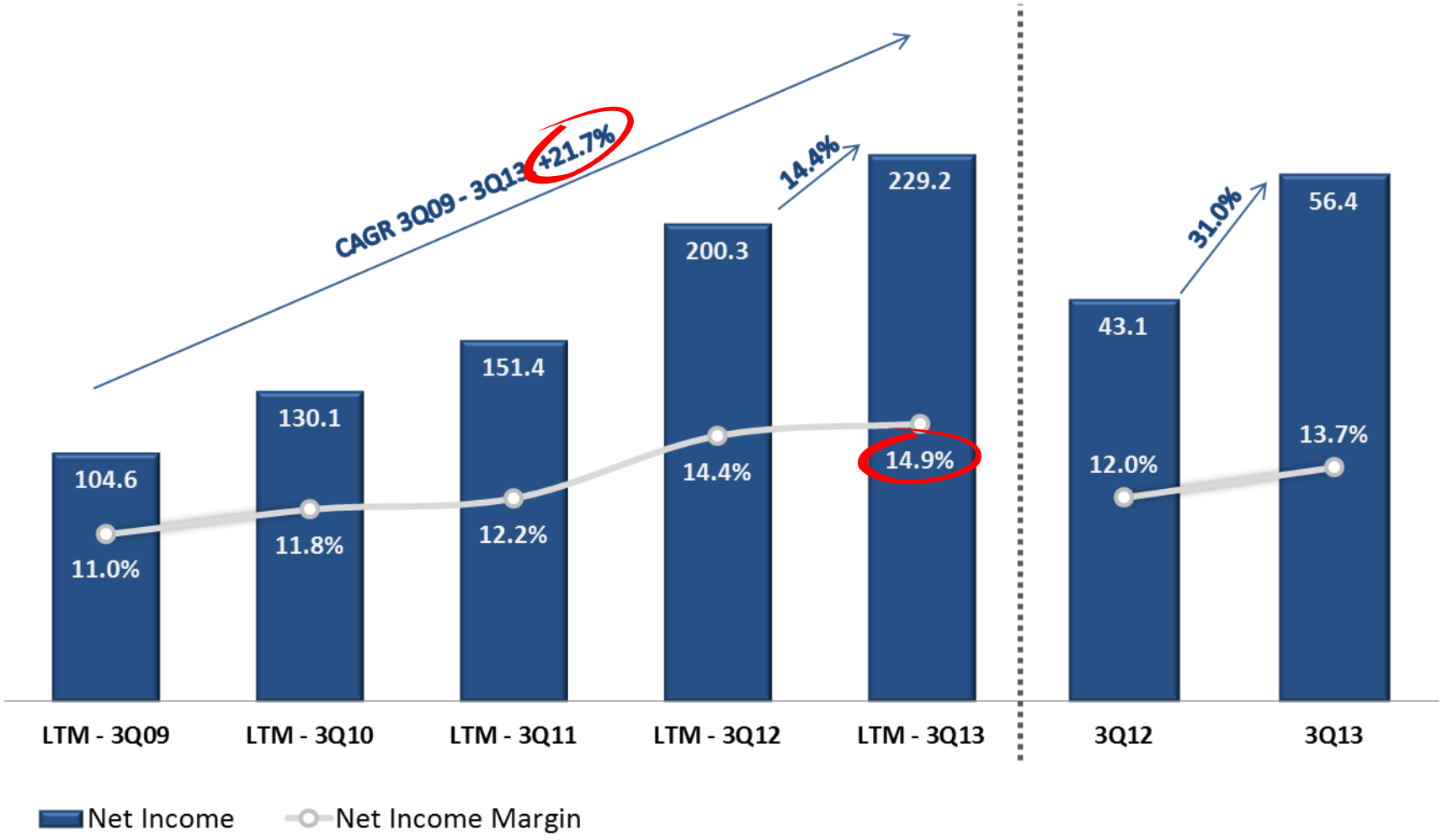
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EBITDA (R$ million)



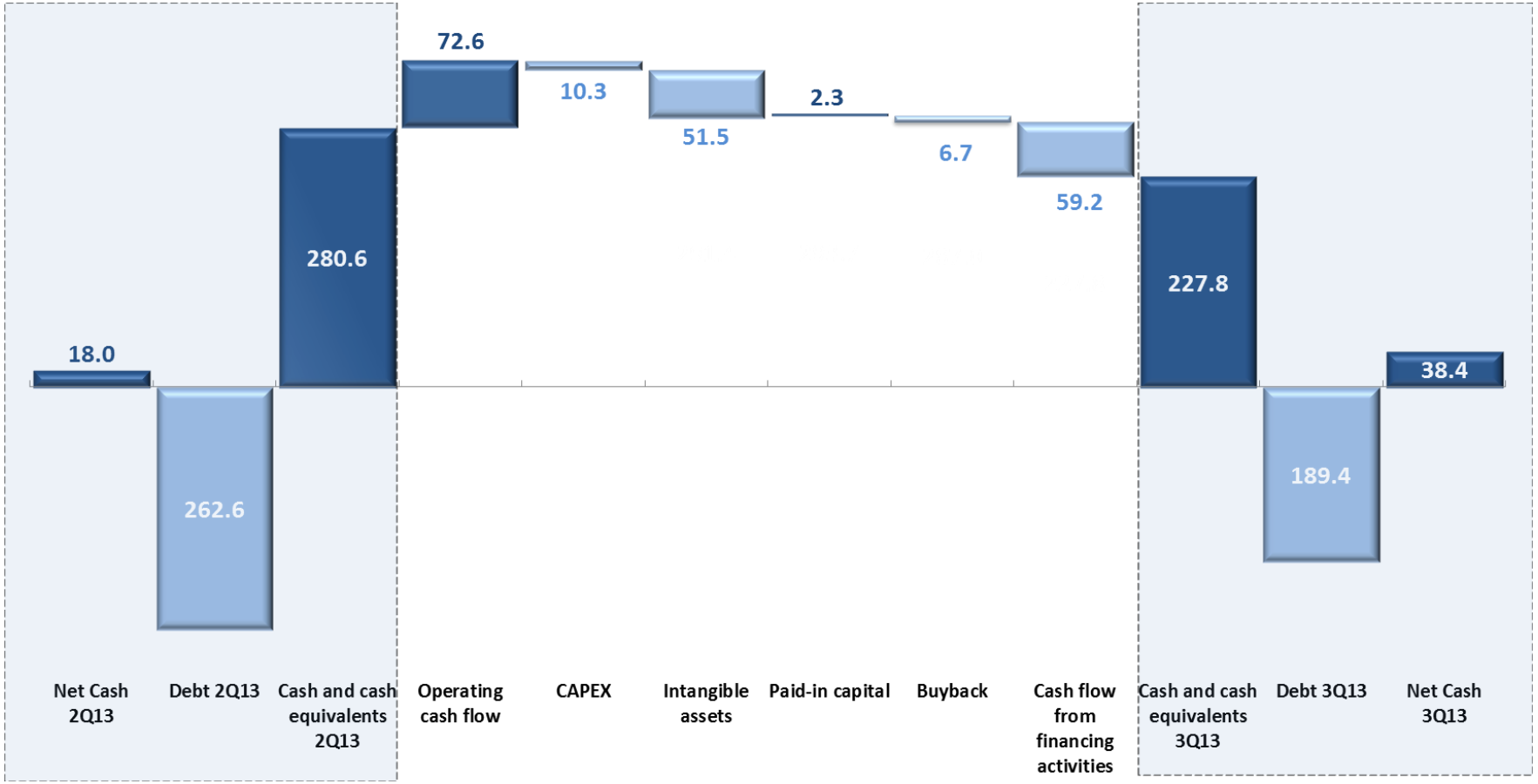
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Net Income (R$ million)



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Cash Flow and Debt (R$ million)



(*) The Debt informed comprehends (i) Loans and financing, (ii) Debentures, (iii) Current obligation under capital leases, (iv) Obligation relating to acquisitions and (v) Marketable securities.

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Management Agenda – Value Generation

Innovation

- Fluig Platform
- Solutions by industry sector
- TOTVS Ventures
- BNDES financing

Growth

- Net Revenue: +14.1% (3Q13 vs. 3Q12)
- Opportunities by industry sector/region
  - via organic investments; and
  - via M&A

Loyalty

- Recurrence: +13.3% (3Q13 vs. 3Q12)
- Sales to existing clients: +28.5% (3Q13 vs. 3Q12)
- Marketing (*Brand Building*)

Margin

- Efficiency improvement in Services
- Discipline in managing costs and expenses
- Business model operating leverage

Contact

Disclaimer

The following presentation contains summarized information about TOTVS activities till date. Such information does not constitute an offer. invitation or solicitation to acquire any securities. This presentation may contain statements that merely express management's expectations and/or forecasts about future events. Such expectations and/or forecasts involve risks and uncertainties and should not serve as the basis for acquiring the Company's shares.

QUESTIONS

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Índice Brasil IBRX

Índice de Ações com Governança Corporativa Diferenciada IGC

Índice de Ações com Tag Along Diferenciado ITAG