

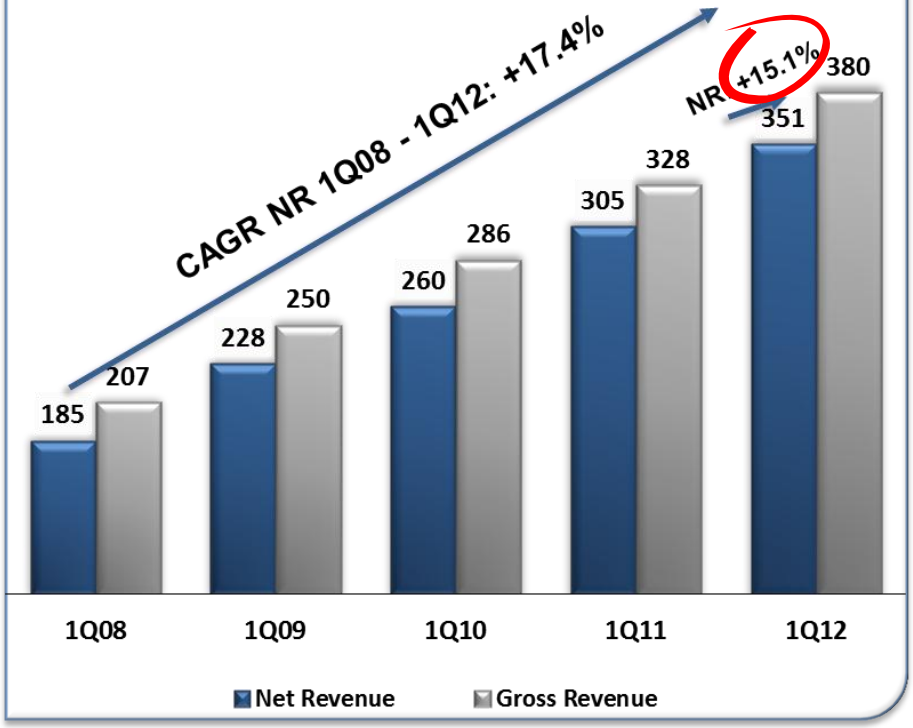
TOTVS

1Q12 Earning Results

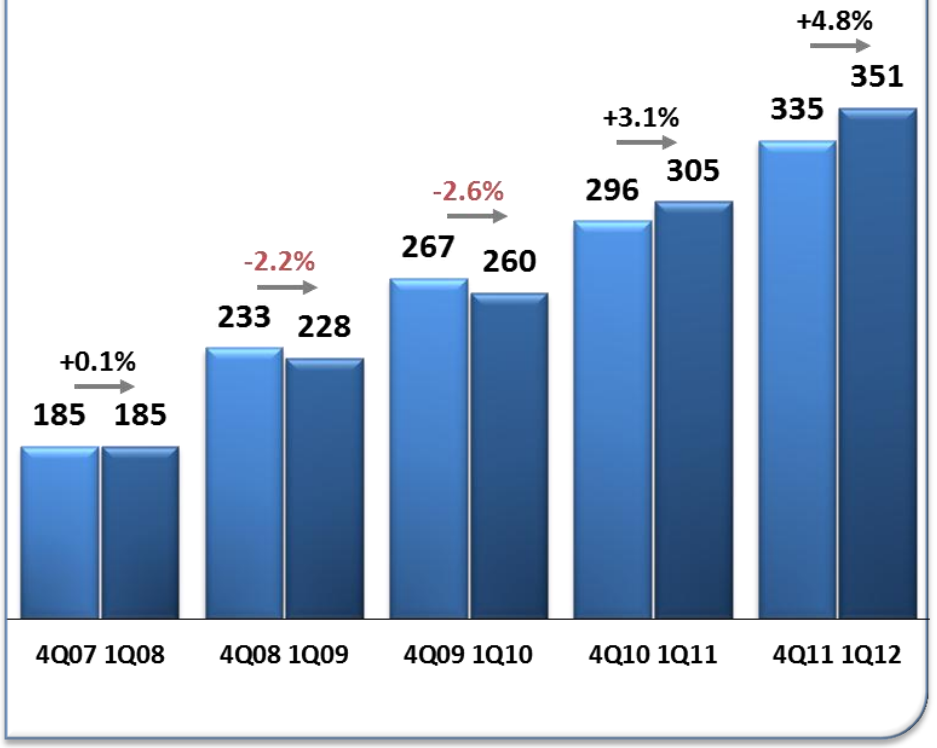
April 26th, 2012

Uninterrupted growth and seasonality break

Gross and Net Revenue (R$ million) [1]



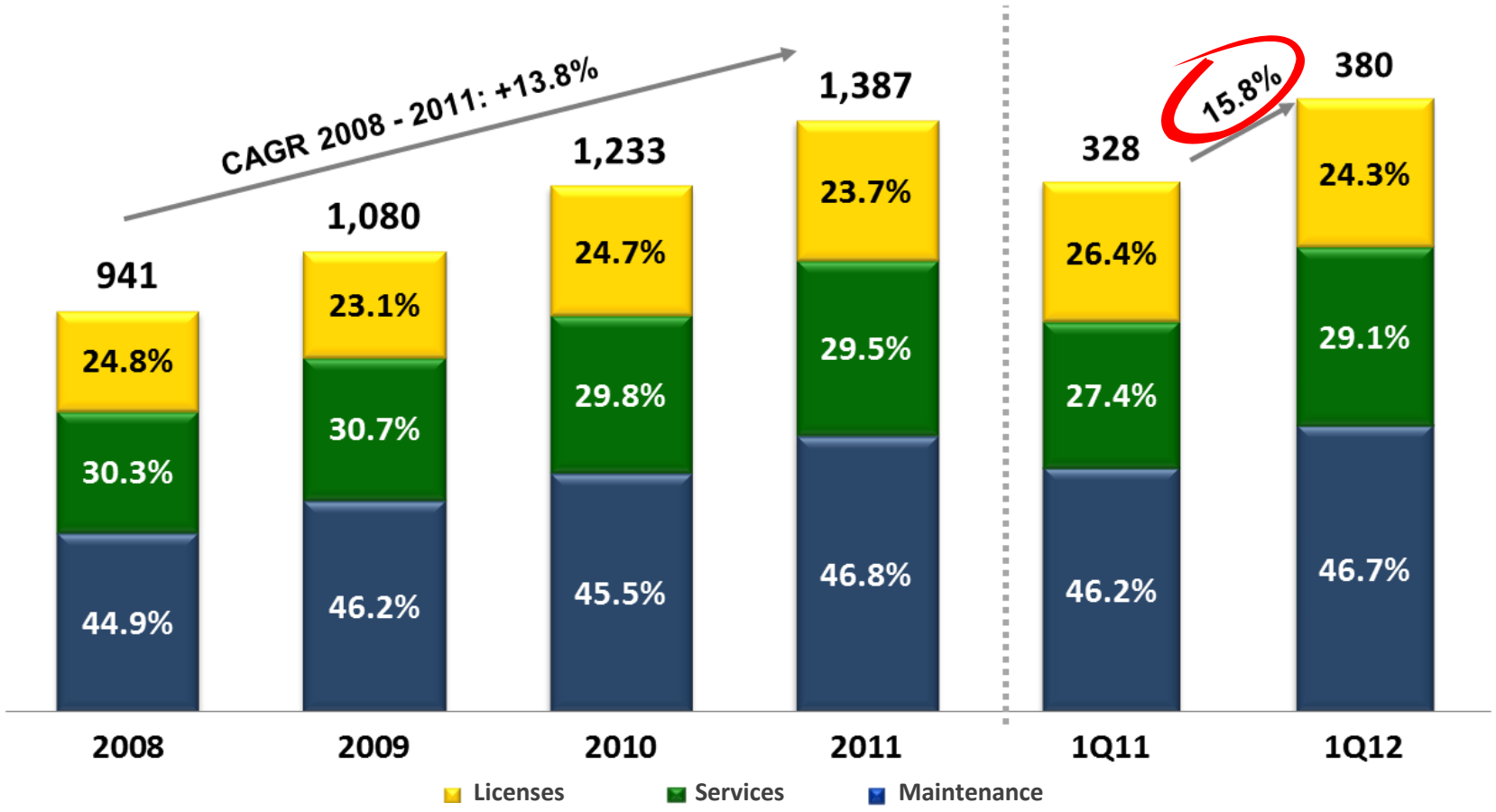
Seasonality of Net Revenue (R$ million) [1]



(1) Values are pro forma as they include the numbers of Datasul, consolidated in September 2008 in the period analyzed.

Financial Performance

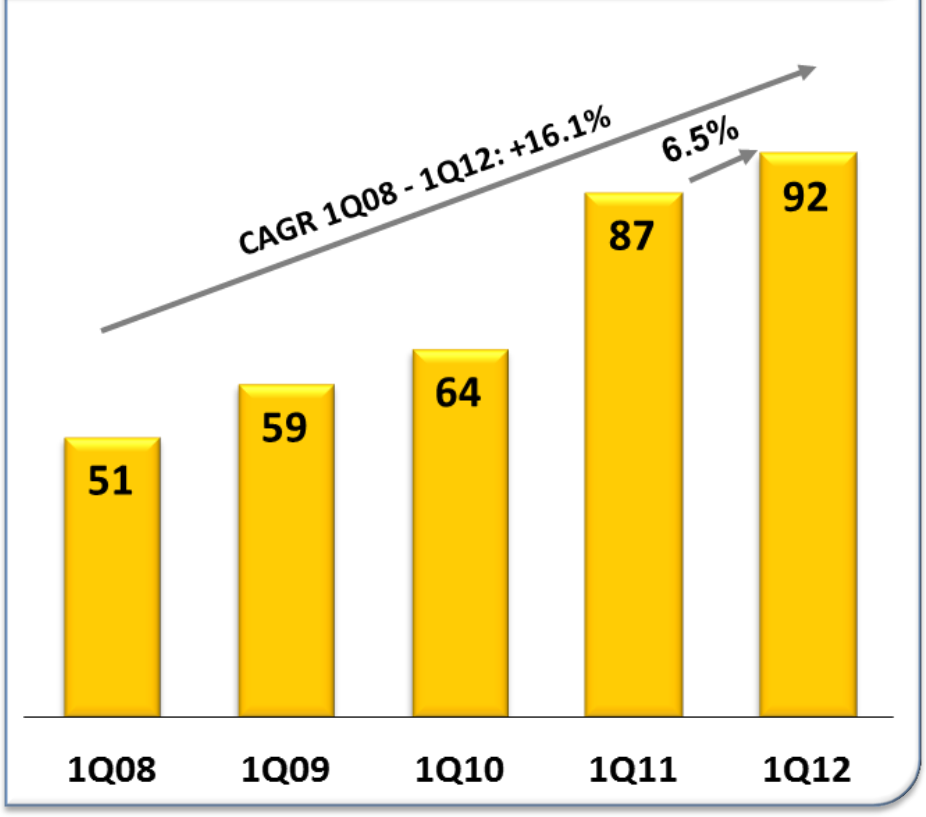
Gross Revenue Breakdown (R$ million) [1]



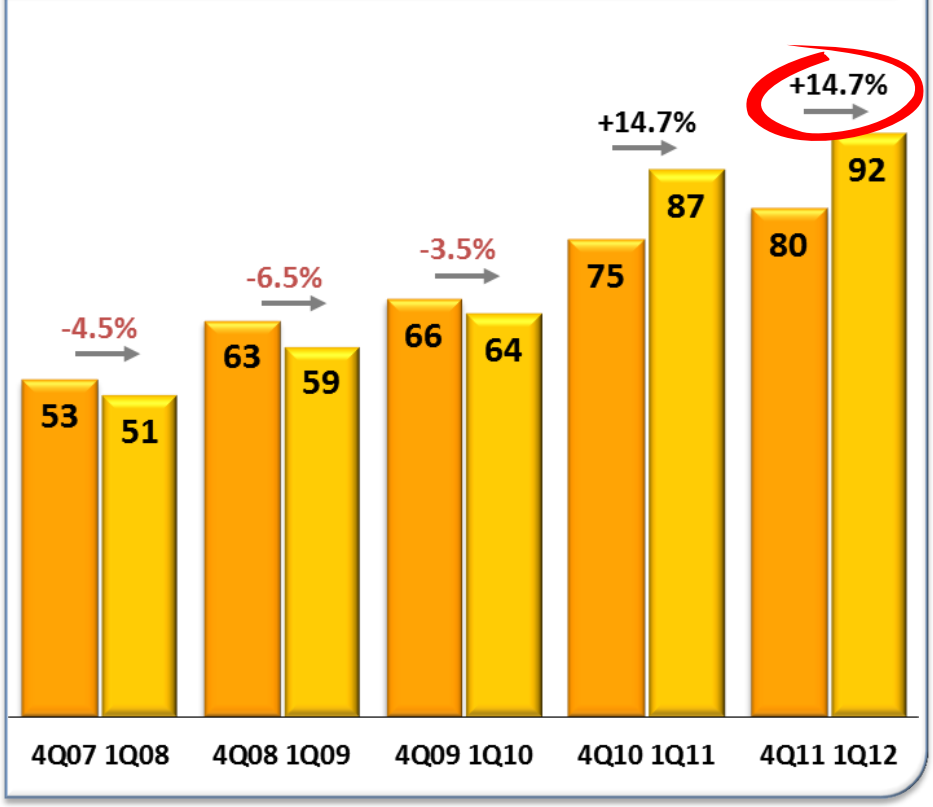
(1) Values are pro forma as they include the numbers of Datasul, consolidated in September 2008 in the period analyzed.

1st Quarter record of licenses and new seasonality break

Licenses Fee Revenue (R$ million) [1]



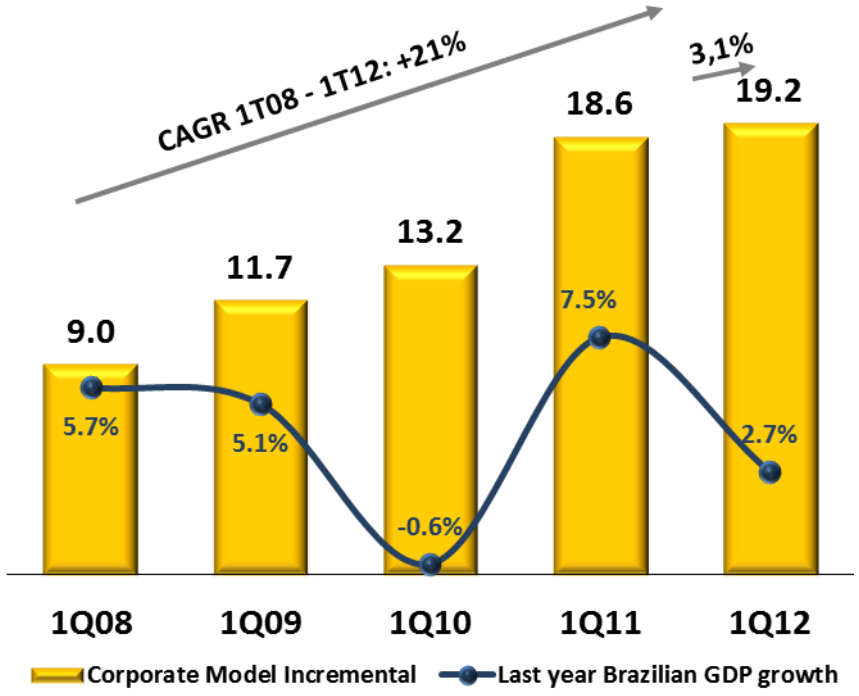
Seasonality Licenses Fee Revenue (R$ million) [1]



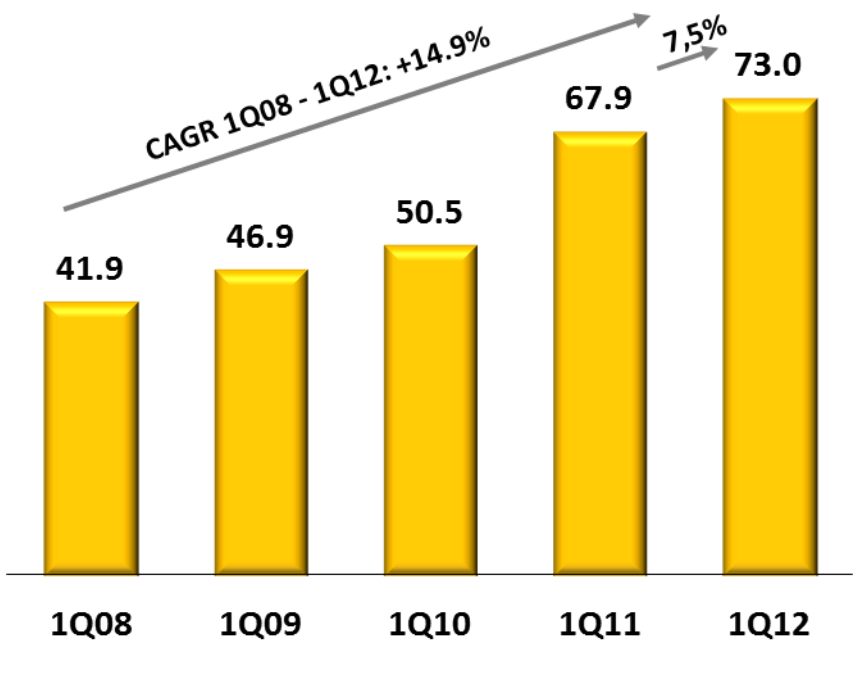
(1) Values are pro forma as they include the numbers of Datasul, consolidated in September 2008 in the period analyzed.

Incremental from corporate model and other license fees growth despite the lower GDP growth

Corportate model Incremental (R$ million) [1]



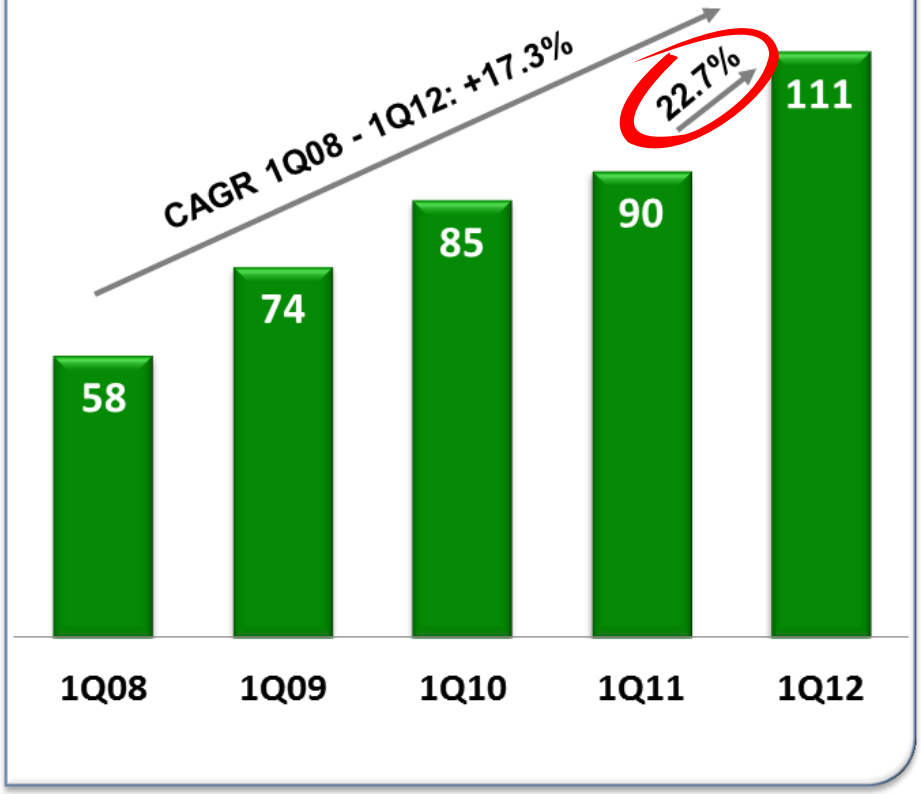
Other License Revenues (R$ million) [1]



(1) Values are pro forma as they include the numbers of Datasul, consolidated in September 2008 in the period analyzed.

Service growth above historical CAGR and reduction of the 1Q negative seasonality

Services Revenue (R$ million) [1]



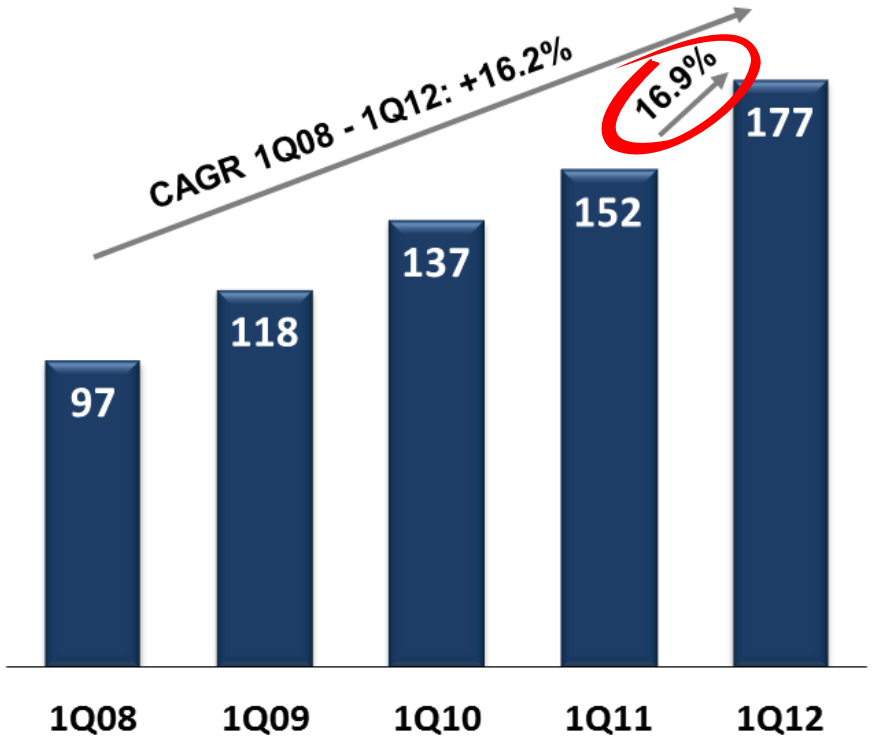
Seasonality Services Revenue (R$ million) [1]



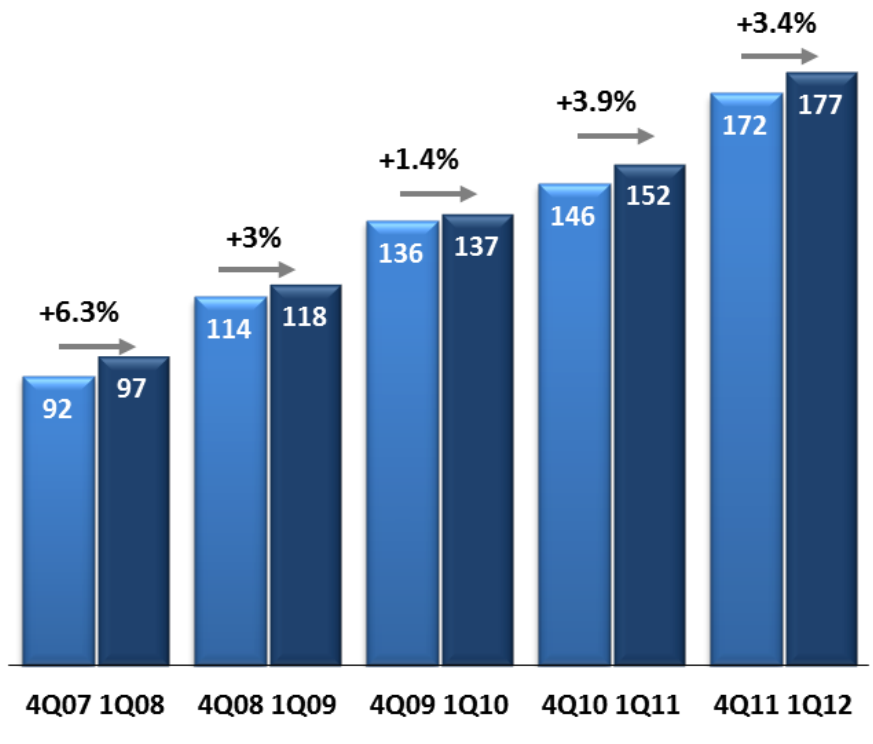
(1) Values are pro forma as they include the numbers of Datasul, consolidated in September 2008 in the period analyzed.

Maintenance in line with the historical CAGR

Maintenance Revenue (R$ million) [1]



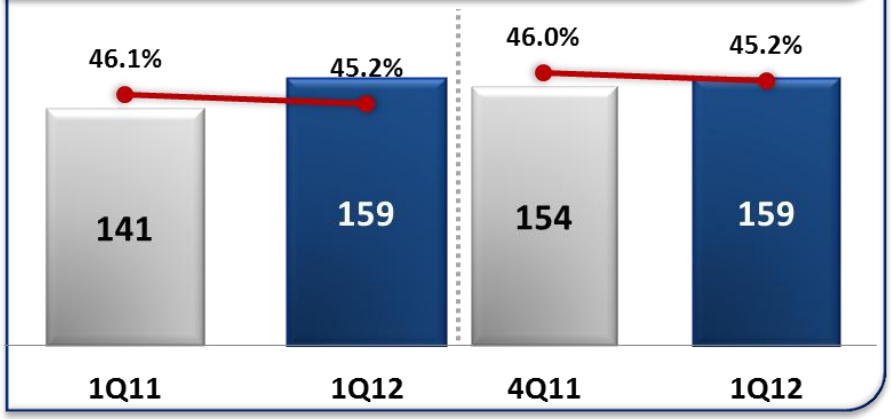
Seasonality Maintenance Revenue (R$ million)[1]



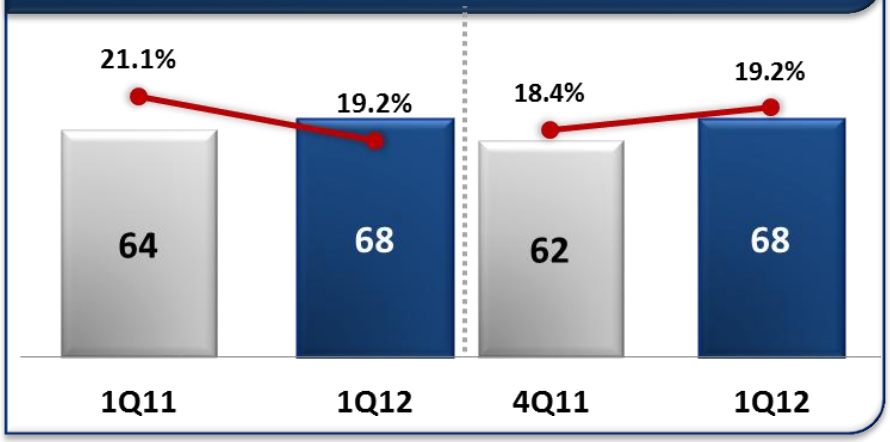
(1) Values are pro forma as they include the numbers of Datasul, consolidated in September 2008 in the period analyzed.

Cost and Expenses Dashboard

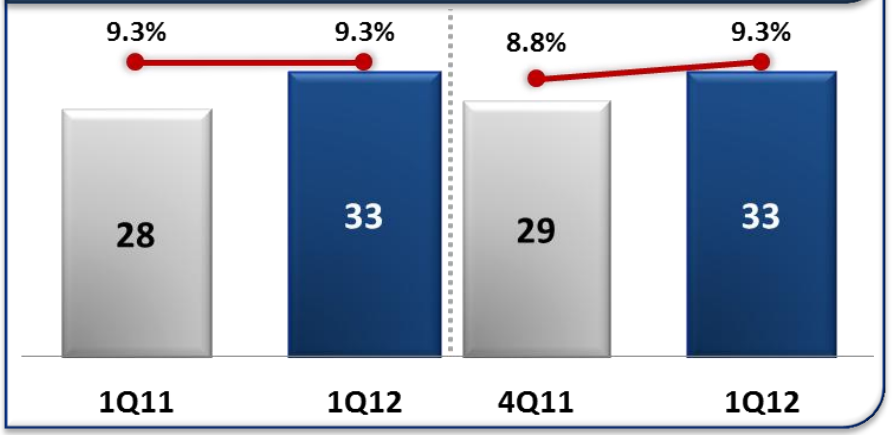
R&D + C. Services + C. Lic. Fees (R$ million) x % NR



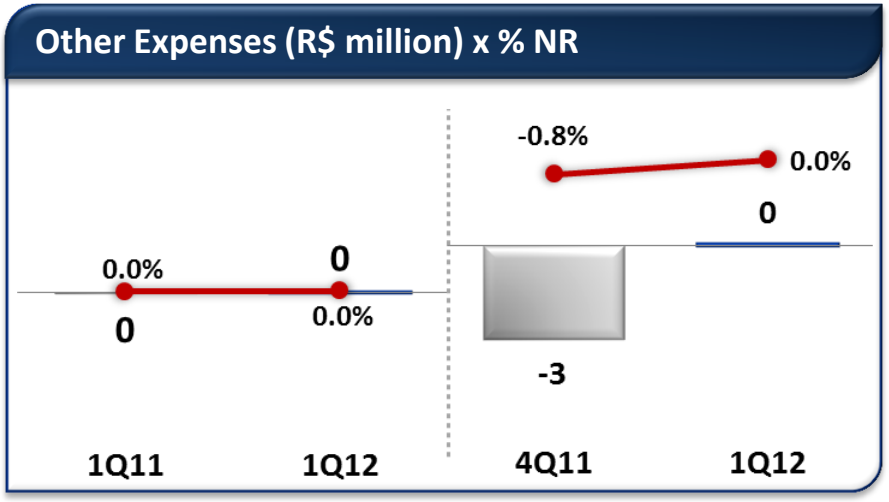
Selling + Com. + Bad Debt + MKT (R$ million) x % NR



G&A + Management Fees (R$ million) x % NR



Other Expenses (R$ million) x % NR

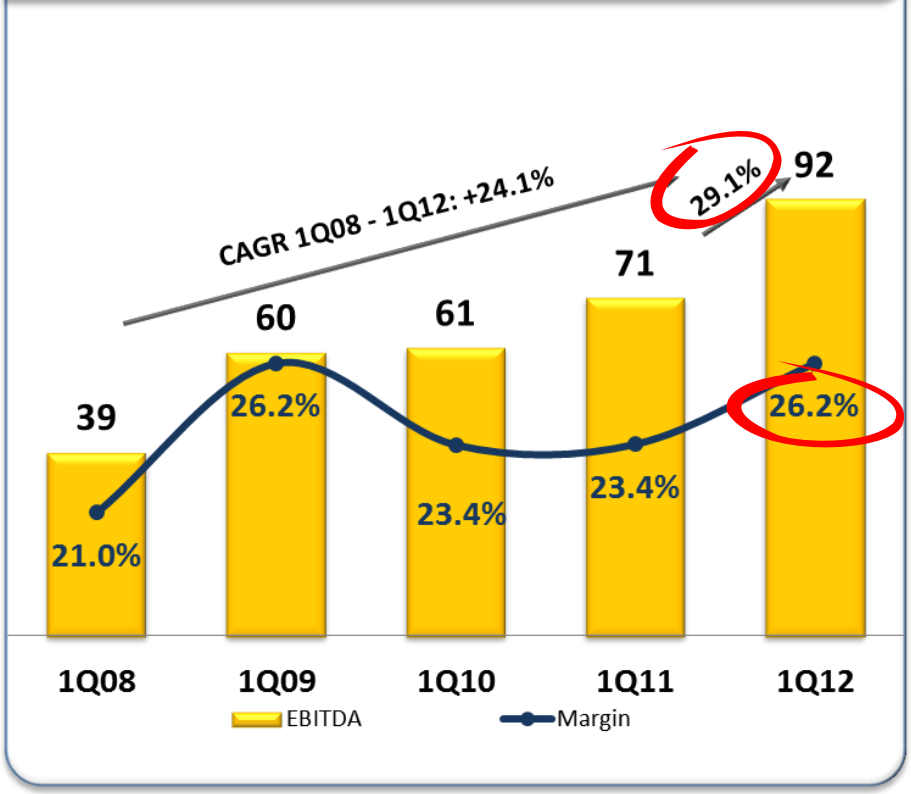


Financial Dashboard

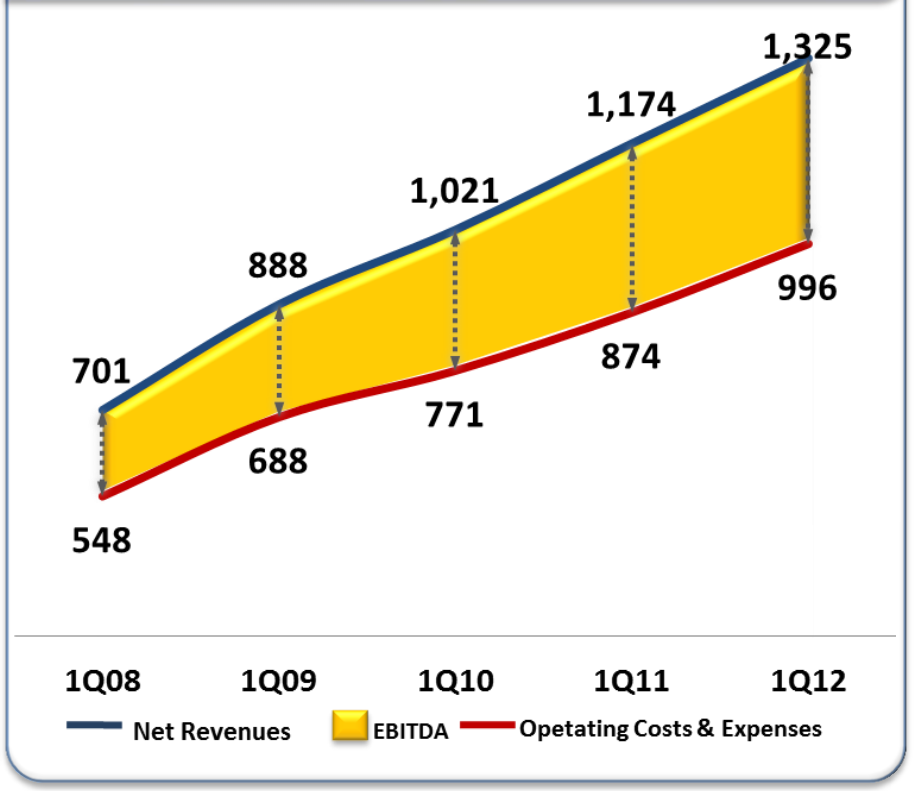
R$ million	1Q12	1Q11	Δ 1Q/1Q	1Q12	4Q11	Δ 1Q/4Q
Net Revenue	351.1	305.0	15.1%	351.1	335.0	4.8%
Costs and Expenses	258.9	233.6	10.8%	258.9	248.0	4.4%
EBITDA	92.1	71.3	29.1%	92.1	87.0	5.8%
EBITDA Margin	*26.2%*	*23.4%*	*280 p.b.*	*26.2%*	*26.0%*	*20 p.b.*
Net Income	49.9	33.5	48.7%	49.9	60.0	-16.8%

EBITDA

EBITDA (R$ million) [1]



EBITDA Last 12 Months (R$ milhões)



(1) Values are pro forma as they include the numbers of Datasul, consolidated in September 2008 in the period analyzed.

EBITDA Breakdown

R$ million	1Q12	1Q11	Δ 1Q/1Q	1Q12	4Q11	Δ 1Q/4Q
EBITDA Margin - Core Brasil	**26.6%**	**25.7%**	**90 b.p.**	**26.6%**	**29.4%**	**-280 b.p.**
TQTVD	0.2%	-0.6%	80 b.p.	0.2%	-1.3%	150 b.p.
International Market	-0.6%	-1.8%	120 b.p.	-0.6%	-1.5%	90 b.p.
Non-recurring events	0.0%	0.0%	0 b.p.	0.0%	-0.5%	50 b.p.
Consolidated Margin EBITDA	**26.2%**	**23.4%**	**280 b.p.**	**26.2%**	**26.0%**	**20 b.p.**

Strategy and actions taken in the International Market

Actions and Definitions taken

- Process and Structure Revision
- Franchising of Portugal and 2 Mexico branches
- Capillarity Strengthening
- Suspension of the entrance in the Australian and Indian Markets
- Initial focus in Latin America
- Emphasis in the SMB and selected industry segments

Future goals

- reach **break-even of EBITDA** in the **second half of 2014**
- Represent **3% to 5% of the consolidated revenues** by 2016

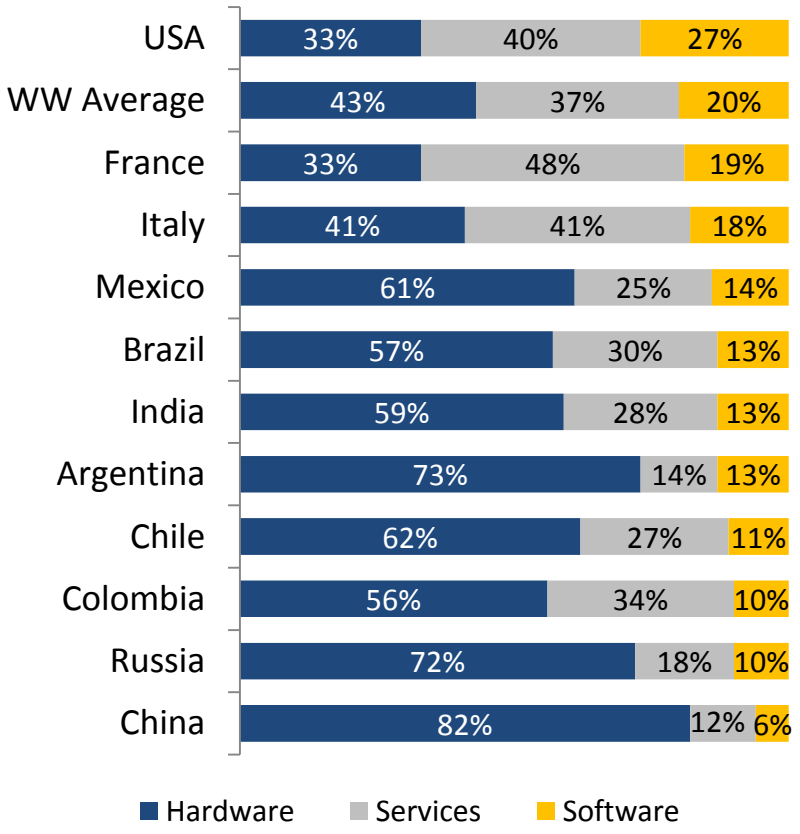
Market Overview

High growth potential in the Brazilian market

Mercado Brasileiro de ERP

	Employees	# Companies	
Mega Large	>= 500	288 (1)(2)	Private / Retention
Large		8,751 (1)	
Medium	10 - 499	618,486 (1)	~ 12 to 15% penetrated Leadership and Growth
Small			
Micro	0 - 9	4,620,905 (1)	Fragmented and Unexplored

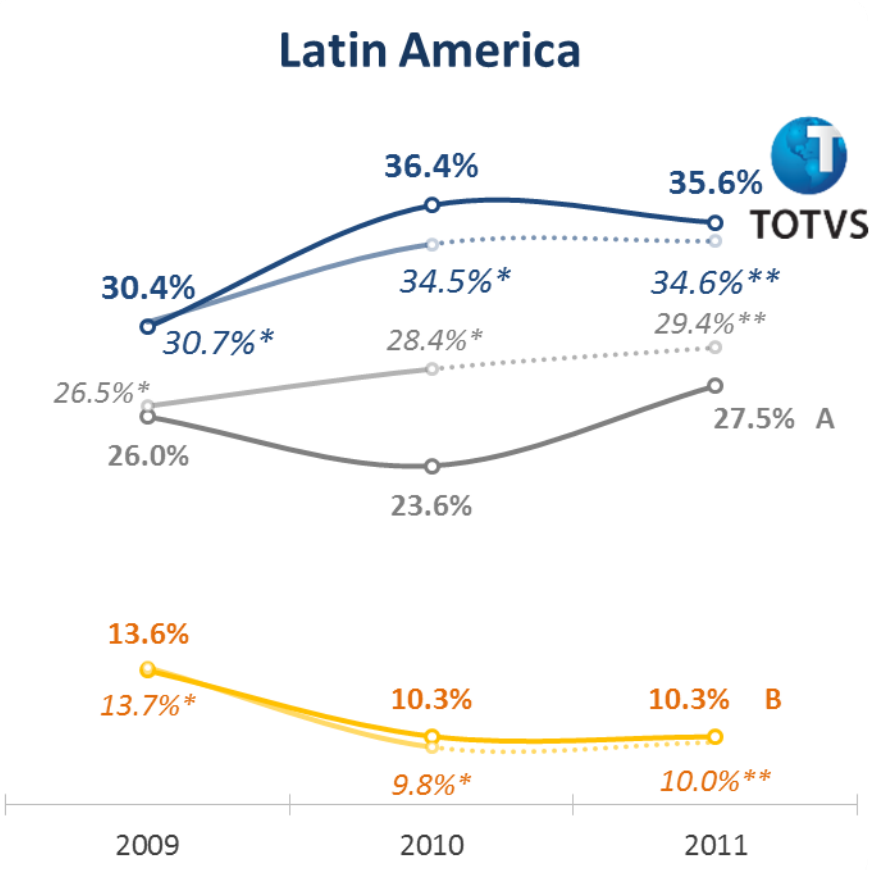
IT Spending Breakdown(2)

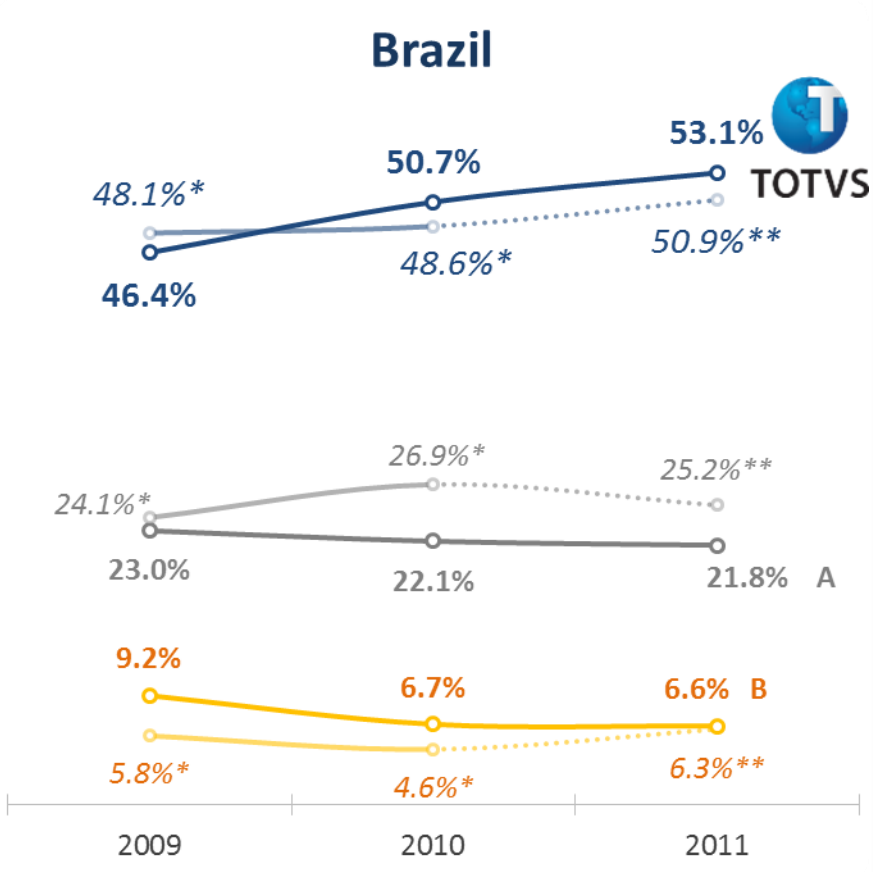


Sources: (1) IDC - Latin America Software Tracker 2010
(2) IDC - Worldwide Black Book Query Tool, Version 4, 2010

Market Share 2011 –ERP Suite (Gartner)

ERP-Suite Worldwide Ranking 2011

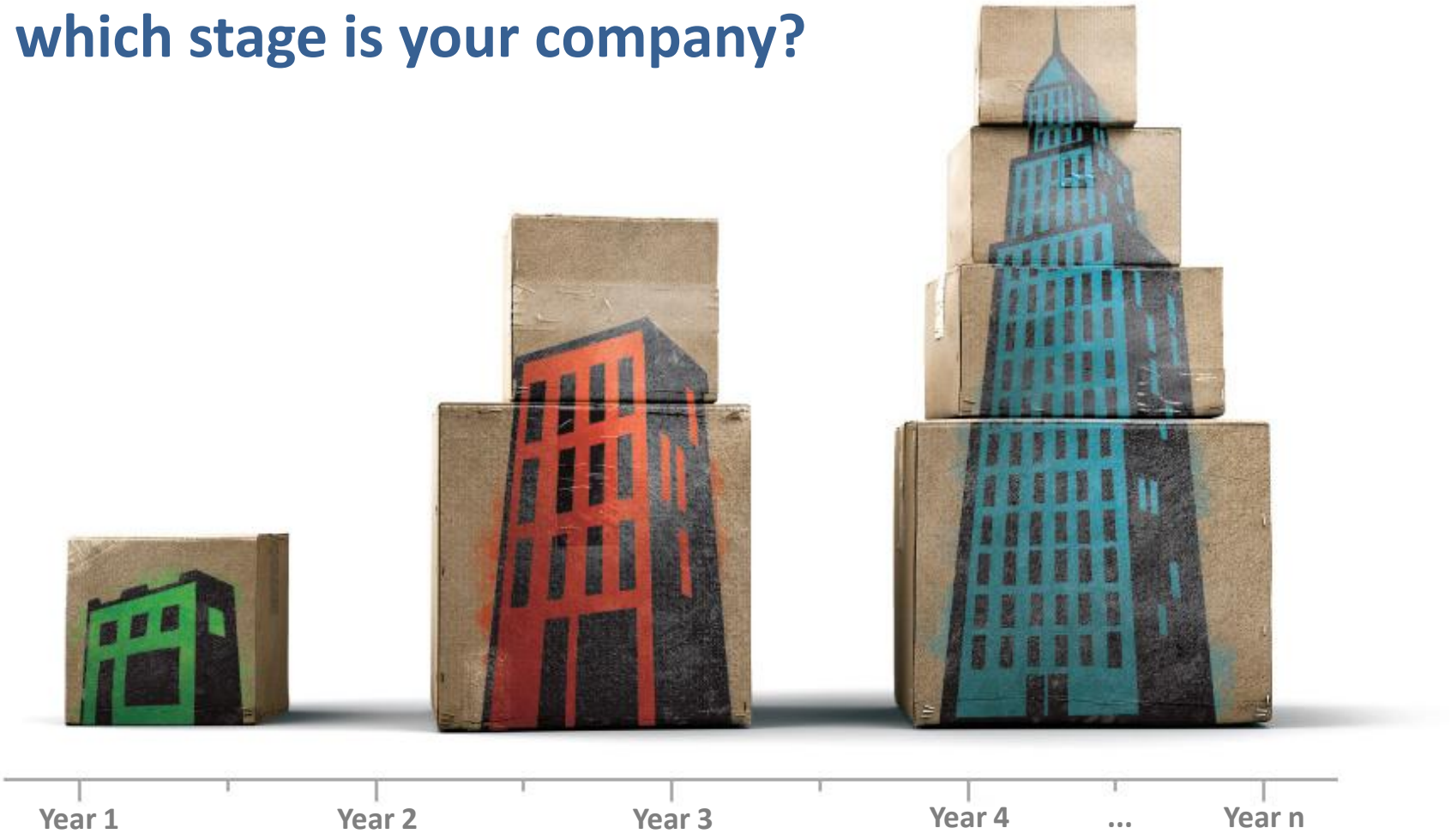




Soure: Gartner Market Statistics - Market Share: All Software Markets, Worldwide, 2011.
** Data from "Gartner Market Statistics - Market Share: All Software Markets, Worldwide, 2010."*
*** TOTVS Estimates.*

Unique positioning in Brazil

In which stage is your company?



Strategic Pillars



Growth

- Brazil as the cornerstone of growth
- Low penetration in the SMB
- IT Investment Landscape
- Segmentation
- M&A

Fidelity

- Private and Consulting
- International Market
- TOTVS Branding
- by You social network
- TOTVS Platform

Margin

- Cost dilution through growth
- Efficiency gains in services
- Scalable business and solutions
- International Market

Contact

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QUESTIONS

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Índice de Ações com Tag Along Diferenciado ITAG