EARNINGS RESULTS
3Q15

INVESTOR RELATIONS
OCTOBER 28, 2015

TOTVS

ECONOMIC SCENARIO AND TOTVS POSITIONING

- **BRAZIL**
  - **-3% GDP** 2015E, with a potential double-digit inflation
  - **7th largest** consumer market of the globe, with **200+ million** people and **strong institutions**
  - **Low level of IT penetration** (especially in the SME market) vs. developed countries

- **TOTVS**
  - Obsession with **leadership** in **innovation, value creation** and corporate **governance**
  - **R$1bi+ R&D** in the last 5 years, independent **board** and **22nd most valuable brand** in Brazil
  - A **businesses solutions** company
  - That makes its clients **more efficient** and **competitive in their core**
  - That **knows the business**, the industry and the client ecosystem (in 10 market industries)
  - And that addresses the need to improve the experience of the **clients of our clients**

- **EARNINGS 3Q15**
  - **+4.2% Total Revenue** (vs. 3Q14)
  - **+19.5% Subscription Revenue** (vs. 3Q14)
  - **+5.3% Net Income** (vs. 3Q14)

RECENT EVENTS

CORPORATE REORGANIZATION WITH BEMATECH

TOTVS + bematech = LEADING THE BRAZILIAN RETAIL DIGITALIZATION

BUSINESS SOLUTIONS	*MANAGEMENT SYSTEMS + POS + AUTOMATION + FISCAL SOLUTIONS + E-COMMERCE + MEANS OF PAYMENT + COLLABORATION PLATFORM*
COMPLETE PORTFOLIO OF SOLUTIONS	*FOOD-SERVICE, SUPERMARKETS, CASH-AND-CARRY, APPAREL, DEPARTMENT STORES, HOTELS, ELECTRONIC, PASSENGER TRANSPORTATION, ETC.*
NATIONWIDE PRESENCE	*PRESENCE IN MORE THAN 5,000 BRAZILIAN CITIES WITH BRANCHES, FRANCHISES, RESELLERS AND DISTRIBUTORS*
DATABASE	*DATA OF 500,000+ CLIENTS IN SEVERAL RETAIL SEGMENTS*

RECENT EVENTS

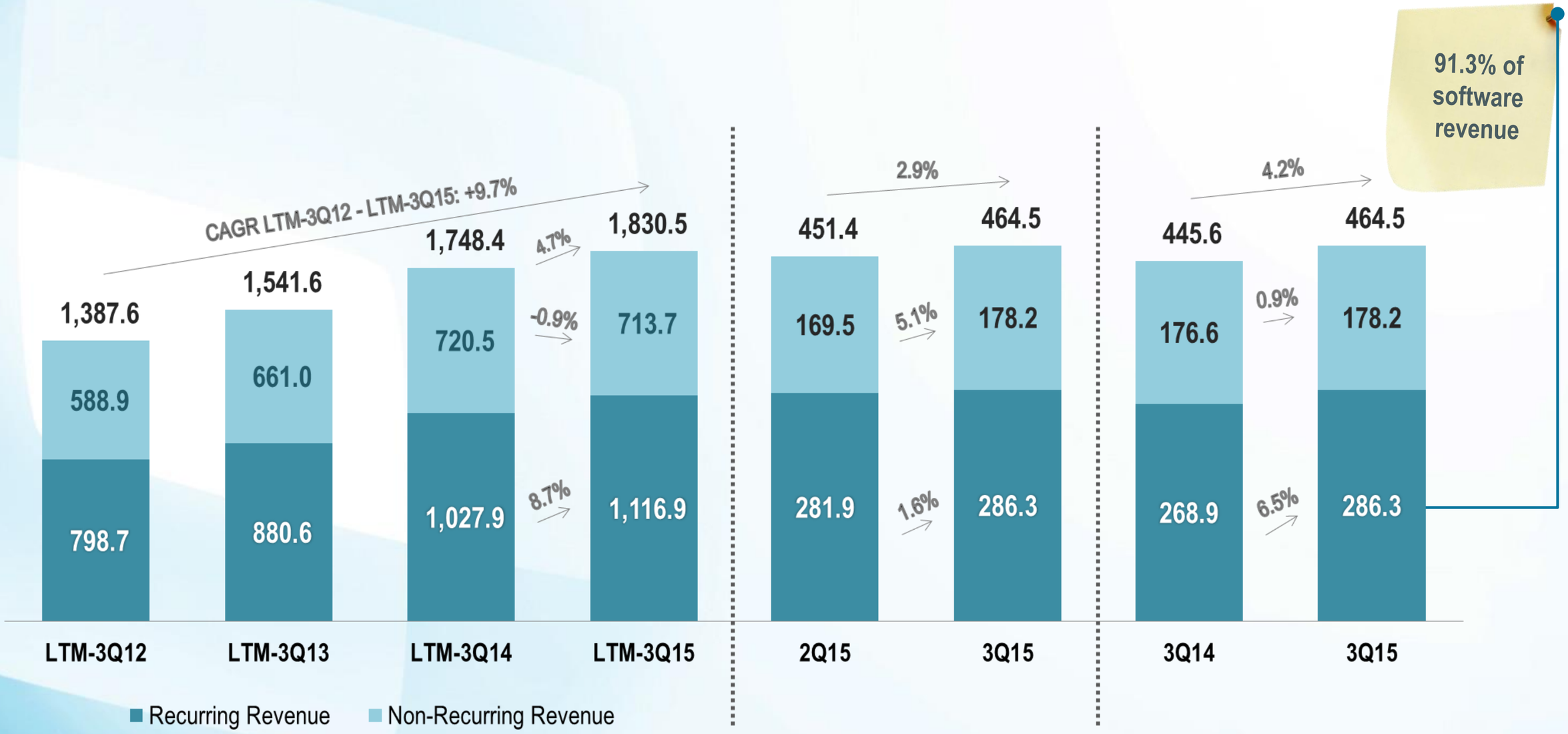
LAST INFLOW FROM THE FINANCING LINE HIRED FROM BNDES IN 2013

- Inflow of R$181 million, totaling R$659 million (100%) of the financing line
- Financing R&D and commercial expenses of TOTVS solutions
- 48-month amortization (November/2015 to October/2019)

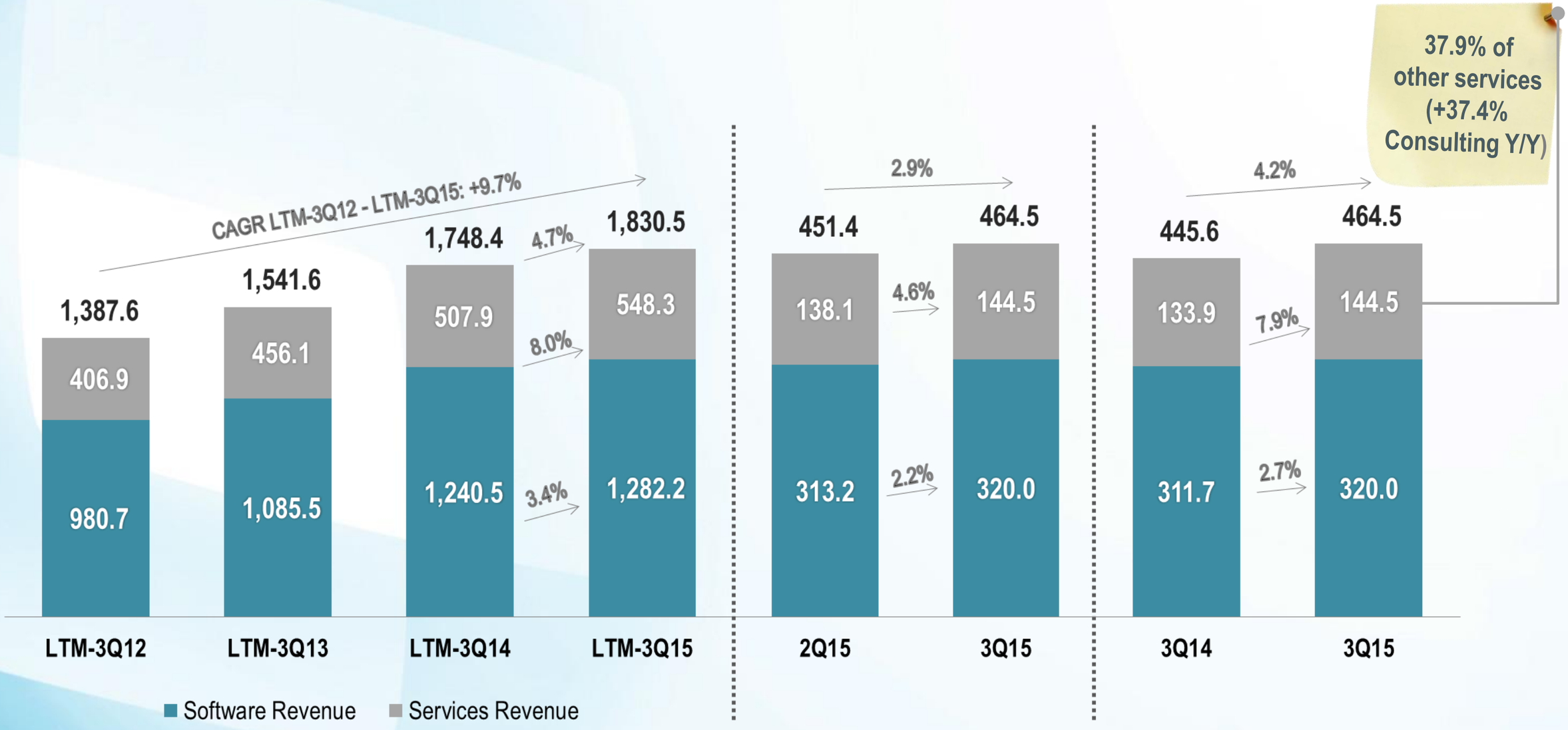
NEW SHARE BUYBACK PROGRAM

- 1.6 million shares, or 1.0% of the total shares

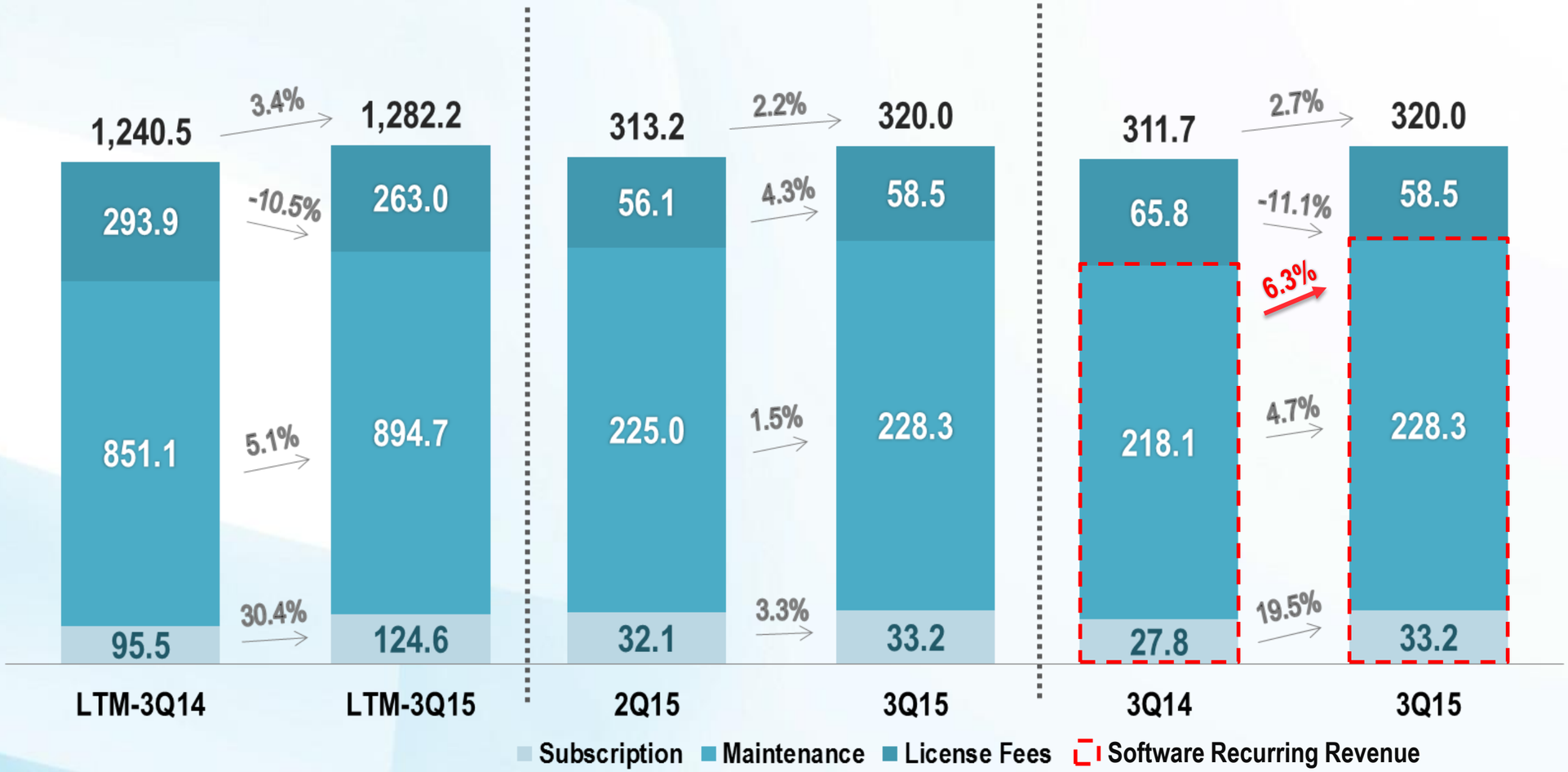
TOTAL REVENUE BY NATURE (R$ MM)



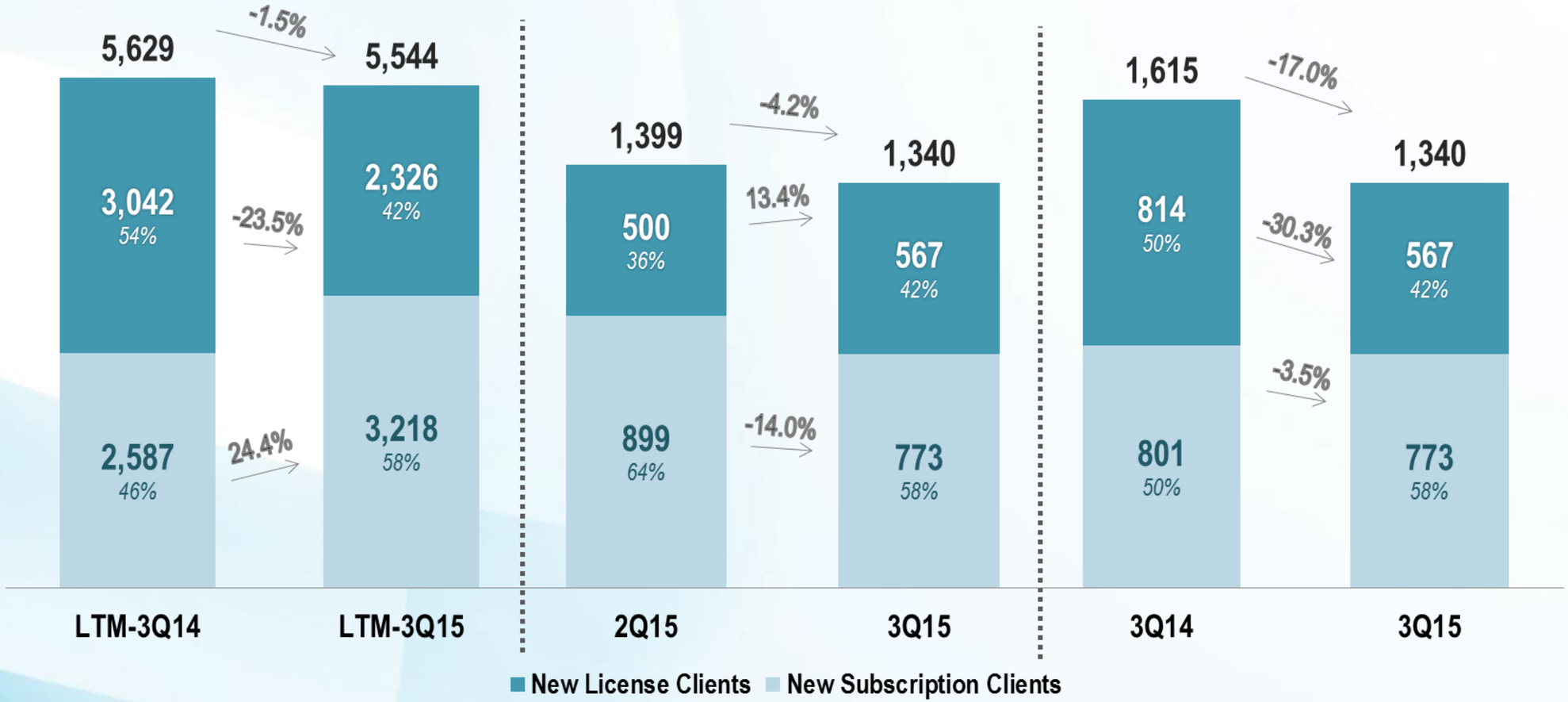
TOTAL REVENUE BY BUSINESS (R$ MM)



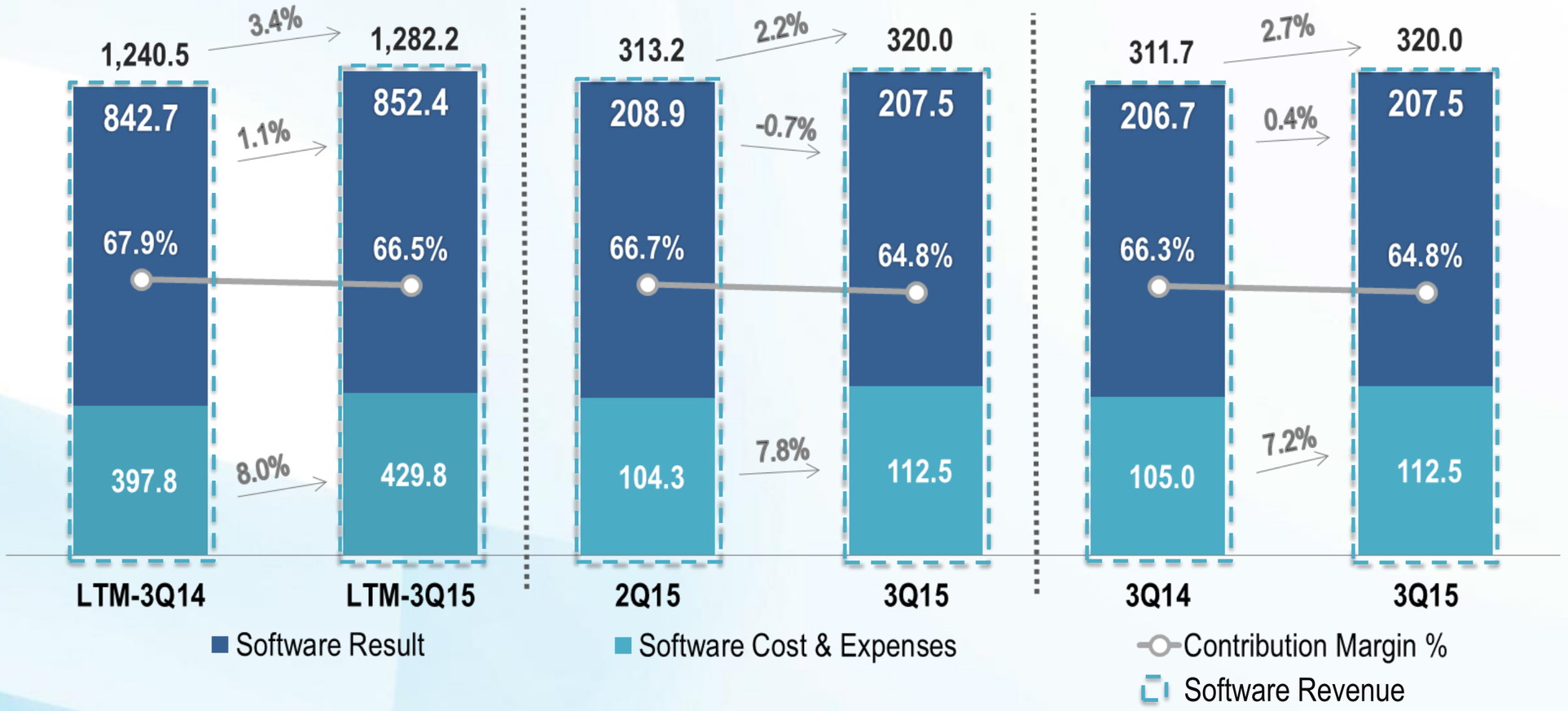
SOFTWARE REVENUE (R$ MM)



NEW CLIENTS ADDITION (in quantity)

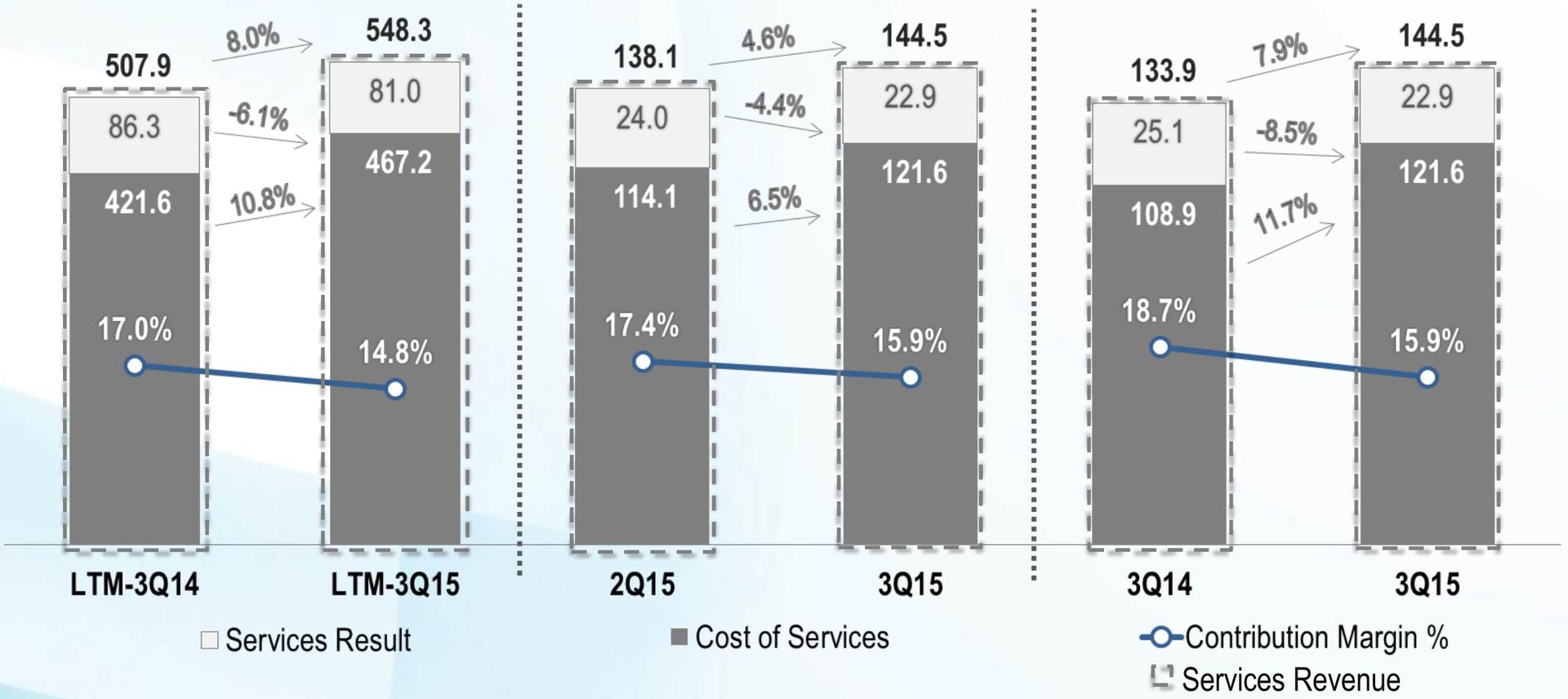


SOFTWARE RESULT (R$ MM)



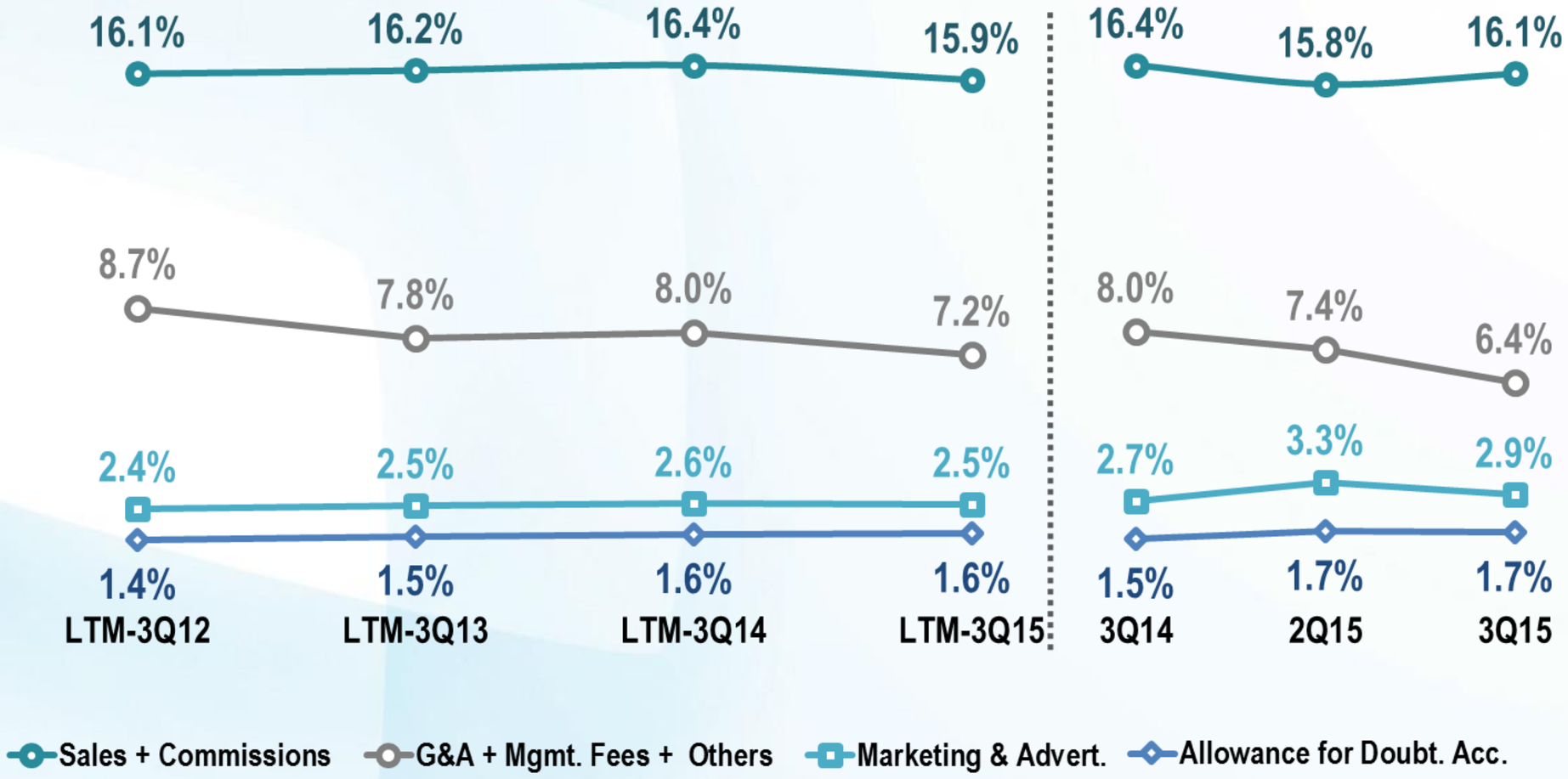
Software Result *(=) Software Revenue (-) Software Costs and Expenses*
Software Revenue *(=) Licenses Fee (+) Maintenance (+) Subscription*
Software Costs and Expenses *(=) Costs of Software (+) Costs of Support (+) Research and Development Expenses*
Software Contribution Margin *(=) Software Result (/) Software Revenue*

SERVICES RESULT (R$ MM)

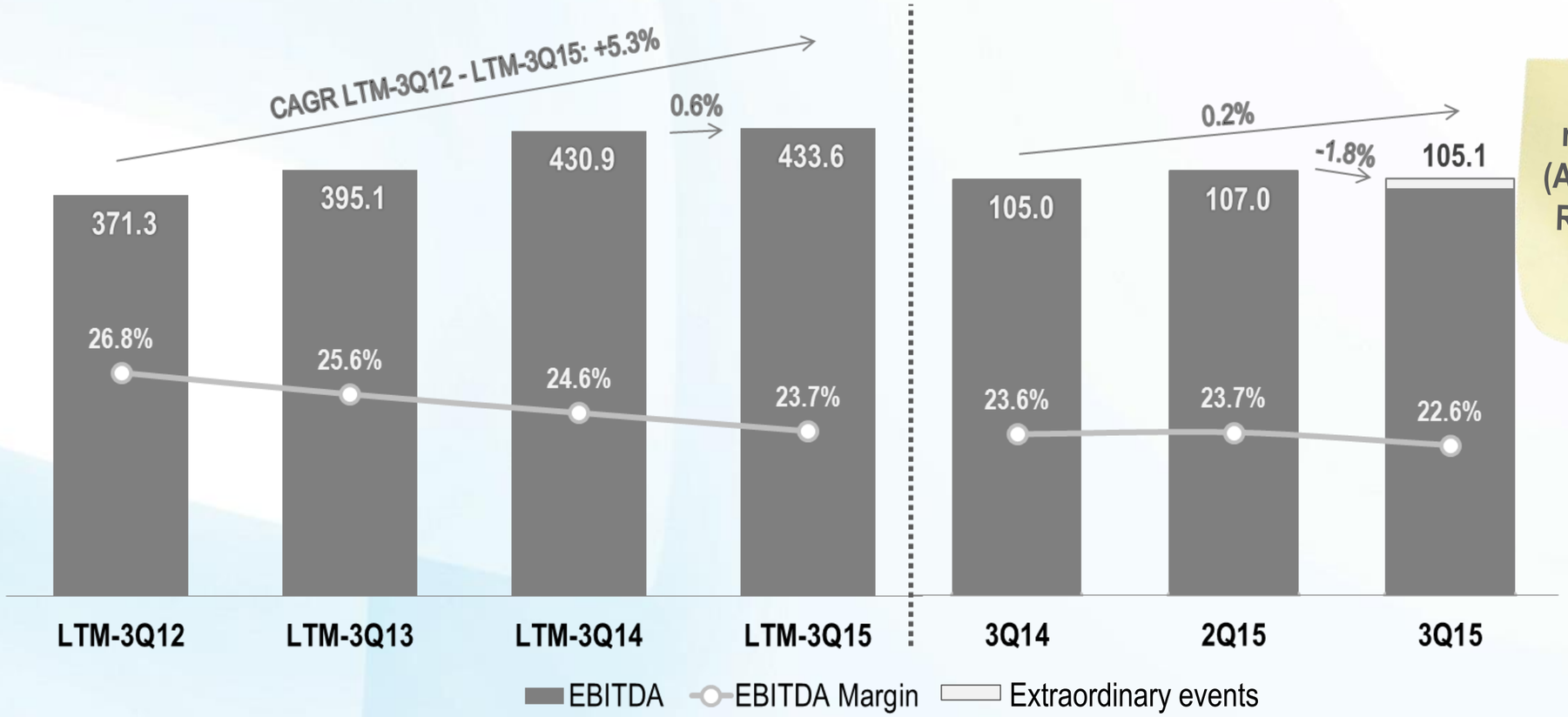


Services Result *(=) Services Revenue (-) Costs of Services*
Software Contribution Margin *(=) Services Result (/) Services Revenue*

COMMERCIAL AND ADMINISTRATIVE EXPENSES (%NR)

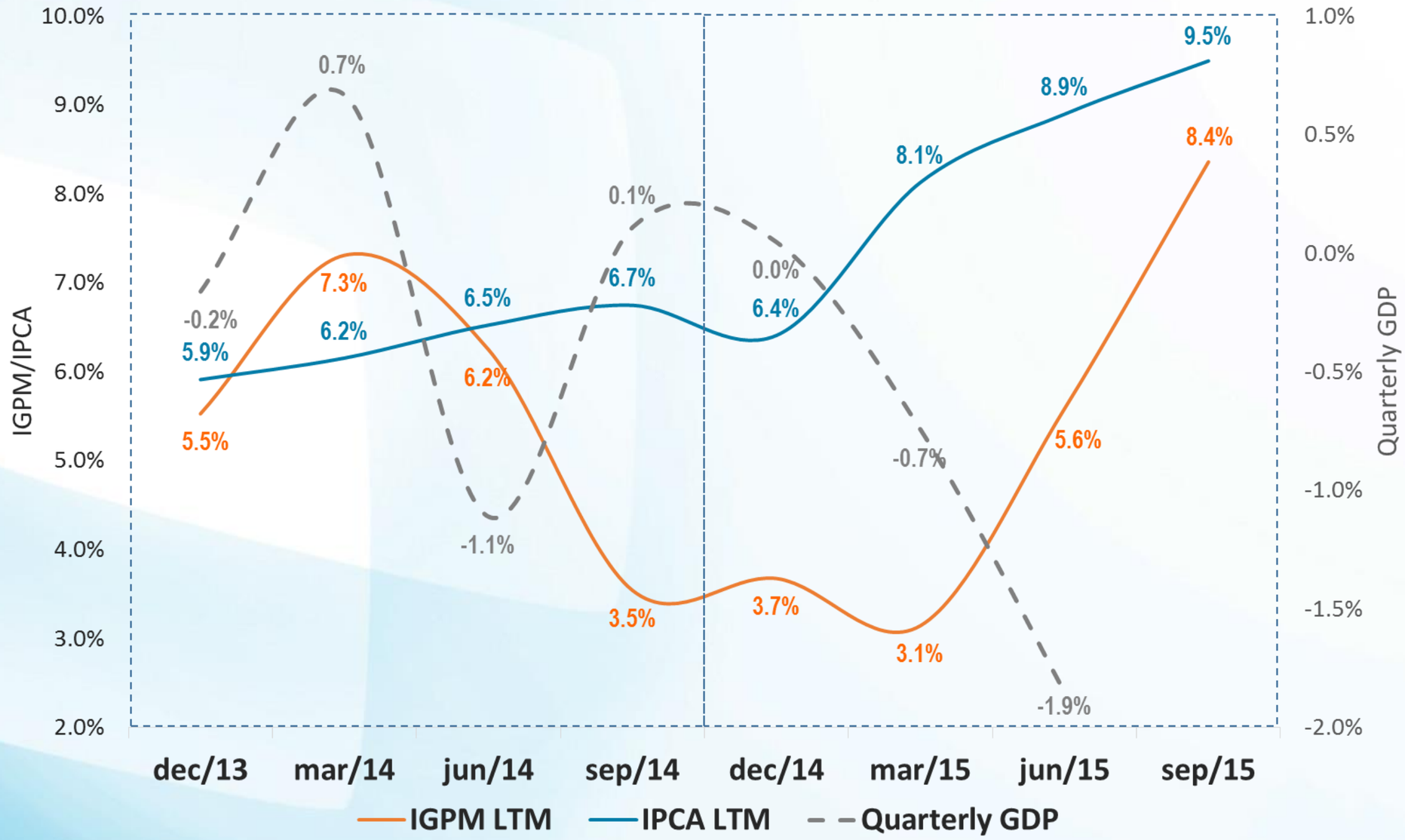


EBITDA (R$ MM)

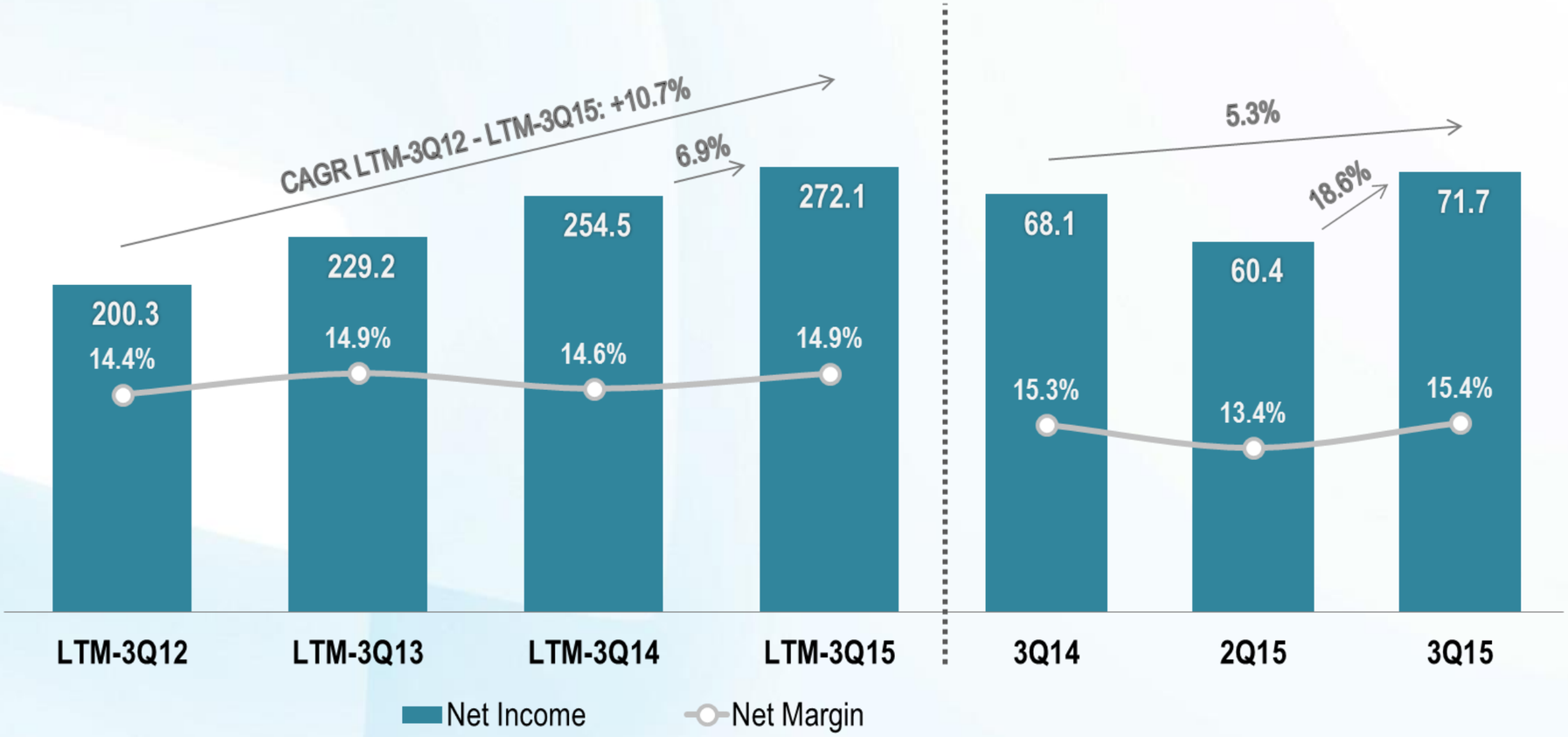


R$2.6M non recurring on 3Q15 (Adjusted EBITDA of R$102.7 / Adjusted EBITDA Mg. of 22.1%)

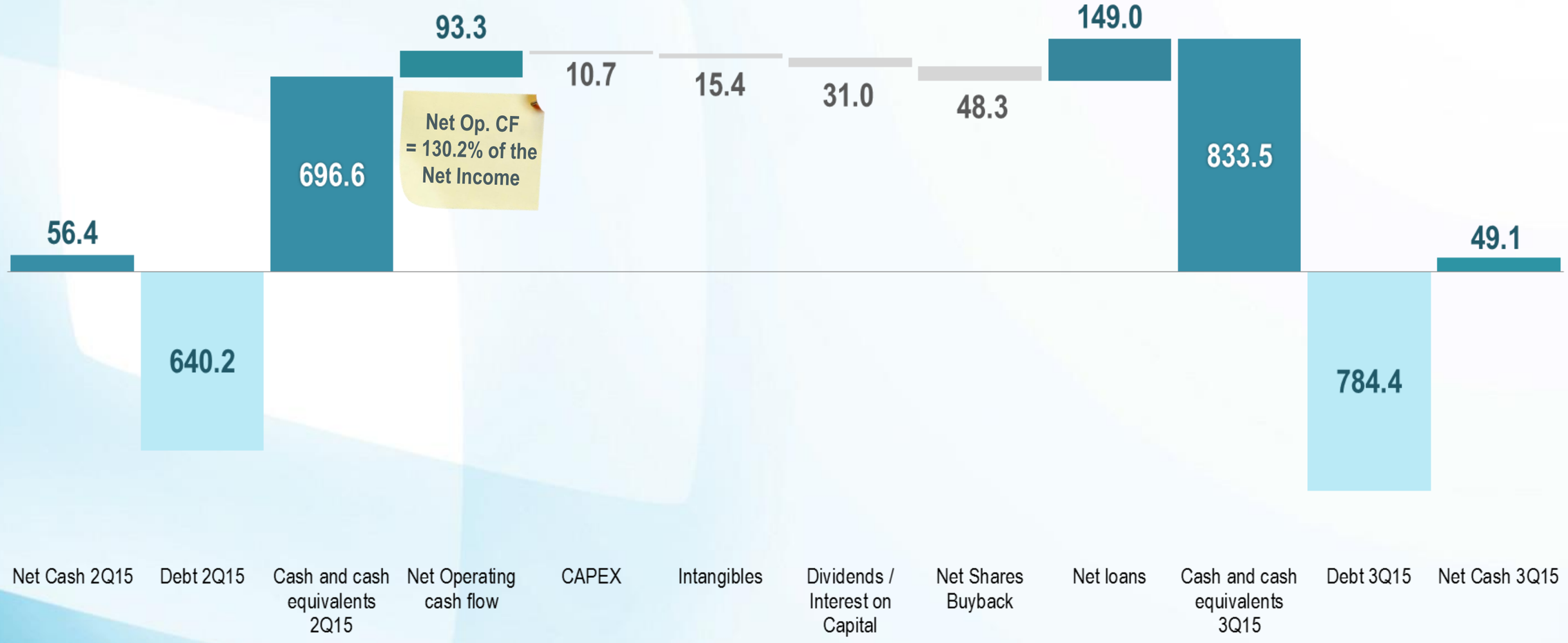
INFLATION INDEXES AND GDP



NET INCOME (R$ MM)



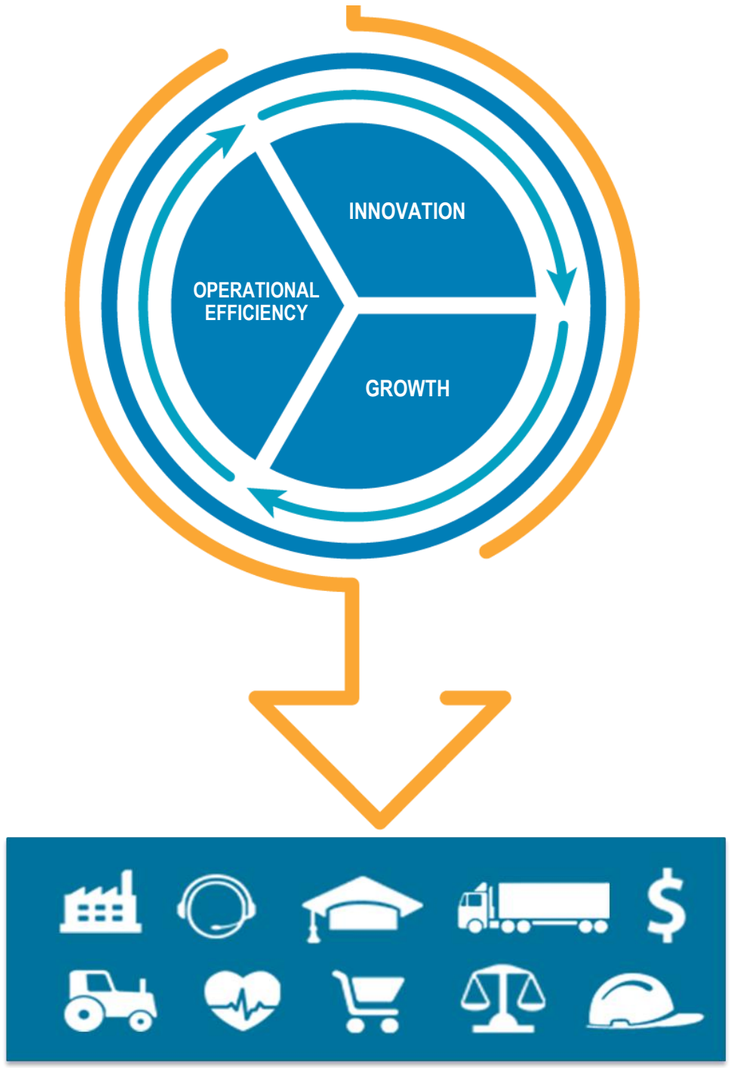
CASH FLOW AND DEBT (R$ MM)



3Q15

- +1,340 new clients added
- +19.5% of Subscription Revenue vs. 3Q14
- +6.5% of Recurring Revenue vs. 3Q14
- +4.2% of Net Revenue vs. 3Q14
- +5.3% of Net Income vs. 3Q14
- R$93.3 million in net Operating Cash Flow (130.2% of the Net Income)
- Approval of the transaction with Bematech by the shareholders and CADE

2015-20



+SIMPLE +AGILE +CONNECTED
+CLOUD + ESSENTIAL

INVESTOR RELATIONS

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Thank you

TOTVS