

TOTVS

2Q13 Earnings Release

August 1st, 2013

M&A and TOTVS Ventures

Strategic Investments

M&A – Retail and Supermarket Segment

- Top of Mind in Management SW for supermarkets for the 2nd consecutive time
- Strengthening the Company´s specialization in retail
- Revenues of approximately R$19.2 million in 2012

Ventures - Big Data and Cloud Computing

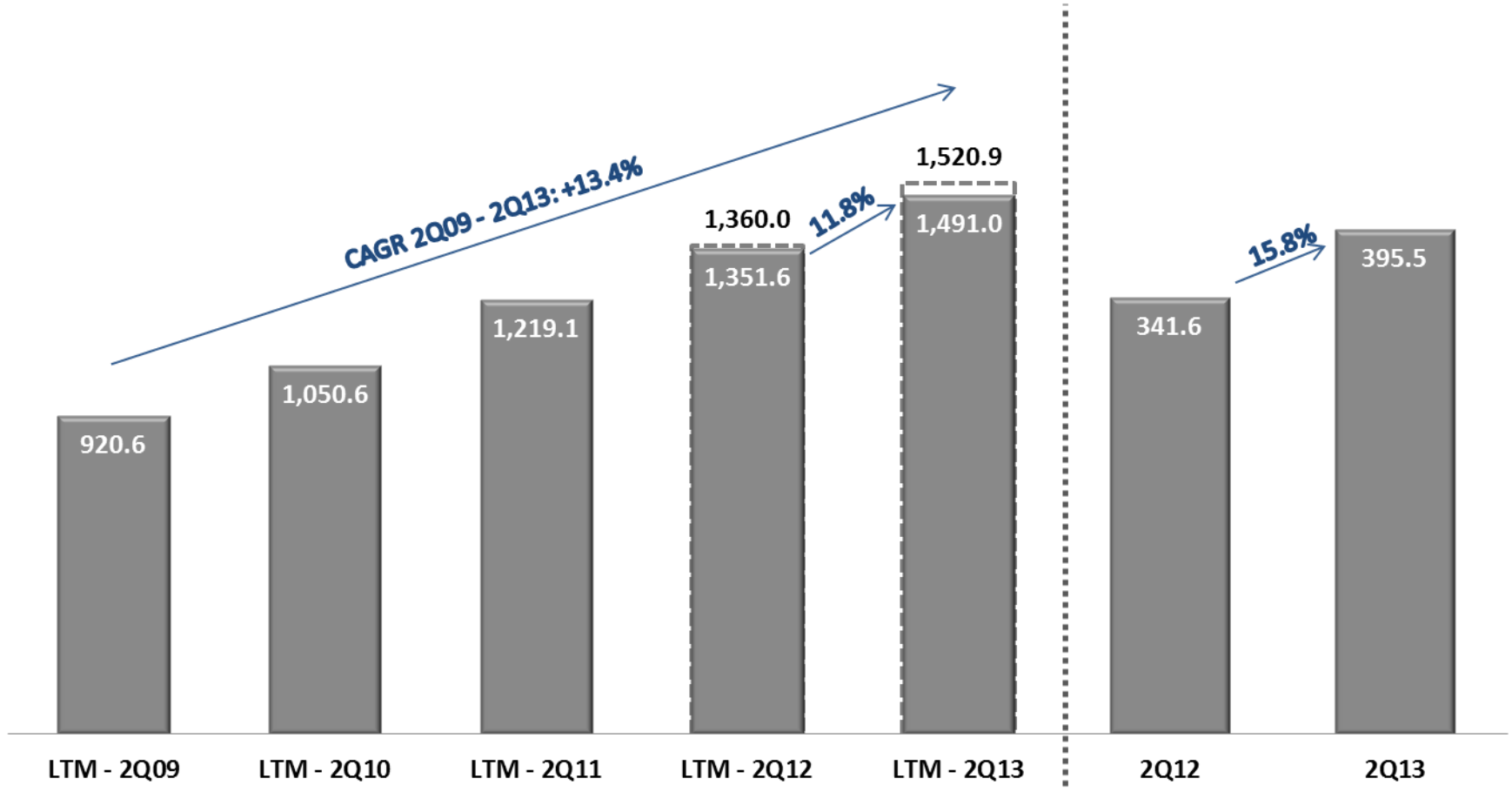
- Business Analytics solutions in the cloud with Big Data technology offered in the SaaS mode
- Investment of US$16.0 million, with a Board seat and distribution exclusivity in Latin America

Ventures - SaaS for Individual Entrepreneurs

- Financial management software tailored for individual entrepreneurs
- A 6-month company with already ~45 thousand users as customers

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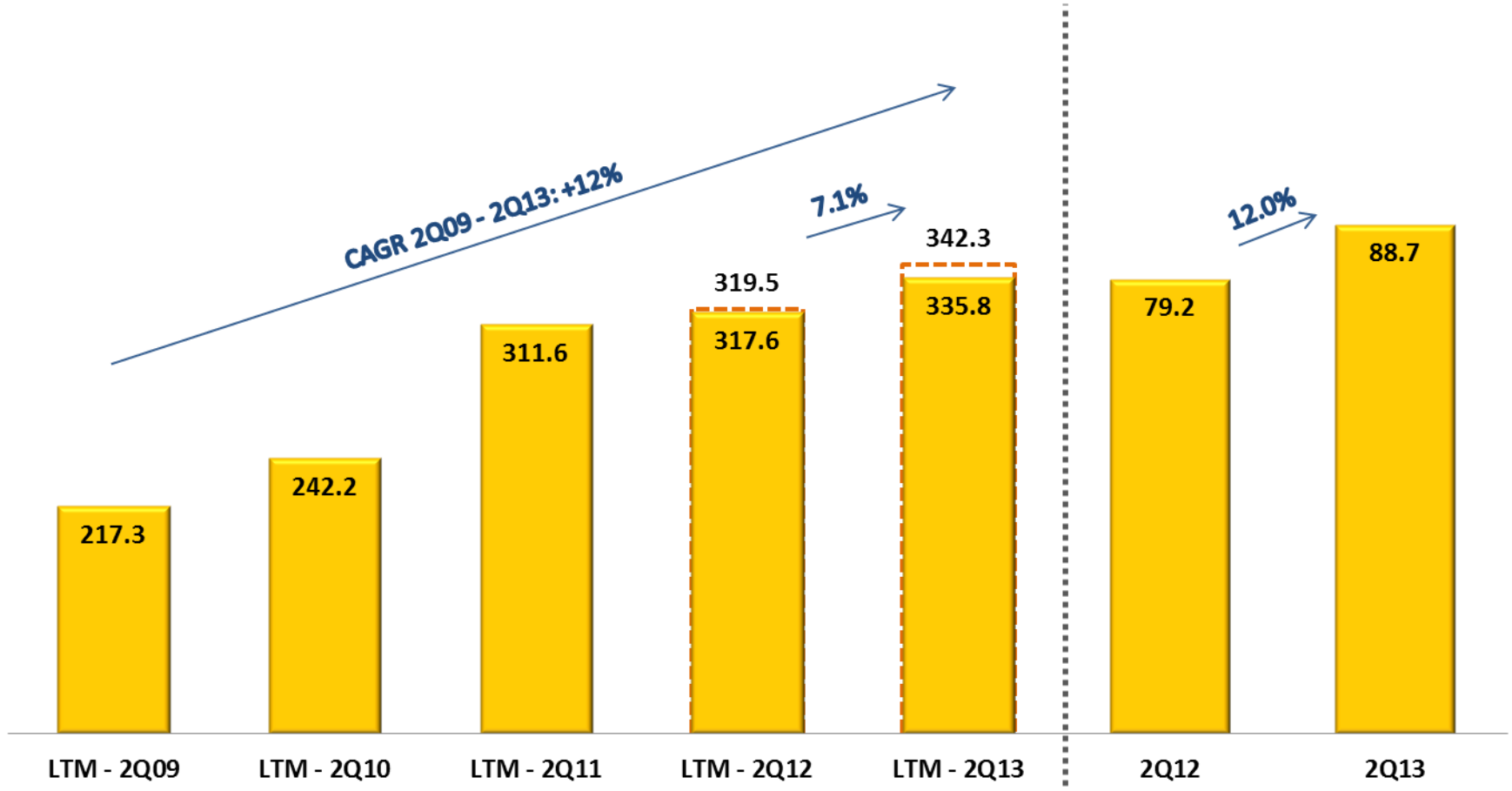
Net Revenue (R$ million)



Excluding Social Contribution effect

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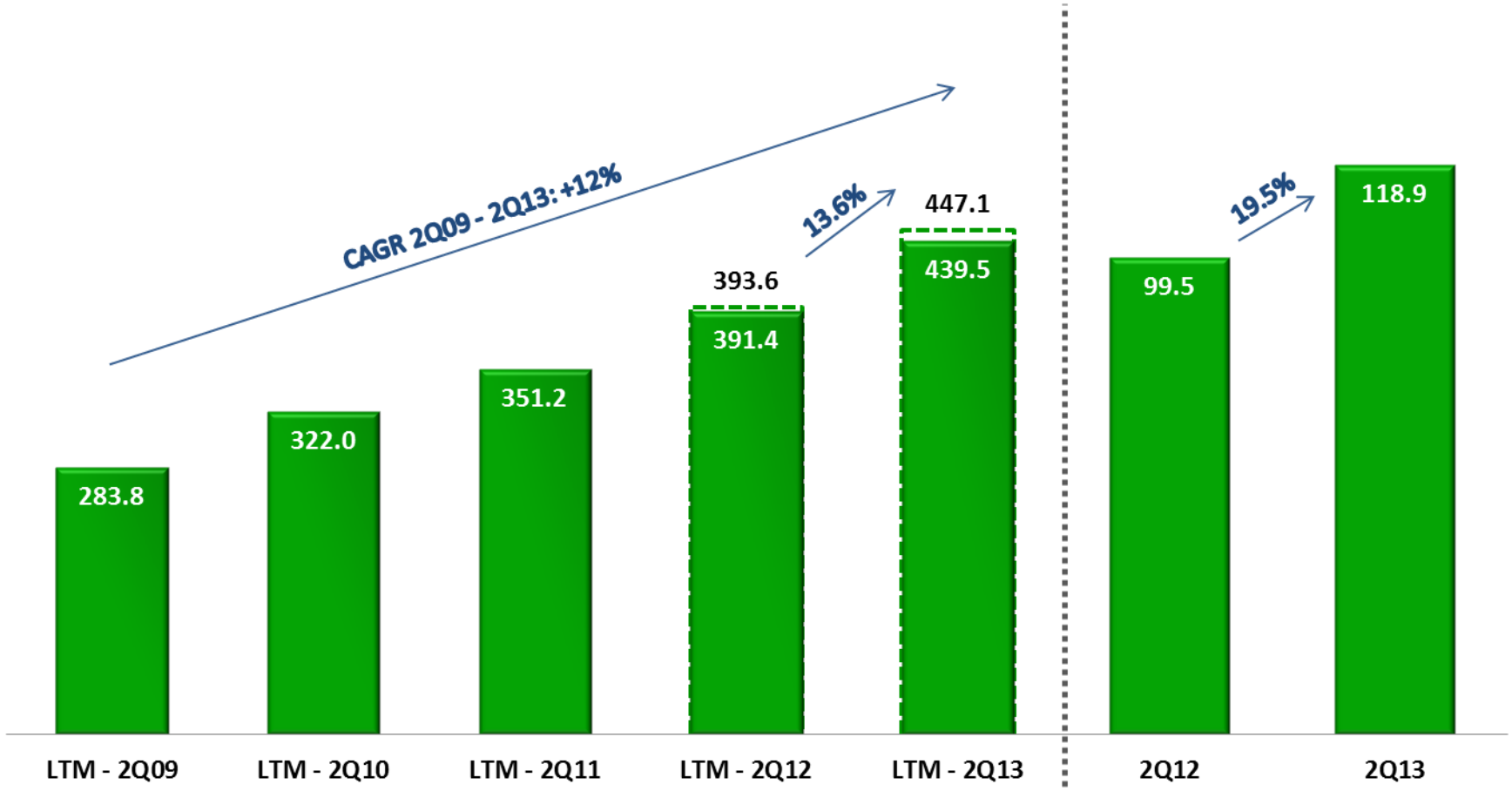
License Fee Revenue (R$ million)



Excluding Social Contribution effect

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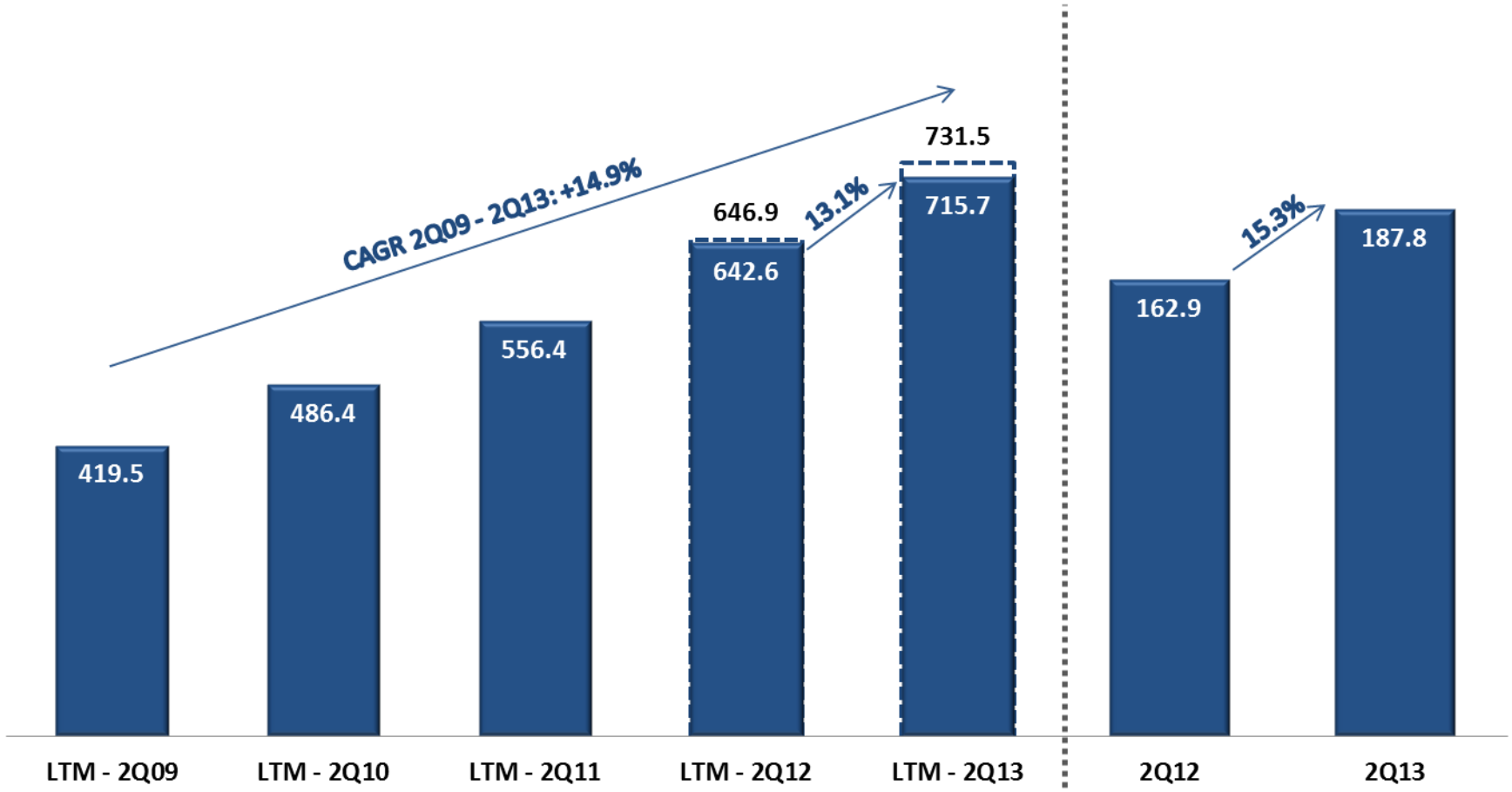
Service Revenue (R$ million)



Excluding Social Contribution effect

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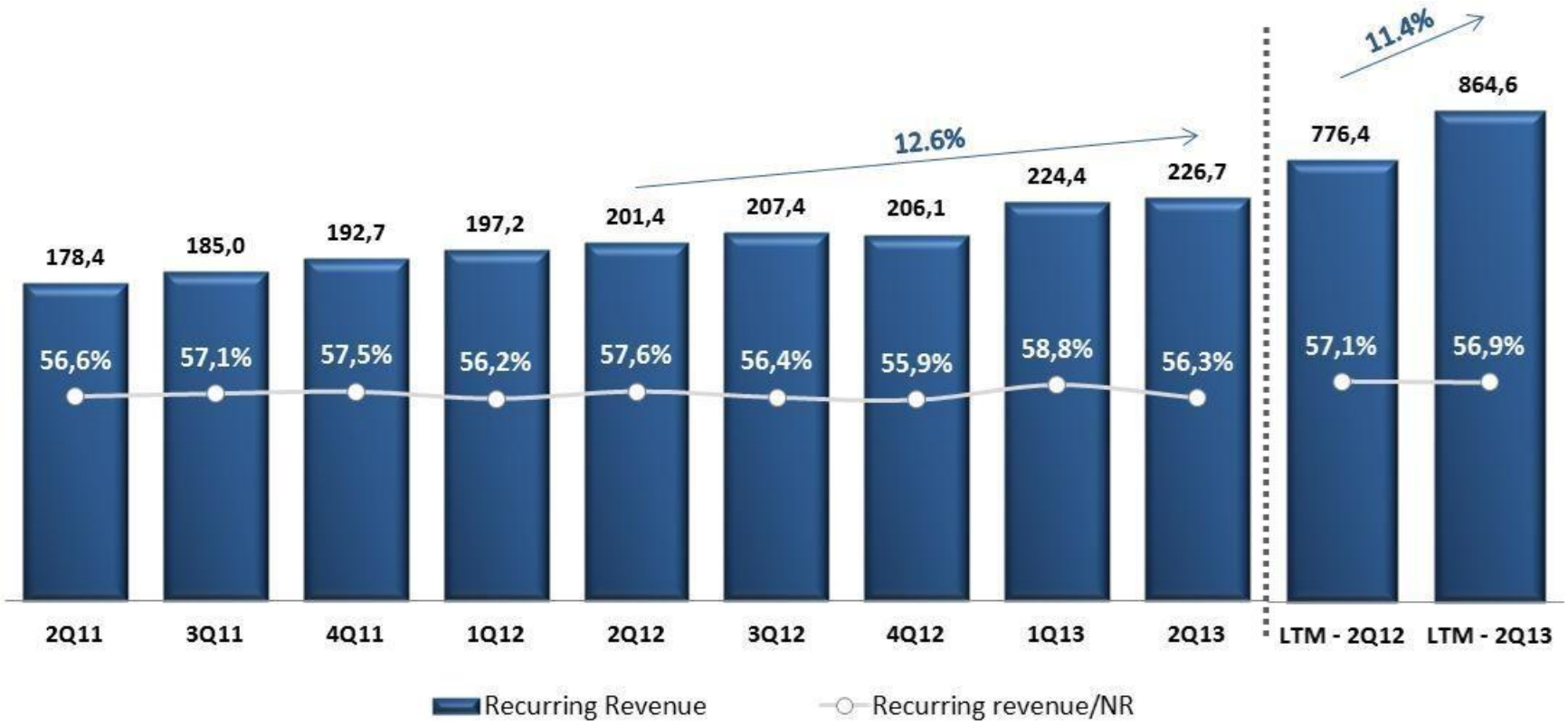
Net Maintenance Fee Revenue (R$ million)



Excluding Social Contribution effect

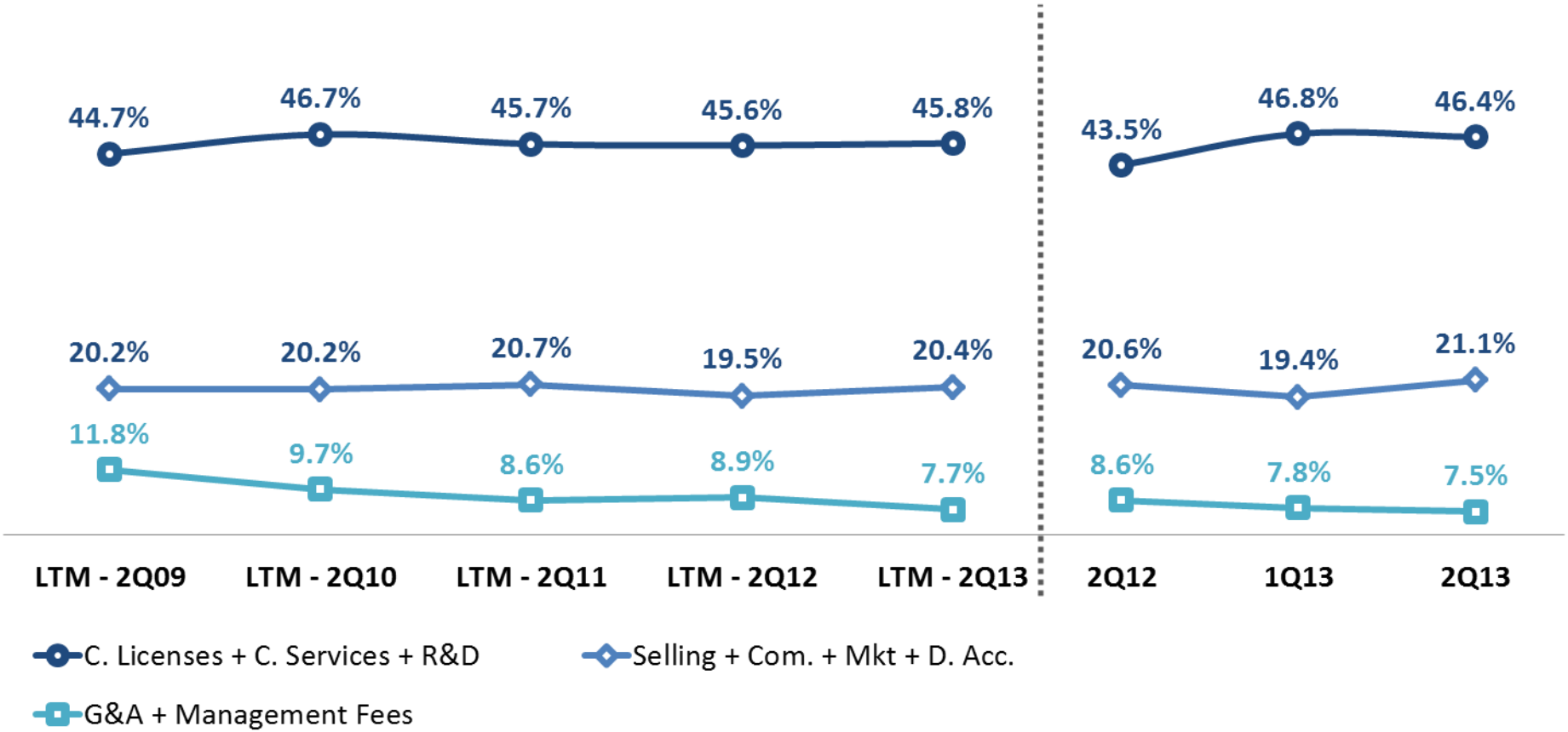
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Total Recurring Revenue (R$ million)



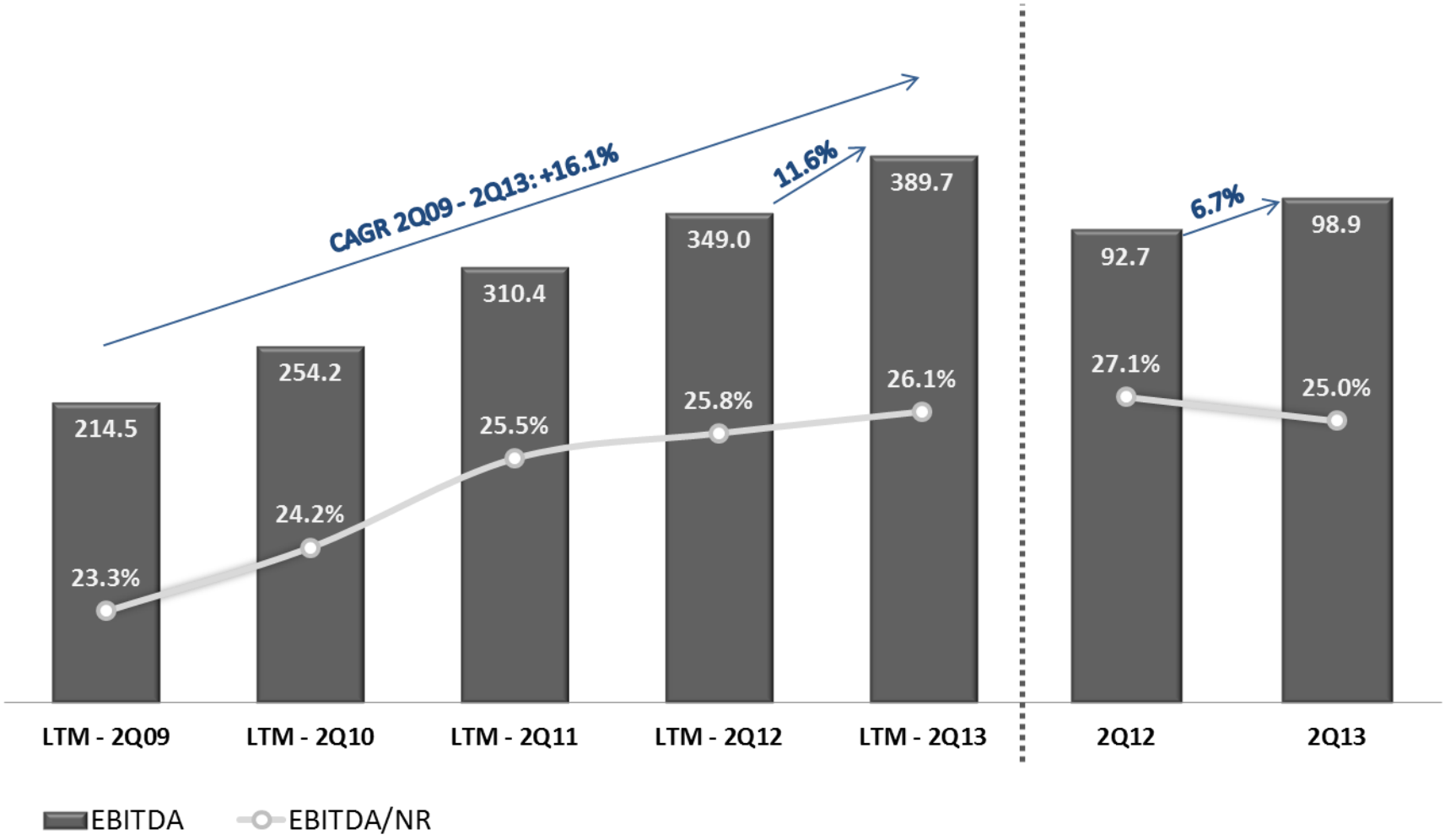
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Operating Costs and Expenses / NR



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EBITDA (R$ million)



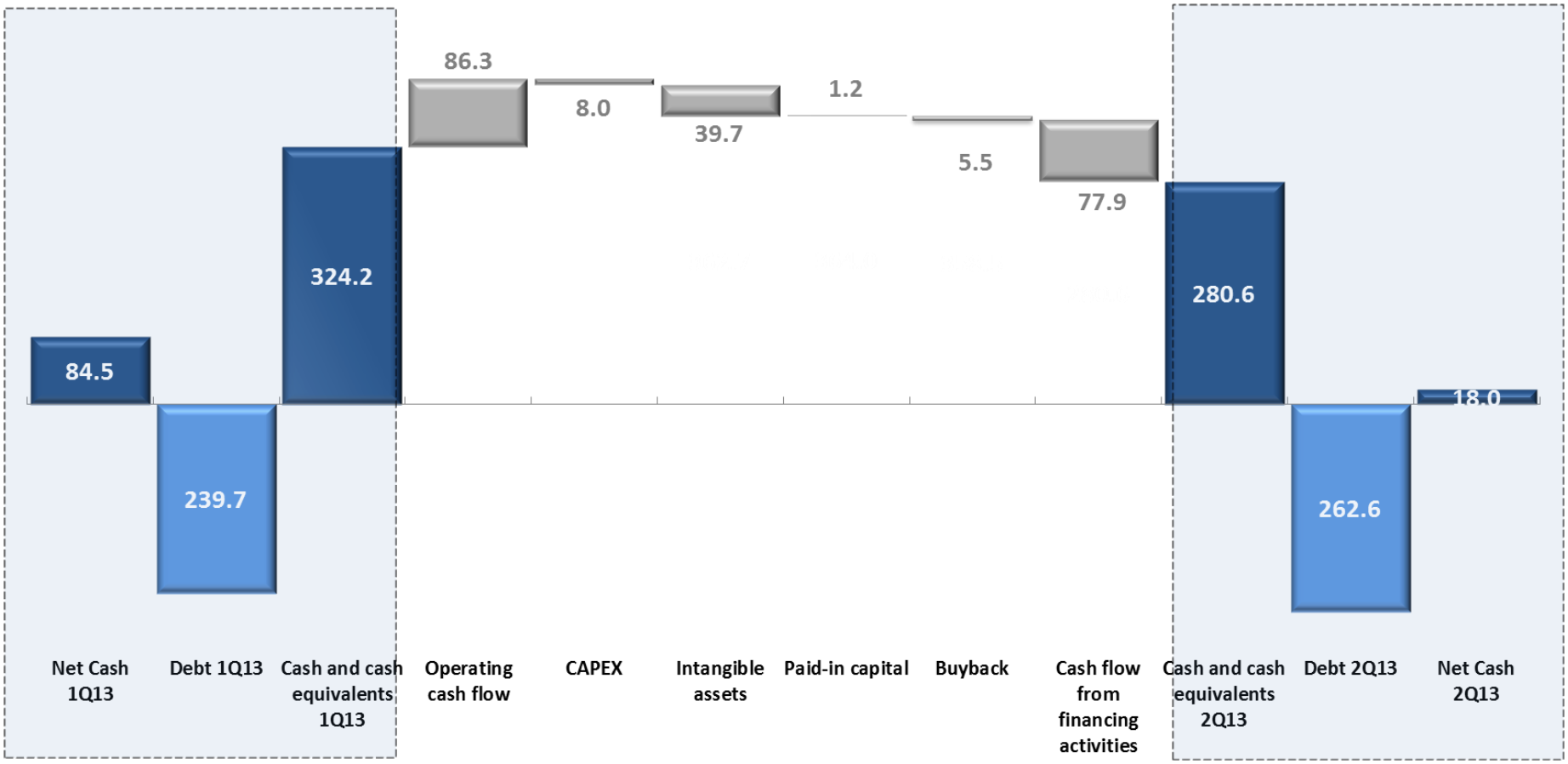
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Financial Dashboard

R$ million	2Q13	2Q12	Δ2Q/2Q	LTM 2Q13	LTM 2Q12	ΔLTM/LTM
Net Revenue	**395.5**	**341.6**	***15.8%***	**1.491.0**	**1.351.6**	***10.3%***
EBITDA	**98.9**	**92.7**	***6.7%***	**389.7**	**349.0**	***11.6%***
EBITDA Margin	*25.0%*	*27.1%*	*-210 b.p.*	*26.1%*	*25.8%*	*30 b.p.*
Net Income	**54.0**	**47.3**	**14.3%**	**215.9**	**196.9**	**9.6%**
Net Margin	*13.7%*	*13.8%*	*-10 b.p.*	*14.5%*	*14.6%*	*-10 b.p.*

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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's Agenda

Growth

- Net Revenue: +15.8% (2Q13 vs. 2Q12).
- Investments: focus on industries and regions with high growth potential (e.g. RMS).

Loyalty

- Maintenance Fee: +15.3% (2Q13 vs. 2Q12).
- Total Recurring Revenue: +12.6% (2Q13 vs. 2Q12).

Margin

- EBITDA Margin: 26.1% (LTM 2Q13).
- R&D: Preserve investments (innovation and future).
- Services and G&A: Pursuit of efficiency gains.

Contact

Disclaimer

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QUESTIONS

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Índice Brasil IBRX

Índice de Ações com Governança Corporativa Diferenciada IGC

Índice de Ações com Tag Along Diferenciado ITAG