

TOTVS S.A.
Publicly-held Company

Corporate Taxpayer's ID (CNPJ/MF): 53.113.791/0001-22

Corporate Registry (NIRE): 35.300.153.171

MATERIAL FACT

TOTVS S.A. (“**TOTVS**”), pursuant to CVM Instruction 358/2002, hereby informs its shareholders and the market that it has entered into an “Investment Agreement and Other Covenants” with **QUALITY Software S.A.** (“**QUALITY**”), by means of which **TOTVS** acquired a 70% (seventy percent) interest in **TQTV D Software Ltda.** (“**TQTV D**”), through the payment of R\$ 700.00 (seven hundred Reais). In addition, **TOTVS and QUALITY** will effect capital transfers to **TQTV D** proportionate to their respective equity interests in the total amount of up to R\$ 8,000,000.00 (eight million Reais) by December 31, 2008.

The purpose of the association with **QUALITY** and the envisaged capital transfers to **TQTV D** is to develop a middleware called **GINGA TQTV D**, which will permit the implementation of interactive applications for **DIGITAL TV**.

The transaction will be submitted to the approval of the Economic Defense Council.

São Paulo, November 29, 2007.

José Rogério Luiz
Investor Relations Officer