

TOTVS S.A.

Public-Held Company
Corporate Taxpayer's ID
(CNPJ/MF) 53.113.791/0001-22
Company Registry (NIRE)
35.300.153.171

IDEIASNET S.A.

Public-Held Company
Corporate Taxpayer's ID
(CNPJ/MF) 02.365.069/0001-44
Company Registry (NIRE)
33.300.167.19-6

MATERIAL FACT

TOTVS S.A. (BM&FBovespa: TOTS3) ("TOTVS"), and **IDEIASNET S.A. (BM&FBovespa IDNT3)** ("IDEIASNET"), pursuant to the provisions of CVM Normative Ruling No. 358, as of January 3, 2012, as amended, hereby inform their shareholders and the market in general that TOTVS, through its subsidiary TOTVS Brasil Sales Ltda., executed, on the evening of December 2nd, 2013, the Share and Quota Purchase Agreement ("Agreement") by which it will pay sixteen million, and four hundred thousand reais (R\$ 16,400,000.00), for the acquisition of 68.5% (sixty eight and a half percent) of the shares of **Ciashop – Soluções Para Comércio Eletrônico S.A., ("CIASHOP")**; of which (i) 50% held by IDEIASNET FIP I, an investment vehicle of IDEIASNET, and (ii) 18.5% held by the founders of CIASHOP.

In addition to the acquisition of shares representing 68.5% of total shares, TOTVS will invest up to R\$3.0 million in the acquisition of new shares to be issued by CIASHOP, which will bring its total participation up to 72%. The remaining shares will continue to be held by the founders of CIASHOP.

This Agreement also contemplates a variable payment of up to R\$2.0 million to IDEIASNET, based on the achievement of certain parameters established for CIASHOP over 30 months after the closing of this transaction.

CIASHOP is a pioneer in e-commerce in Brazil, offering a cloud platform that delivers its solutions as a Software as a Service (SaaS). Over thirteen years of continuous development, the Company has offered its clients innovative solutions based on an open and highly scalable architecture. This transaction with TOTVS positions CIASHOP as the predominant player to take advantage of the accelerated growth in the adoption of e-commerce in Brazil and Latin America.

With more than 70 employees and 1,000 active clients, CIASHOP has recurring revenue representing more than 80% of its total revenue, which amounted R\$6.3 million in net revenues in 2012.

With this transaction, TOTVS launches its e-commerce strategy with a cloud platform to support the needs of its clients in various industry sectors.

The closing of this transaction is subject to certain closing conditions in the Agreement, including the approval by the Brazilian antitrust authority, the Administrative Council for Economic Defense (CADE - Conselho Administrativo de Defesa Econômica), based on Law Number 12,529/11.

TOTVS and IDEIASNET will inform their respective shareholders and the market in general as and when necessary regarding the implementation of conditions to close the transaction.

In addition, TOTVS informs that, regarding the Article 256 of Law 6404 of 1976, this transaction will be subject to the shareholders' ratification at the Extraordinary Shareholders' Meeting and, consequently, TOTVS will grant the dissident shareholders the right to withdraw. TOTVS will inform as and when necessary the terms and conditions to exercise this right.

São Paulo, December 2nd, 2013

ALEXANDRE DINKELMANN

Executive and Financial Vice-President
and Investor Relations Officer

SAMI AMINE HADDAD

CEO and Investor Relations Officer

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