

PUBLIC MEETING WITH ANALYSTS AND INVESTORS

NOVEMBER 06, 2014



TOTVS

This material contains general information on the activities of the Company as of September 2014. The data presented herein has been summarized and it is not intended to serve as reference or financial advice to potential investors.

The information may include statements that present the expectations of the company's administration and/or predictions about future events. These predictions involve risks and uncertainties that may cause actual results to differ from those projected in such prospective statements.

Forward-looking statements may be made relating to TOTVS's business prospects, operational and financial estimates and goals, based on the beliefs and assumptions of TOTVS's management and on information currently available. Forward-looking statements do not guarantee performance. They involve risks, uncertainties, and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions, and other operational factors could also affect TOTVS' future results and could make these results differ materially from those expressed in such forward-looking statements.

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THE COMPANY

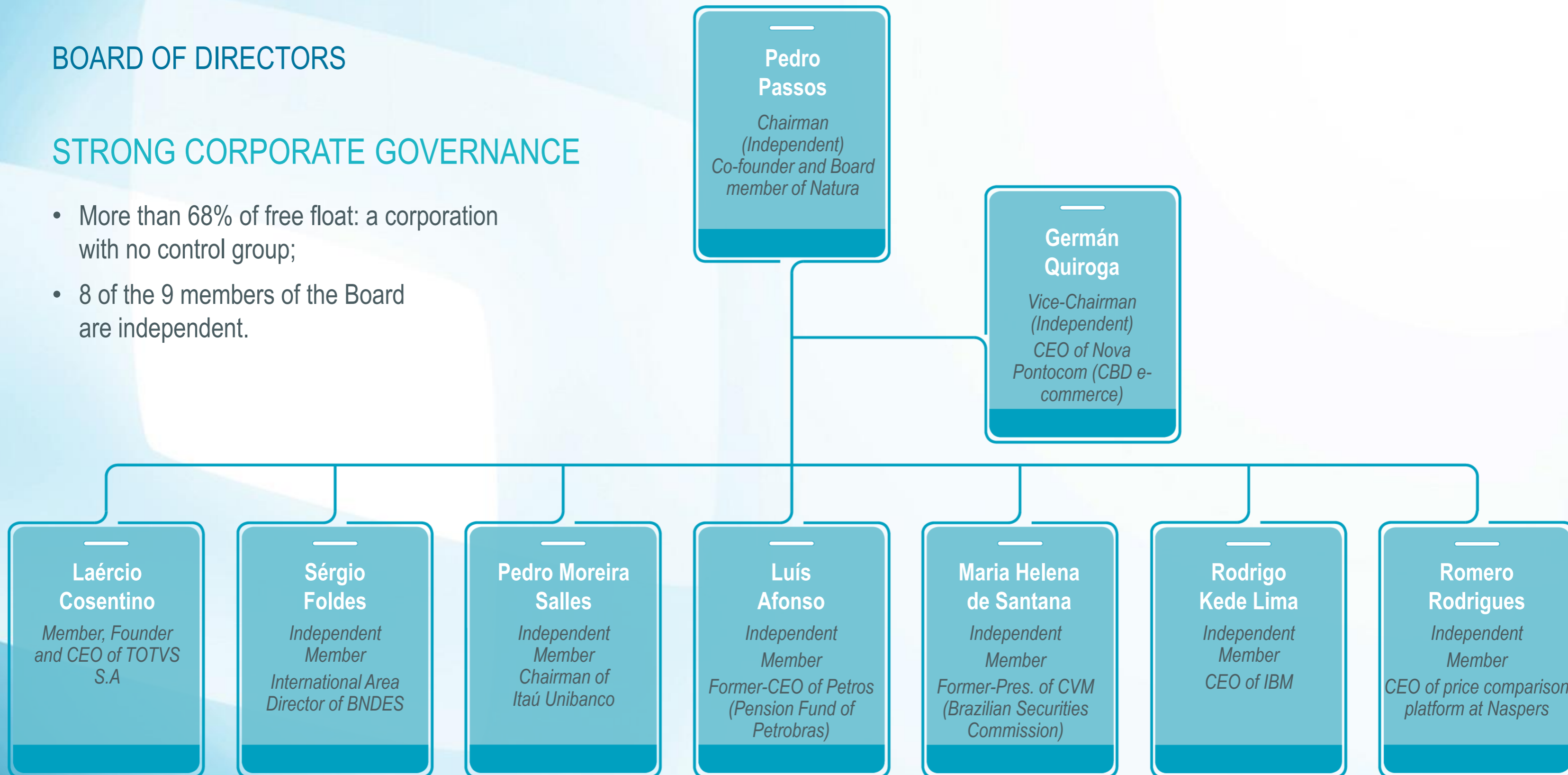
- TOTVS is a software, platform, services and consulting company
- Leader in Brazil and Latin America
- One of the largest ERP companies in the world
- Strong corporate governance
- Flexible and scalable solutions for customers of different sizes and from diverse sectors
- An entrepreneurial distribution model that combines branches and franchises
- Sustainable financial results



BOARD OF DIRECTORS

STRONG CORPORATE GOVERNANCE

- More than 68% of free float: a corporation with no control group;
- 8 of the 9 members of the Board are independent.



SOFTWARE AND SERVICES

These are the many areas supported by our solutions in each sector:

	AGRIBUSINESS	 ERP	+	Agriculture and Agribusiness Management Cultivation, Cultural Procedures, and Harvest Grain Origination Subcontracting Fleet Maintenance Field Automation
	MANUFACTURING	 ERP	+	MPS MRP CRP APS Assembly Line Control Industrial Automation Asset Maintenance Environmental Management
	DISTRIBUTION AND LOGISTICS	 ERP	+	Supply Chain TMS WMS OMS Fleet Maintenance Freight Shipper Port Customs
	RETAIL	 ERP	+	POS Department Stores Pharmacy OMS Credit Management Support for Suppliers
	CONSTRUCTION AND PROJECTS	 ERP	+	Project and Work Management Development and Property Management Feasibility Analysis

SOFTWARE AND SERVICES

These are the many areas supported by our solutions in each sector:

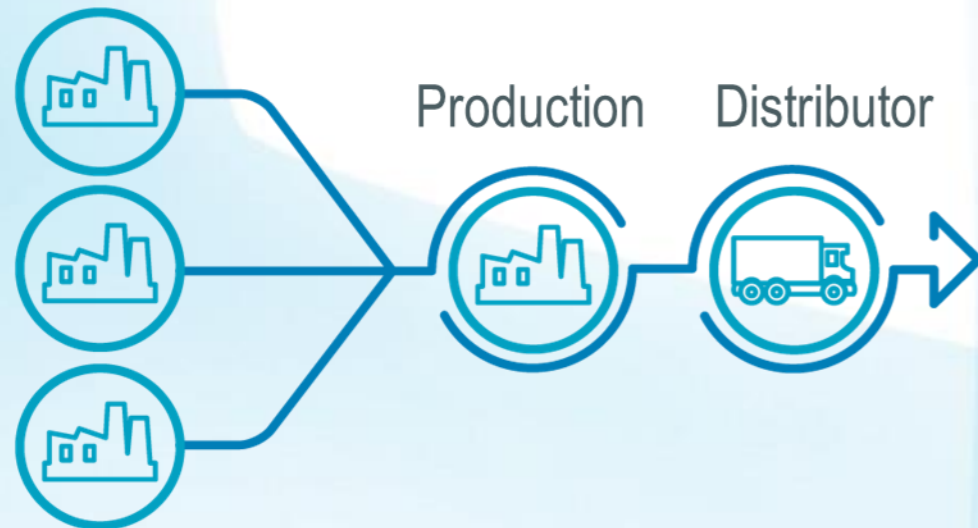


INTEGRATED VALUE CHAIN

TOTVS's diversified positioning makes us the most successful provider that integrates different economic value chains, such as:

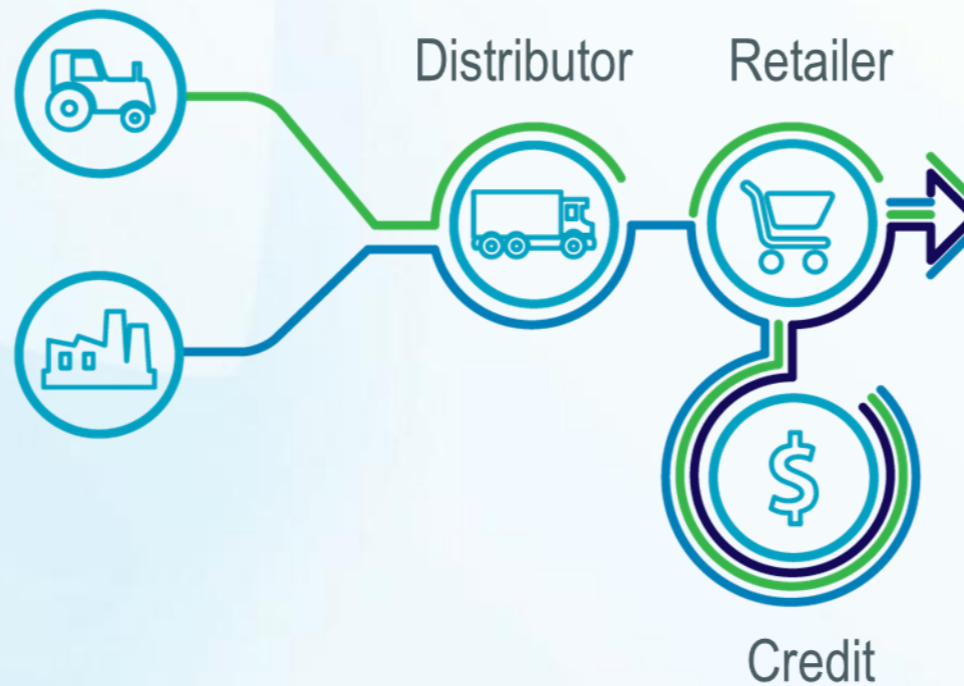
MANUFACTURING

Suppliers



RETAIL

Suppliers



CONSTRUCTION AND PROJECTS

Credit



TOTVS IN BRAZIL

More than 3 million people access our solutions every day.



BRASIL

- Branches
- Franchises
- Development Centers



Distribution

5 Branches

- São Paulo
- Rio de Janeiro
- Belo Horizonte
- Recife
- Brasília

52 Franchises

- Throughout the Brazilian territory



Innovation

9 Development Centers

- Structured by sector
- + 3,000 people working in development and support

INTERNATIONAL OPERATIONS



AMERICAS

- Current clients
- Channels
- Branches (ARG, MEX)
- Development Centers



Distribution

3 branch offices (2 in Mexico and 1 in Argentina)

- Mexico – Northern Latin America
- Argentina – Southern Latin America

+ 15 Franchises

- Latin American



Innovation

2 Development Centers

- TOTVS Labs – California
- Mexico – localization for Latam



TOTVS VISION OF THE FUTURE

VISION OF THE FUTURE

3 TOTVS CONCEPTS



Enable New Behaviors...

FLUID TECHNOLOGY

Easy to use and implement; simple and mobile to promote **productivity, sharing and collaboration** to impact more individuals and businesses.

ESSENTIALITY

Specific offers that **fully support** the “Core Business” of each market industry.

AGILE ERP

Management systems that are constantly being enhanced at the gym to become lighter and more focused on its “**CORE**”, the “**CLOUD**” and “**MOBILE**” functionalities to enable a natural user interface.

VISION OF THE FUTURE

3 TOTVS CONCEPTS



CLOUD/SaaS



Enable New Behaviors...

FLUID TECHNOLOGY



esb INTEGRAÇÃO

ESSENTIALITY



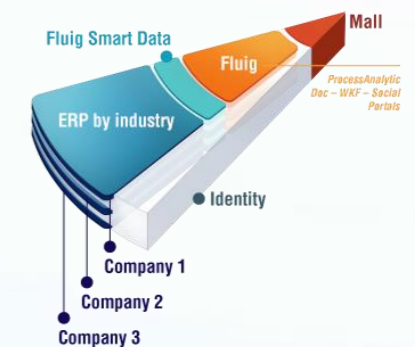
AGILE ERP

TRANSNATIONAL OPEN SYSTEMS ENVIRONMENT

New user experiences and full support

MANAGEMENT
Productivity and collaboration platform

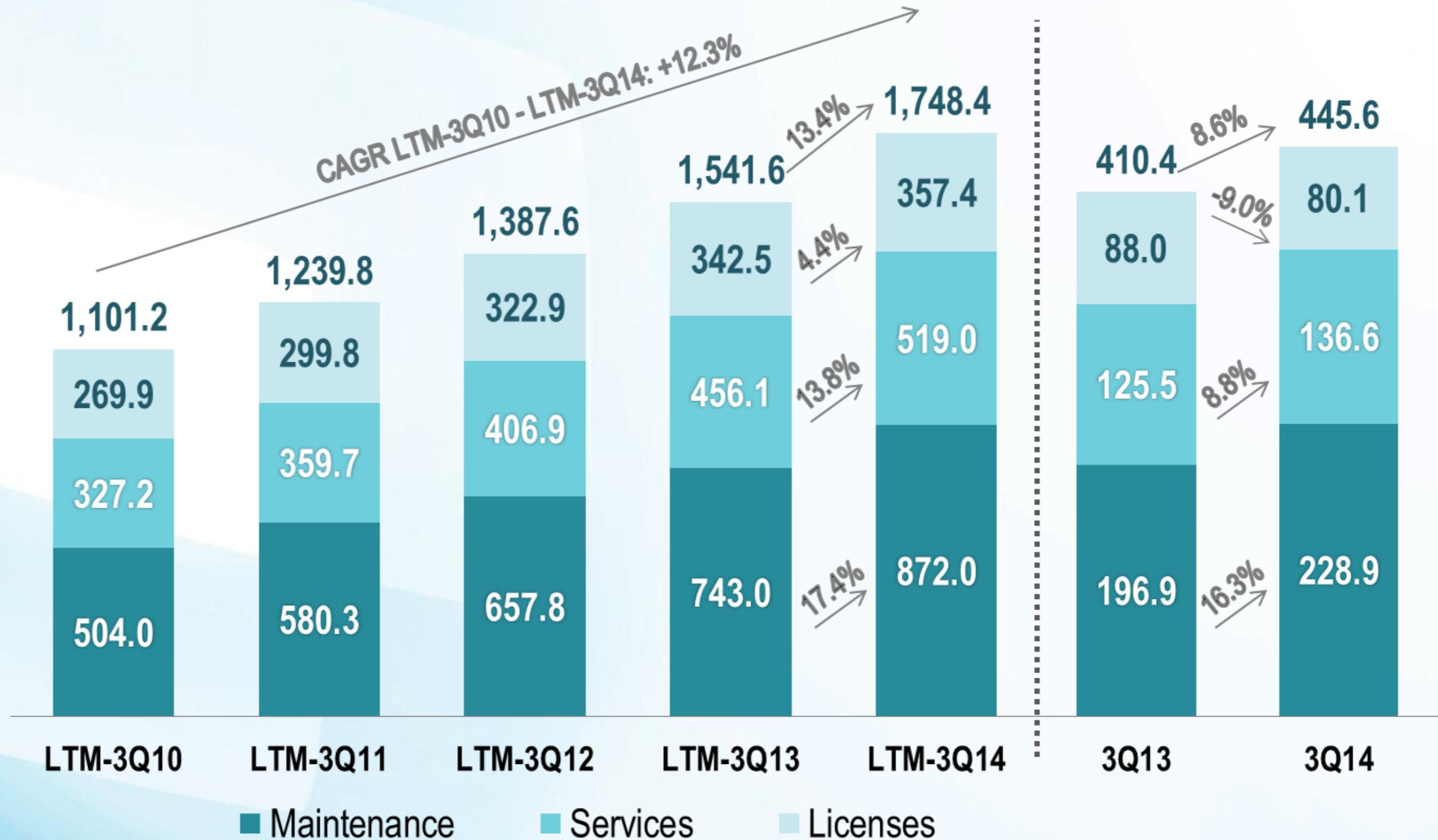
BUSINESS



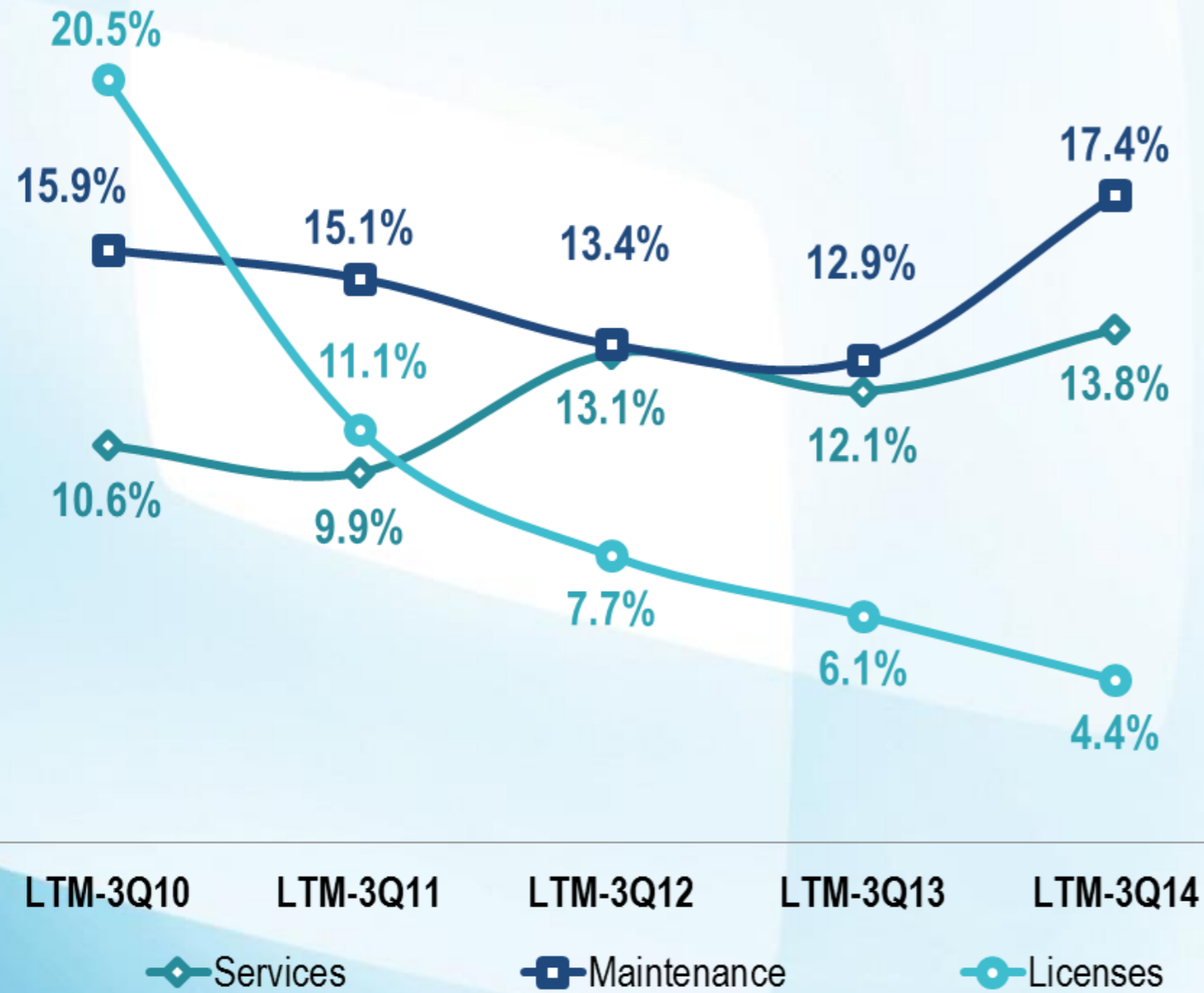


3Q14 RESULTS

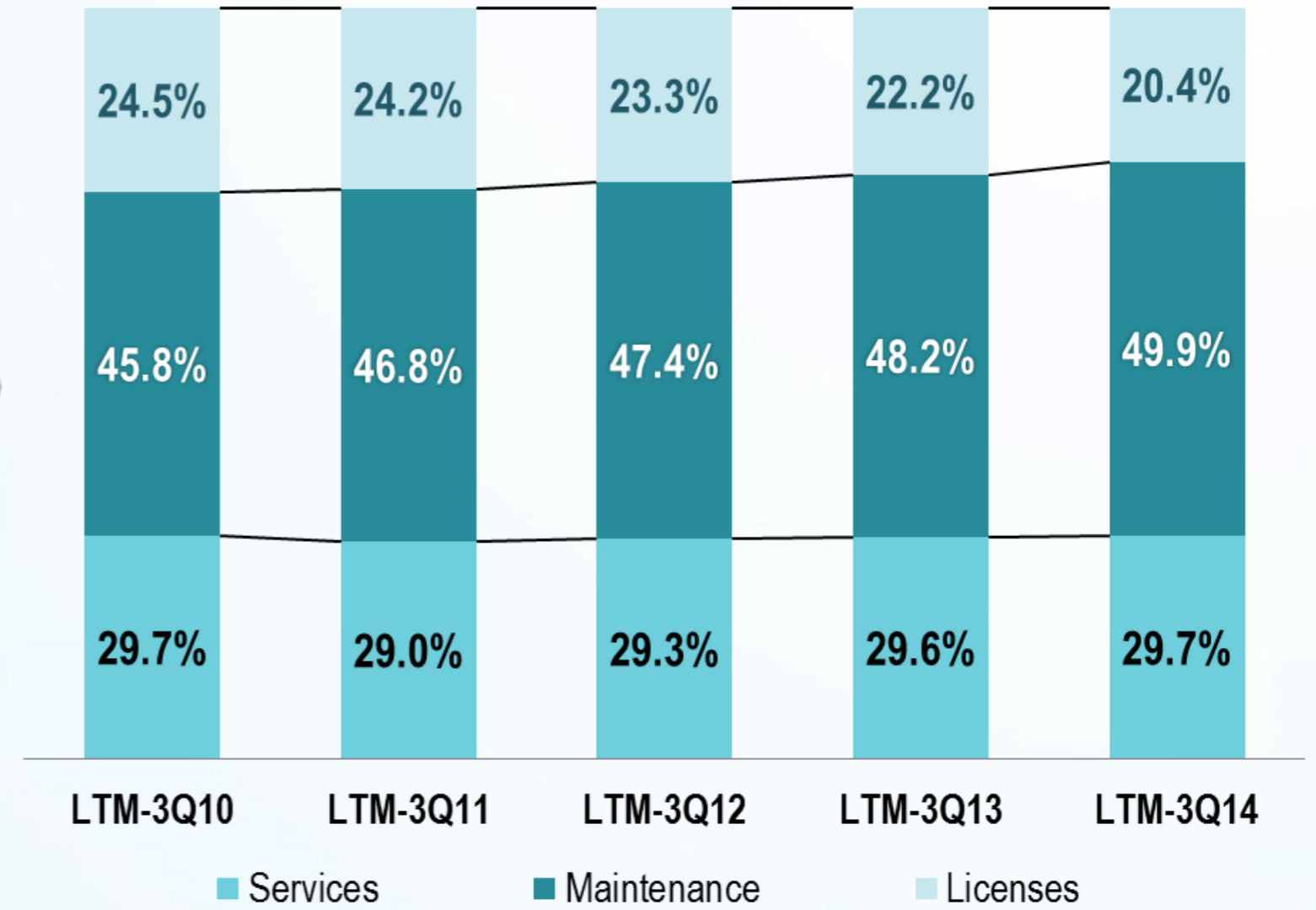
NET REVENUE (R\$ Million)



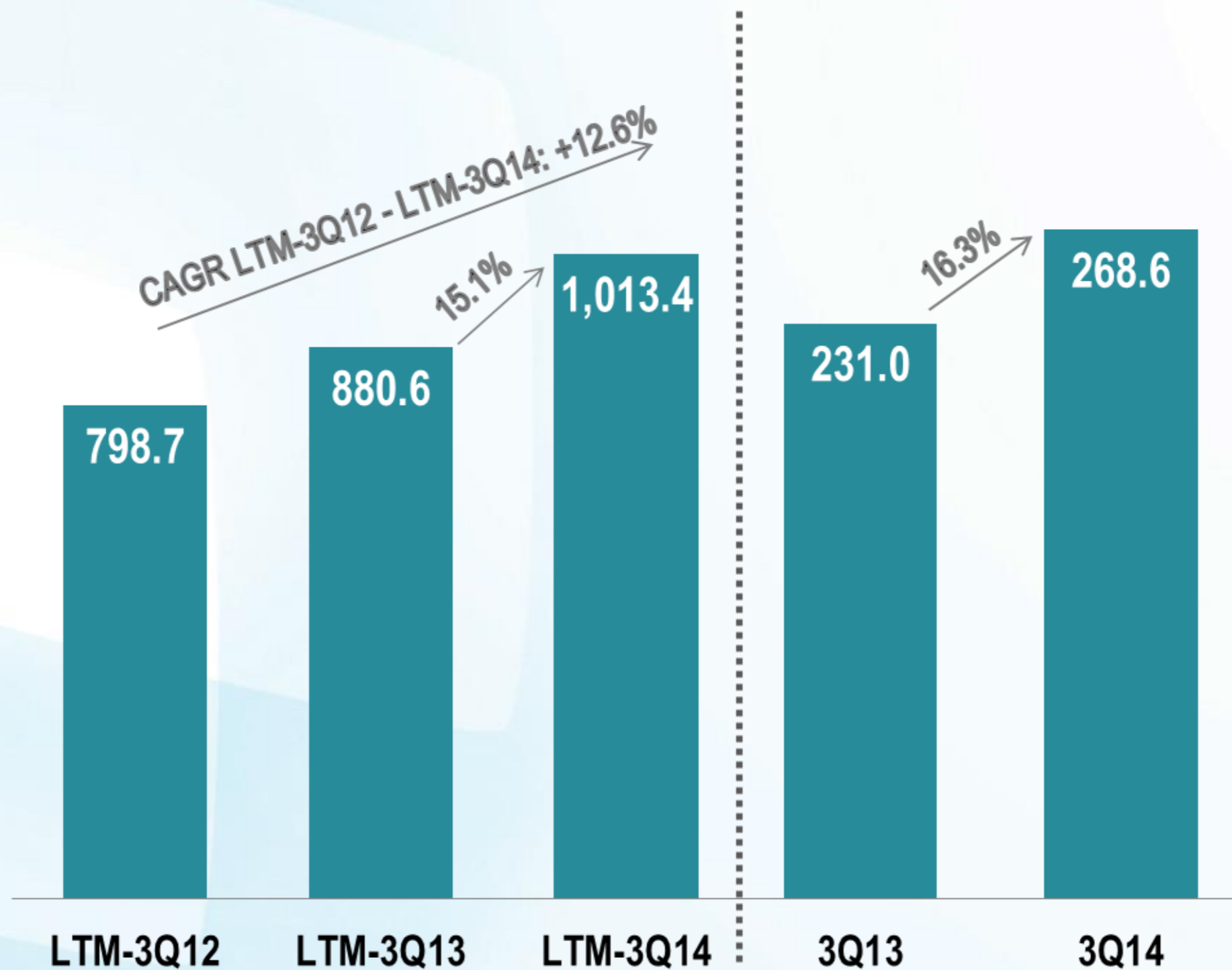
Growth (YoY)

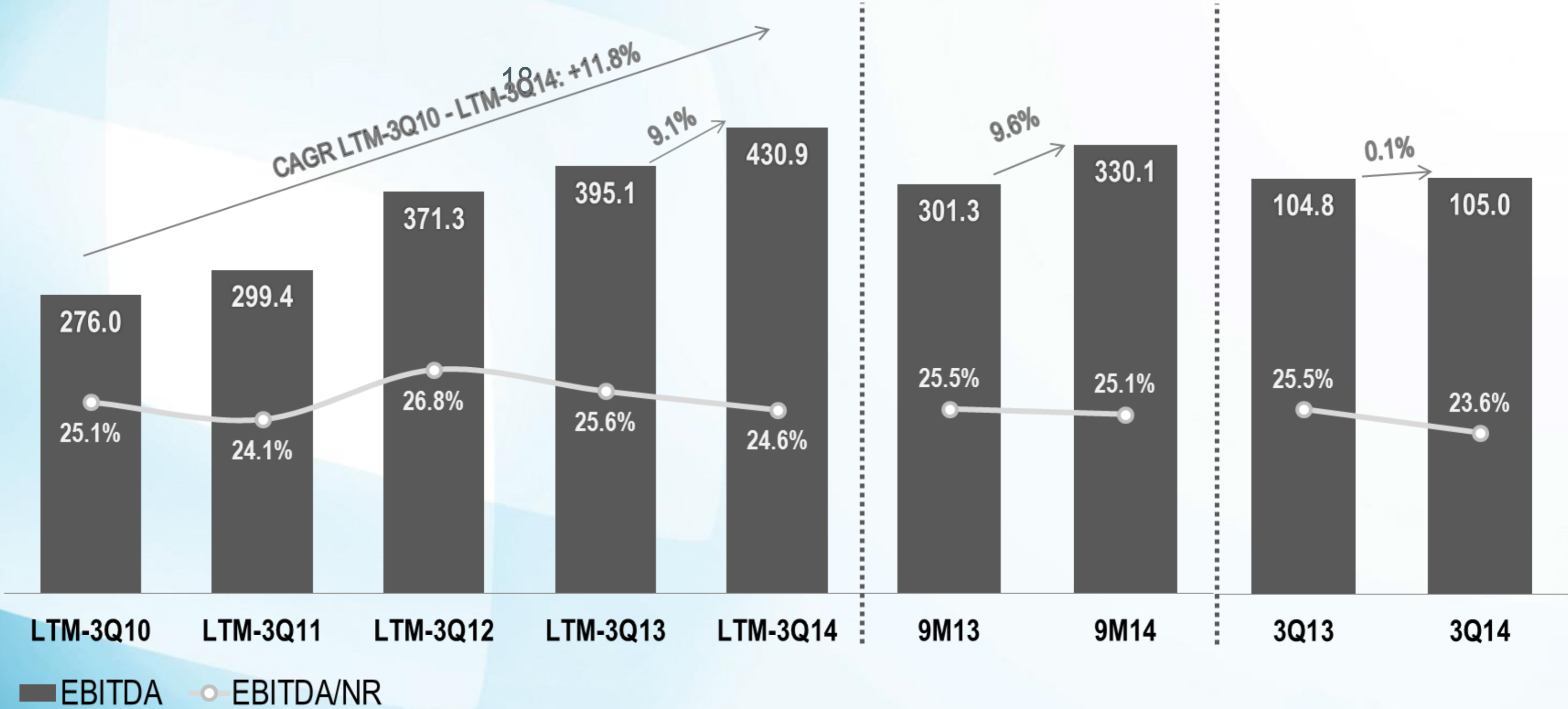


Revenue Breakdown

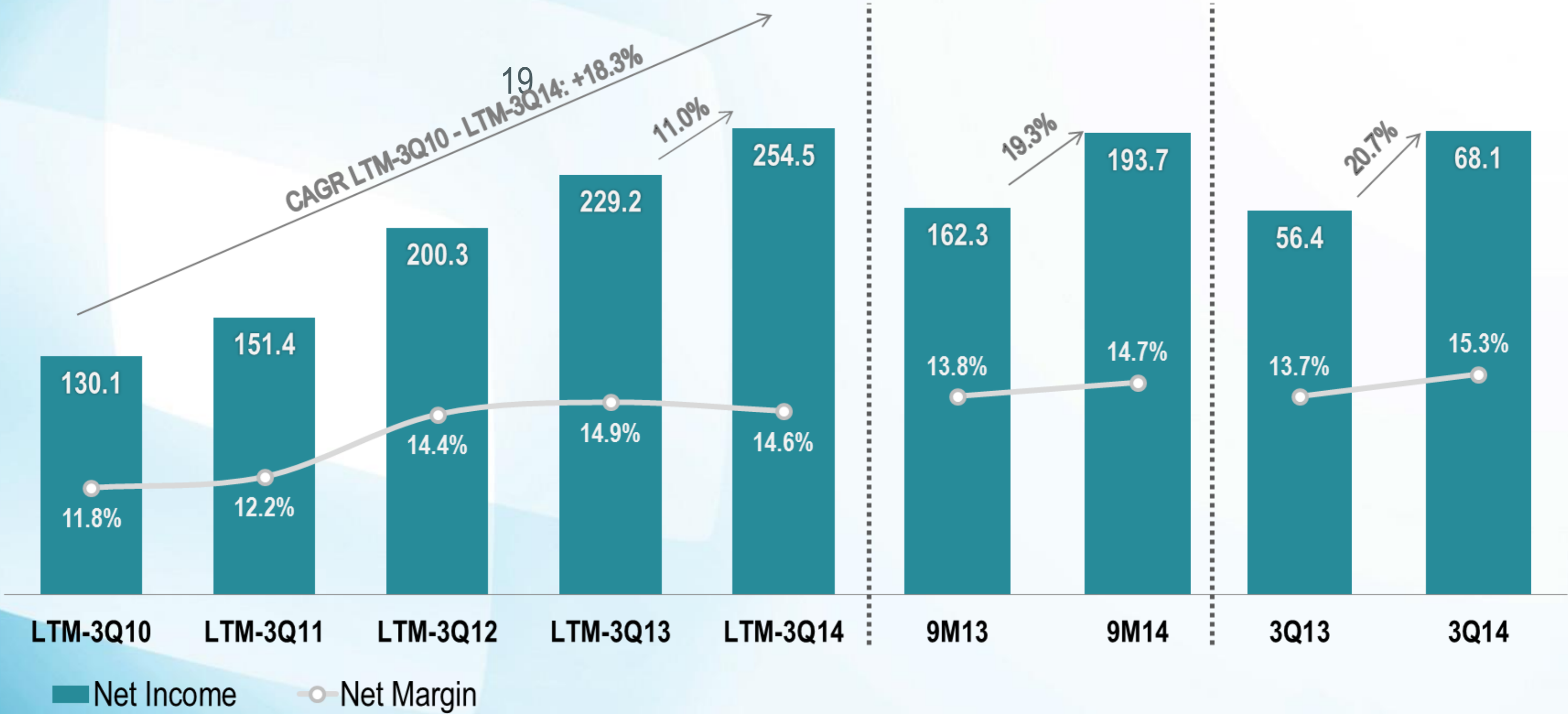


TOTAL RECURRING REVENUE (R\$ Million)

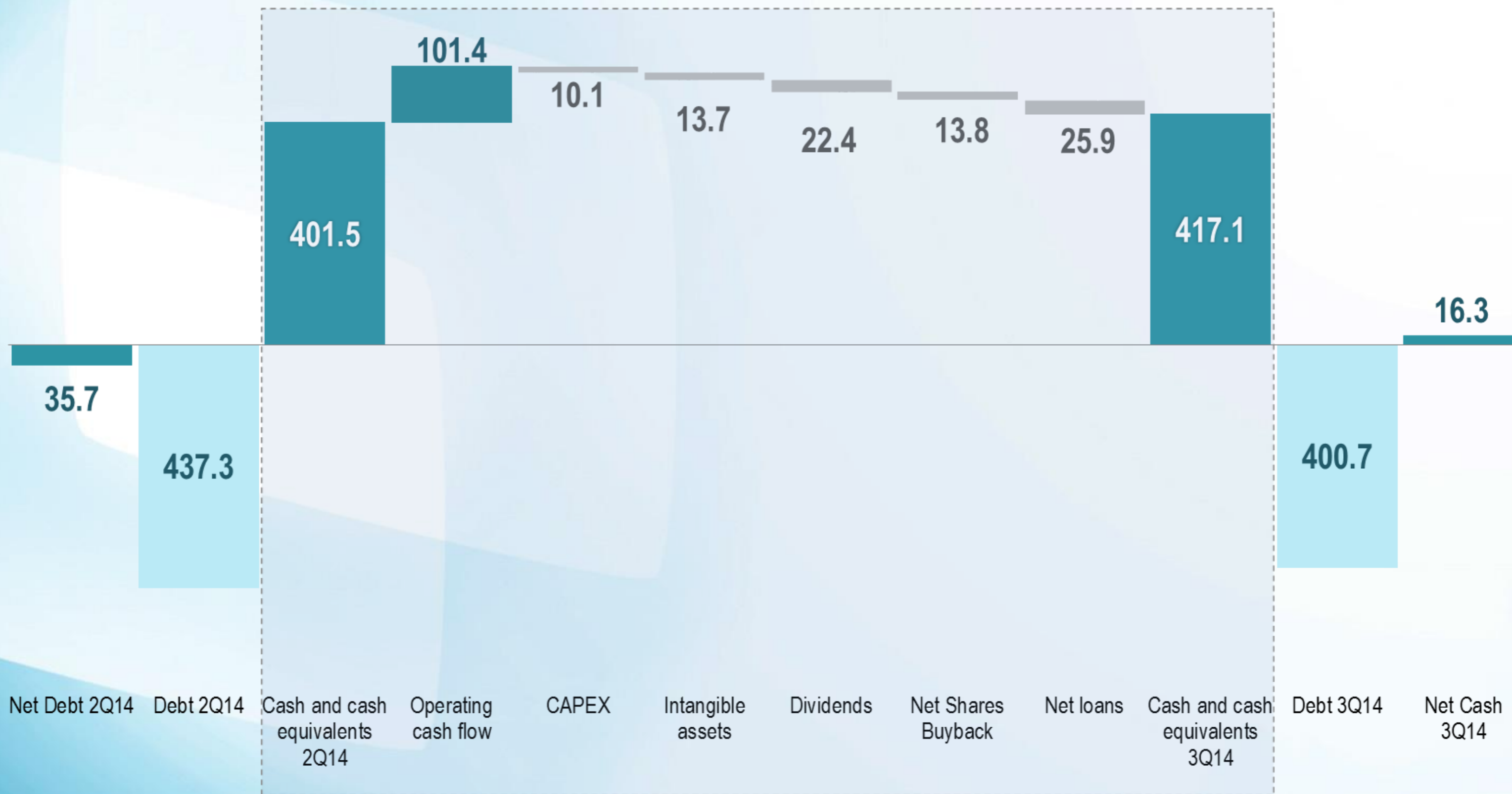




NET INCOME (R\$ Million)



CASH FLOW AND DEBT (R\$ Million)





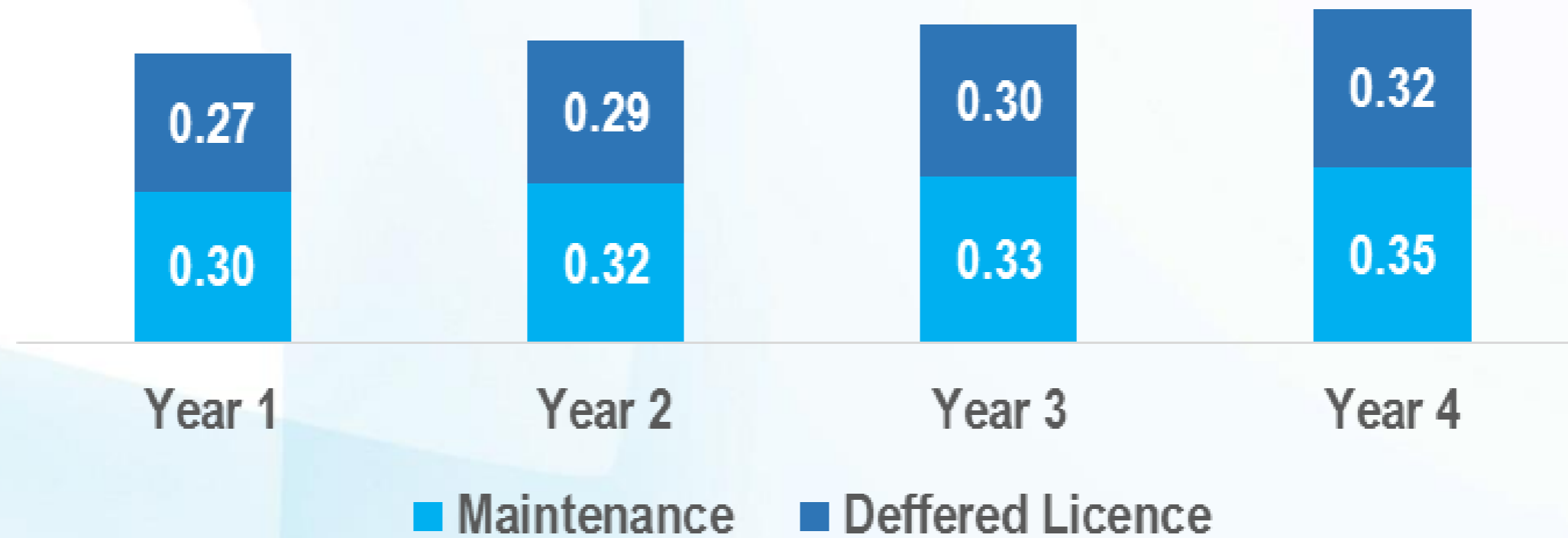
SUBSCRIPTION MODEL

HYPOTHETICAL CASE,
ILLUSTRATIVE
EXAMPLE ONLY



Note: Considering a 5% annual inflation

HYPOTHETICAL CASE,
ILLUSTRATIVE
EXAMPLE ONLY



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Note: Considering a 5% annual inflation

Revenue generated by one sale: license vs. subscription

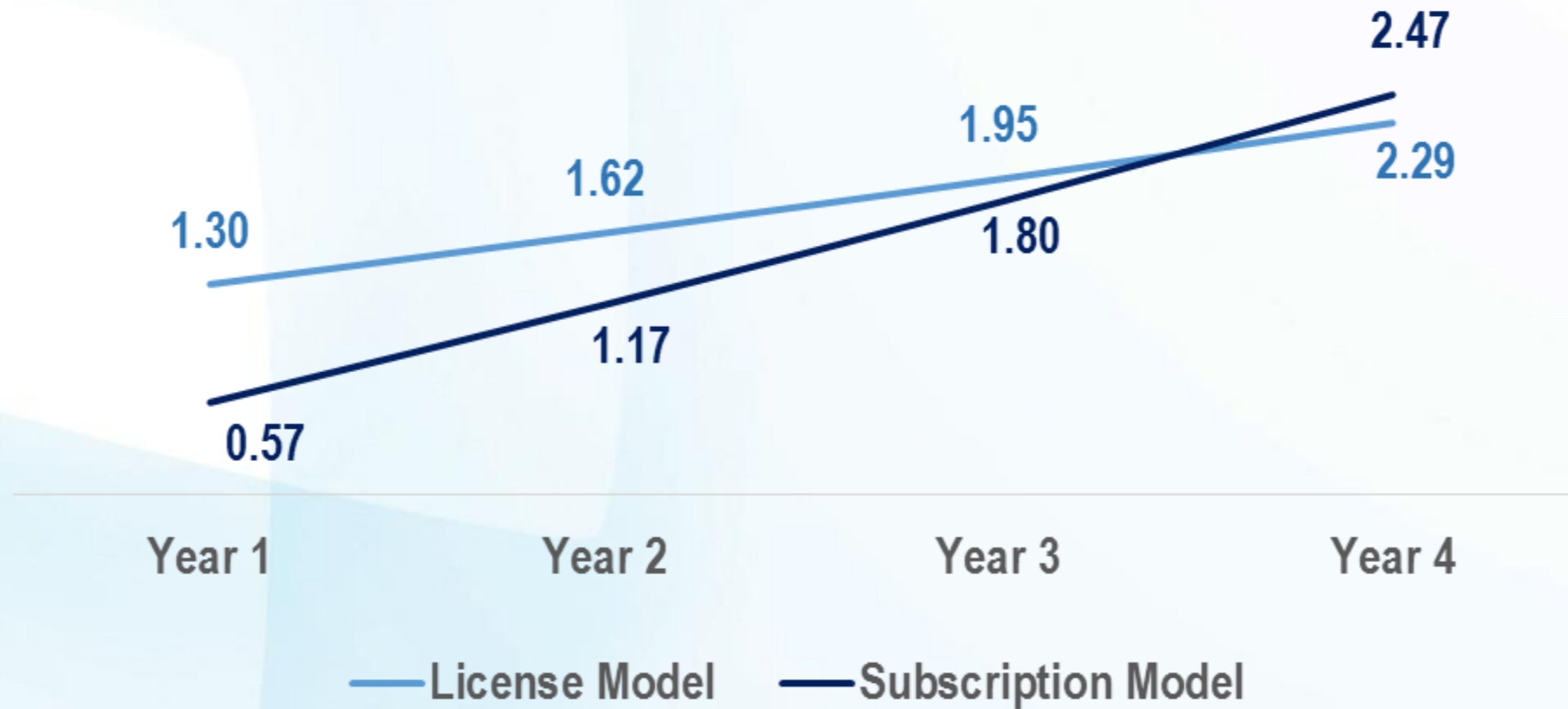
HYPOTHETICAL CASE,
ILLUSTRATIVE
EXAMPLE ONLY



Note: Considering a 5% annual inflation

Accumulated revenue generated by one sale: license vs. subscription

HYPOTHETICAL CASE,
ILLUSTRATIVE
EXAMPLE ONLY



Note: Considering a 5% annual inflation



Q&A SESSION

Thank you ;)



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