Relatório 2002
*Annual Report 2002*

# Novabase

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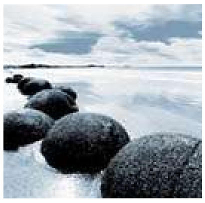

# Mensagem do Presidente
## *Chairman's Message*

O exercício de 2002, que aqui se relata, foi um período muito difícil para o mercado das Tecnologias da Informação. Com efeito, em todo o mundo, as empresas deste sector reportam reduções de vendas, pressão sobre os preços, efectuam reduções violentas de custos, incluindo em muitos casos a redução de efectivos. Como era de esperar, numa situação deste tipo, a estrutura do mercado é profundamente alterada com a entrada em dificuldades e até desaparecimento de vários players, designadamente os de média dimensão, concentração entre empresas, redução forte de actividade de muitas delas e resultados negativos em muitos casos.

Neste contexto, a Novabase regista um excelente resultado, pois continuou a crescer, embora naturalmente longe dos crescimentos de cerca de 100% ao ano que conseguimos em anos anteriores. Assim, o exercício terminou com um volume de negócios consolidado de 114.1 M (mais 18.2 % que no exercício anterior). Os resultados líquidos situaram-se nos 9.5 M (contra 8.9 M do ano anterior). A Margem EBITDA foi de 16.5%, contra 16.9% verificada no exercício anterior. Nota-se assim uma pequena redução da margem EBITDA, essencialmente porque o nosso mix de vendas foi alterado, tendo a divisão Engineering Solutions aumentado percentualmente a sua contribuição. Como esta divisão opera a margens menores, a margem global reduz-se. O efeito de pressão sobre os preços que se verificou no mercado foi contrariado por reduções de custos.

2002 was a very difficult year for the information technology market. All over the world, companies in the sector reported declines in sales and pressure on prices and had to make drastic cuts in costs, often including downsizing their personnel. As is to be expected in a situation of this kind, the structure of the market changed profoundly: different players, especially medium size ones, faced difficulties and in almost all cases business activity went down.

In this context, Novabase's results were excellent. It continued to grow, albeit far from the 100% clip that we had achieved in previous years. The financial year ended with a consolidated turnover of 114.1 M (18.2% more than in 2001). Our net profit was 9.5 M (as opposed to 8.9 M the year before). The EBITDA was 16.5%, against 16.9% in 2001. There was a slight reduction in earnings, mainly because our sales mix changed, with the contribution of the Engineering Solutions division going up. As this division operates with lower profit margins, the overall margin thus went down. The effect of pressure on prices in the market was countered by a cut in costs.

After this year, and although we do not yet know the results of other companies in the sector, on the date of publication of this report it is clear that Novabase is

Após este exercício, e embora os resultados de outras empresas do sector não sejam ainda conhecidos, à data da produção do presente relatório é um dado adquirido que a Novabase se situa entre as três maiores empresas do segmento dos integradores de sistemas e a segunda maior de origem nacional.

O Negócio da Novabase em 2002 repartiu-se fundamentalmente entre três divisões: Novabase Consulting, Novabase Engineering Solutions e Novabase Training, contribuindo a primeira com cerca de 55.5% do negócio global, a segunda com 40.7% e finalmente a terceira com 2.2%. Daqui se conclui que a Novabase é hoje uma empresa com o seu negócio fundamentalmente repartido por duas áreas: a da consultoria e a das soluções integradas de engenharia. Estes dois grandes pilares da nossa intervenção no mercado correspondem a dois negócios maduros, intrinsecamente diferentes mas complementares.

No que respeita ao negócio de consultoria, operámos uma grande reestruturação no exercício de 2002. Este negócio era operado por uma rede de cerca de 20 empresas, cada uma especializada numa dada oferta e com um mecanismo de coordenação muito simples. Tratava-se de uma estrutura ideal para crescer, muito horizontal, baseada essencialmente na iniciativa dos gestores respectivos, tipicamente accionistas de cada uma dessas empresas, e numa divisão de territórios de actuação de cada empresa. Não é, no entanto, uma boa estrutura para quando já se é grande, como é hoje o nosso caso no mercado Português. Com efeito, à medida que a dimensão do negócio aumenta, torna-se necessária uma estrutura organizacional mais simples, com menos componentes, com um mecanismo de decisão mais expedito.

Assim sendo, definimos uma nova estrutura matricial (com responsáveis -"partners"- de mercado e de práticas / oferta) típica das grandes consultoras internacionais, fundimos equipas, definimos novos mecanismos de coordenação e eliminámos estruturas redundantes. Já durante o exercício de 2003 procederemos à fusão formal das empresas em questão por forma a que resulte uma estrutura empresarial mais simples. No final desta

now one of the three largest companies in the segment of systems integrators in our domestic market, being the second largest portuguese integrator.

Novabase's business was divided into three divisions in 2002: Novabase Consulting, Novabase Engineering Solutions and Novabase Training. The first contributed to about 55.5% of the total business, the second 40.7% and the third 2.2%. From this we can conclude that Novabase is, today, a company whose business is basically split into two areas: consulting and integrated engineering solutions. These two main pillars of our operations in the market correspond to two mature businesses that are intrinsically different but complementary.

We undertook a major reorganization of the consulting business in 2002. This business was operated by a "network" of about 20 companies, each specialising in a particular offer and with a very simple coordination mechanism. This structure was ideal for growth, as it was highly horizontal, essentially driven by the individual initiative of the respective managers, who were usually shareholders of each company. The market was split into "territories" assigned to each company. This structure was not, however, so suitable for a company that had grown as large as ours in the Portuguese market. In fact, as the size of the business increases, there is a need for a more simple organisational structure with fewer components and a faster decision making process.

As a result, we defined a new basic structure (with 'partners' responsible for specific markets and practices /services) that is typical of large international consulting firms, we merged teams, set up new coordination mechanisms and eliminated redundant structures. In 2003, we plan to formally merge several of the companies that existed before in order to form a simpler corporate structure. At the end of this restructuring we will have four main practices in this division: EA - Enterprise Applications, BI - Business Intelligence, ACD - Advanced Custom Development and Outsourcing. We have also created shared business competences EPM - Enterprise Project Management and BCA - Business Consulting

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reestruturação ficamos com quatro grandes práticas ao nível desta divisão, nomedamente EA - Enterprise Applications, BI - Business Intelligence, ACD - Advanced Custom Development e Outsourcing. Criaram-se ainda competências partilhadas de negócio EPM - Enterprise Project Management e BCA - Business Consulting & Architecture. A prática de Outsourcing integra a antiga divisão ASP e a área de Cedência de Recursos, criando novas capacidades, após um recrutamento no mercado de especialistas nesta área.

O desempenho da divisão Novabase Consulting foi bom, tendo em atenção os tempos difíceis do mercado, pois aumentou o seu volume de negócios de 55.8 M , em 2001, para 63.3 M em 2002, verificando-se todavia uma redução da sua Margem EBITDA, de 20.3% para 19.7%. Salientam-se os desempenhos nas áreas de CRM e Soluções Empresariais à Medida. Esta última área foi reforçada próximo do final do ano com a equipa proveniente da ATX, após a conclusão do negócio oportunamente anunciado com o BES (Banco Espírito Santo).

A divisão Novabase Engineering Solutions teve um excelente desempenho em 2002, conseguindo uma maior expressão relativa no volume de negócios global, 40.7% contra 38.4% do ano anterior. Obteve significativas vitórias comerciais, designadamente na área da Bilhética e Controlo de Acessos, tendo ganho todos os concursos significativos que existiram em Portugal no exercício de 2002. Conseguiu assim esta divisão aumentar significativamente o seu volume de negócios (de 37 M para 46.4 M ), sem impacto significativo nas respectivas margens. Em Dezembro de 2002 a Novabase acordou a compra, ao valor contabilístico, das operações da participada portuguesa da GE Capital IT Solutions, que integrou na divisão Novabase Engineering Solutions. Tratou-se de uma excelente aquisição, que aumentou a oferta da divisão e vai trazer em 2003 um incremento significativo ao volume de negócios global da Novabase, uma vez que os respectivos resultados ainda não foram consolidados em 2002. Se o tivessem sido, bem como os da ATX, o volume de negócios da Novabase teria crescido para cerca de 150 M .

& Architecture). The outsourcing business, which includes the previous ASP division and the Human Resources Outsourcing area, created new capacities after recruiting specialists from the market.

The performance of the Novabase Consulting division was good, bearing in mind the difficult times that the market was experiencing, as it increased its turnover from 55.8 M in 2001 to 63.3 M in 2002. There was, however, a reduction in EBITDA from 20.3% to 19.7%. The performances of the CRM and custom business solutions were particularly noteworthy. The latter area was reinforced near the end of the year with the team from ATX, after the announced deal with BES (Banco Espírito Santo) went through.

The Novabase Engineering Solutions division showed an excellent performance in 2002 and achieved a larger percentage of the total turnover: 40.7% as opposed to 38.4% in 2001. It won significant commercial victories, especially in the area of ticketing and access control where it secured all the important contracts in Portugal in 2002. This division was thus able to significantly increase its turnover ( 37 M to 46.4 M ), without any substantial impact on its profit margins. In December 2002, Novabase acquired the operations of the Portuguese subsidiary of GE Capital IT Solutions at book value and incorporated them into the Novabase Engineering Solutions division. It was an excellent acquisition that increased the range of services offered by the division and will contribute to a substantial increase in Novabase's overall turnover in 2003, as its profits were not consolidated in 2002. If they had been, as well as ATX's, Novabase's turnover would have grown to approximately 150 M .

International operations were naturally hindered by the market circumstances, especially in Brazil. In addition to the international crisis in the sector, the pre-election political uncertainty and the devaluation of the Real made the situation in the country particularly difficult especially for small foreign players, as was our case. The turnover in Brazil was thus 4.1 M and the break-even was only reached in the last month of the year.

O desenvolvimento das operações internacionais foi naturalmente dificultado pela situação dos mercados, designadamente o do Brasil. A juntar à crise internacional do sector, a incerteza ao nível político pré-eleitoral e a desvalorização do Real tornaram o panorama neste país bastante difícil, designadamente para operações pequenas e vindas do exterior como foi o caso da nossa. Assim, o volume de negócios no Brasil foi de 4.1 M , tendo o break-even operacional surgido apenas no último mês do ano. Em Espanha, criámos um ponto de observação na Novabase Consulting materializado por uma pequena empresa situada em Madrid, tendo a Novabase Engineering Solutions continuado a operar neste mercado com apenas uma representação comercial. Trata-se de um mercado de muito difícil penetração, mas que tende a evoluir para uma integração com o mercado nacional, pelo que se revelou estratégico proceder à sua abordagem sistemática. Com as lições obtidas por esta via tiraremos conclusões quando à nossa abordagem futura neste território.

No plano bolsista, a Novabase passou a figurar no índice Next150 após a integração da Bolsa Portuguesa no Euronext. De salientar que, apesar da queda que foi generalizada em todo o sector, a Novabase registou uma das melhores performances entre os seus pares europeus.

No último trimestre do ano deslocámos a divisão Novabase Consulting e os serviços da nossa holding para novas instalações, num único edifício, tendo-se obtido importantes ganhos de sinergias, bem como uma poupança significativa ao nível do custo das rendas respectivas. Reduzimos significativamente os custos de Marketing e Comunicação, e também ao nível da Logística. Investimos em novos Sistemas de Informação, que já se encontram em produção, tendo sido construídos *on-time* e *on-budget*. Trata-se de um conjunto de novas ferramentas baseadas nas aplicações SAP e Meta IV para as áreas financeira, logística, gestão de projecto, compras, vendas e recursos humanos. Estes sistemas são essenciais para a dimensão que a Novabase tem hoje.

Entrámos entretanto num novo exercício. Os mercados continuam a dar sinais de inquietação. Continuaremos a nossa missão de resistir da melhor forma possível às

In Spain, we created an “observation point” at Novabase Consulting, which took the form of a small company in Madrid, while Novabase Engineering Solutions continued to operate with only one commercial agency. It is a very difficult market to penetrate but it is tending to integrate with the Portuguese market, and it was therefore a strategic move to create a systematic approach. We will use the lessons learnt from this move to plan our future strategy for this market.

Novabase was listed in the Next150 index after the Portuguese Stock Exchange joined Euronext. In spite of the general fall in prices in the whole sector, Novabase’s performance was one of the best among its European counterparts.

In the last quarter of the year, we moved the Novabase Consulting division and all the departments of our holding company to new offices in one building, representing a significant economy of costs in terms of rent. We substantially reduced the costs of Marketing and Communication and of Logistics. We invested in new Information Systems which were built on-time and on-budget and are already up and running. They constitute new tools based on the SAP and Meta IV applications for the areas of finance, logistics, project management, procurement, sales and human resources. These systems are essential for a company the size of Novabase today.

We have now begun a new year. The markets are still showing signs of unrest. We will continue our mission of doing our best to face up to the difficulties, seeking to operate in a new strategic framework resulting from the changes in the structure of the market and the progressive integration between the two iberian markets. Our main goals for 2003 will be to promote and expand our Outsourcing services (the area in which we expect the greatest growth in the IT market in the next few years), to take advantage of a new offer in Infrastructures, Networking and Enterprise Computing, harnessing the potential of the recently acquired former subsidiary of GE Capital IT Solutions, to respond appropriately to the growing concentration of the Portuguese market, seeking other opportunities for acquisitions and/or

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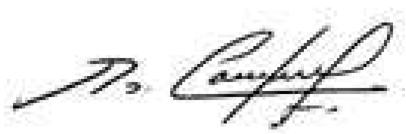
dificuldades, procurando actuar num novo quadro estratégico resultante das alterações da estrutura de mercado e da progressiva integração entre os dois mercados ibéricos. São objectivos essenciais para 2003 promover e expandir a nossa oferta de Outsourcing (a área onde se espera maiores crescimentos nos próximos anos no mercado de TI), tirar partido de uma nova oferta de Infraestruturas, Networking e Enterprise Computing, aproveitando o potencial da recém adquirida participada portuguesa da GE Capital IT Solutions, responder adequadamente à concentração crescente do mercado Português procurando outras oportunidades de aquisição e/ou parcerias estratégicas e re-equacionar a presença internacional.

A Novabase ambiciona a ser a principal empresa a operar no mercado Português no domínio das Tecnologias de Informação, procurando o seu lugar entre as maiores do espaço Ibérico e continuando a ser, de forma cada vez mais sustentada, uma das empresas com maior potencial no sector das Tecnologias de Informação na União Europeia.

strategic partnerships, and to re-position the company in the international market.

Novabase aims to be the leading company operating in Portugal in the field of Information Technology and must find its place among the largest operators in the Iberian Peninsula. It will continue to assert itself as one of the companies with the greatest potential in the Information Technology sector in the European Union.



Rogério Carapuça
Presidente do Conselho de Administração
*Chairman and CEO*

# Órgãos Sociais
# *Corporate Boards*

## Mesa da Assembleia Geral
*Officers of the General Meeting of Shareholders*

_ Raúl Bordalo Junqueiro (Presidente *Chairman*)
_ Diogo Leónidas Rocha (Secretário *Secretary*)

## Conselho Fiscal
*Board of Auditors*

_ Pedro Rebelo de Sousa (Presidente *Chairman*)
_ Manuel de Oliveira Rego
Em representação da SROC "Oliveira Rego & Associados"
*Representing the official auditing firm "Oliveira Rego & Associados"*
_ João Francisco Ferreira de Almada e Quadros Saldanha
_ José Miguel Caseiro Martins Godinho (Vogal Suplente *Substitute Member*)
_ Alexandre Hipólito dos Santos (Vogal Suplente *Substitute Member*)
Em representação da SROC "Oliveira Rego & Associados"
*Representing the official auditing firm "Oliveira Rego & Associados"*

## Conselho de Administração
*Board of Directors*

_ Rogério dos Santos Carapuça (Presidente *Chairman*)
_ José Afonso Oom Ferreira de Sousa
_ Pedro Miguel Quinteiro Marques de Carvalho
_ Luís Paulo Cardoso Salvado
_ João Nuno da Silva Bento
_ Álvaro José da Silva Ferreira
_ Paulo Jorge Freire Andrez
_ João Vasco Tavares da Mota Ranito
_ João Filipe Santos Teixeira Neto
_ José Carlos de Almeida Pedro de Jesus
_ Nuno Miguel Isidoro Duarte

O Futuro é sempre um desconhecido. Ganha quem primeiro vir o seu rosto.

*The Future is always unknown. Wins who first sees its face.*

# Relatório 2002
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## 1 . Indicadores Chave

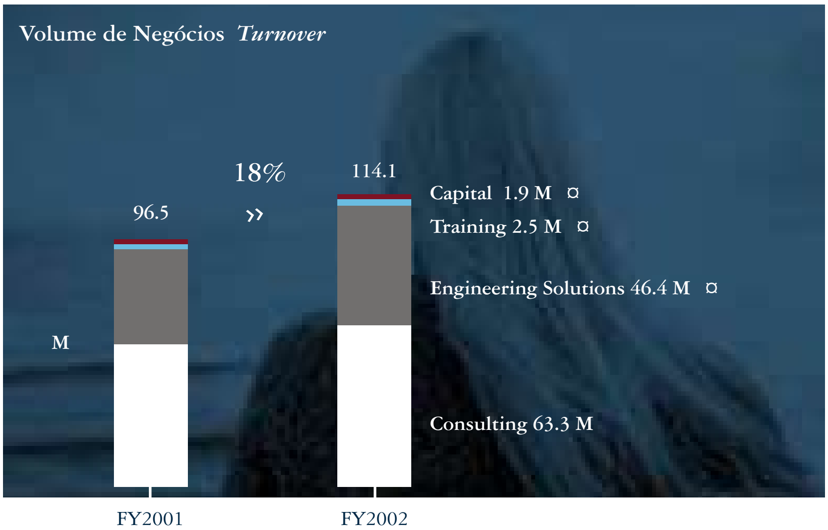
### 1.1 Volume de Negócios

O Volume de Vendas e Prestação de Serviços Consolidados em 2002 atingiu os 114.1 M (Milhões de Euros), o que representa um crescimento de 18.2% face aos 96.5 M registados em 2001.

## 1 . Key Indicators

### 1.1 Turnover

The value of the Consolidated Volume of Sales and Services in 2002 was 114.1 M (Million Euros), which represents an increase of 18.2% compared to the 96.5 M achieved in 2001.

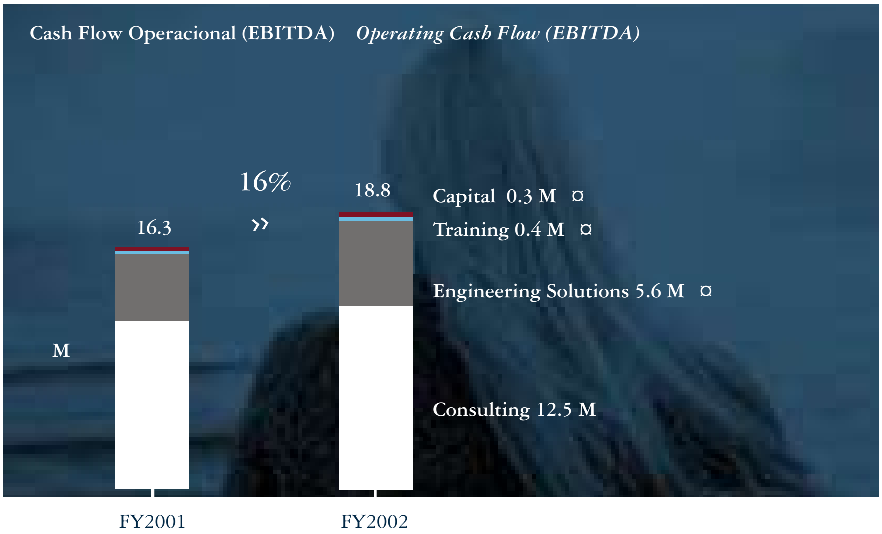


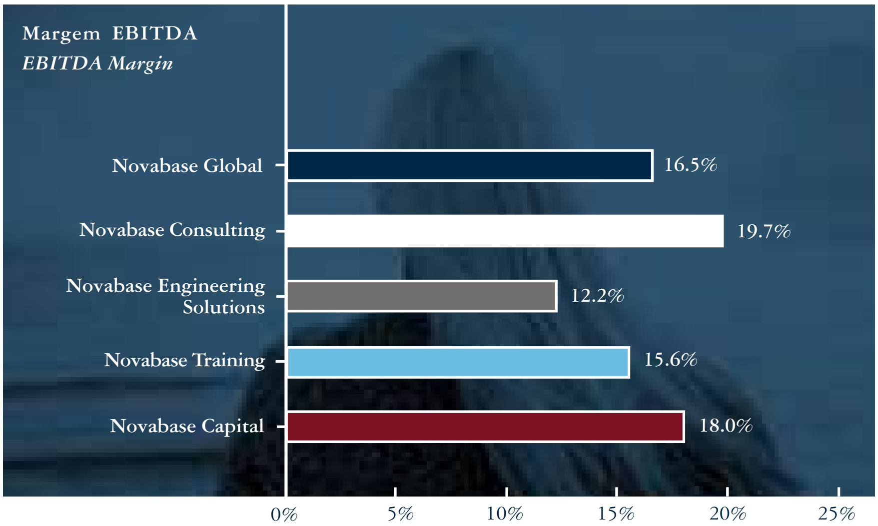

### 1.2 EBITDA

O Cash Flow Operacional (EBITDA) atingiu os 18.8 M , mais 15.7% face aos 16.3 M registados em 2001. A margem percentual do EBITDA manteve-se em níveis elevados em 2002, cifrando-se em 16.5%, inferior, como se previa, à margem global de 2001, que se cifrou em 16.9%. Esta redução esperada resulta do aumento de peso relativo da actividade da divisão Engineering Solutions nas vendas totais, que passou de 38.4% em 2001 para 40.7% das vendas totais em 2002. Esta divisão tem uma Margem EBITDA de 12.2%, inferior à margem global.

### 1.2 EBITDA

The Operating Cash Flow (EBITDA) was 18.8 M , 15.7% more than the 16.3 M in 2001. The overall EBITDA margin remained high at 16.5% in 2002. As expected, this was lower than the overall margin in 2001, which was 16.9%. This expected reduction was mainly due to the increase in the relative weight of the activities of the Engineering Solutions division in total sales, which went from 38.4% of total sales in 2001 to 40.7% in 2002. This division's EBITDA margin of 12.2% is lower than the overall margin.


Cash Flow Operacional (EBITDA) *Operating Cash Flow (EBITDA)*
16%
16.3
18.8
Capital 0.3 M ¤
Training 0.4 M ¤
Engineering Solutions 5.6 M ¤
Consulting 12.5 M
M
FY2001
FY2002

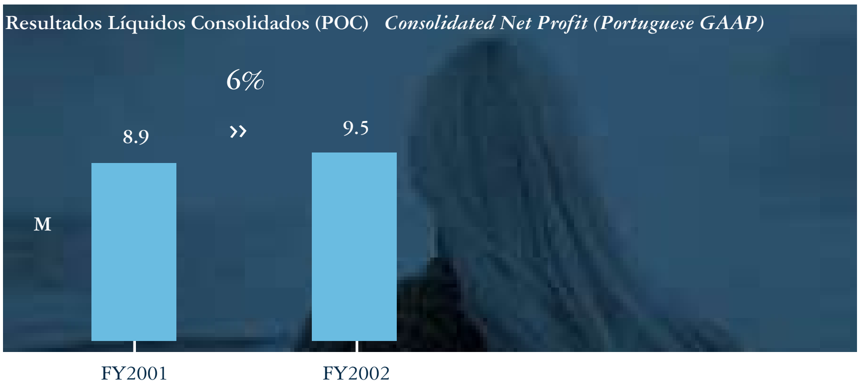

Margem EBITDA
*EBITDA Margin*
Novabase Global
16.5%
Novabase Consulting
19.7%
Novabase Engineering Solutions
12.2%
Novabase Training
15.6%
Novabase Capital
18.0%
0%
5%
10%
15%
20%
25%

## 1.3 Resultados Líquidos

Os Resultados Líquidos Consolidados em 2002, já deduzidos de interesses minoritários, atingiram 9.5 M , correspondendo a um crescimento de 6.4% face a 2001, ano em que se cifraram em 8.9 M .

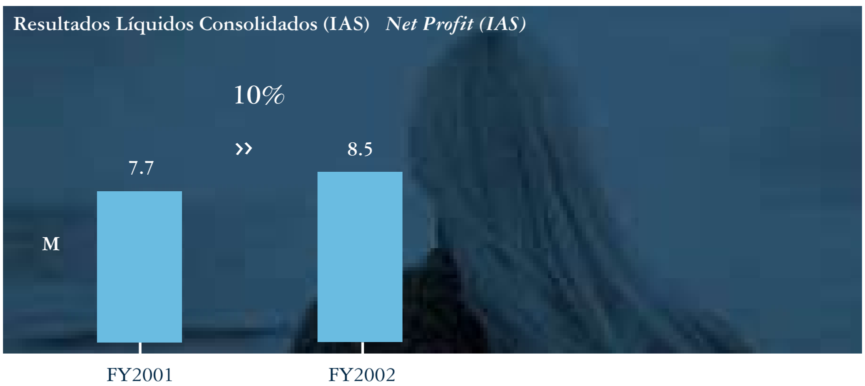
## 1.3 Net Profit

Our Consolidated Net Profit in 2002, after deducting minority interests, was 9.5 M , which represents an increase of 6.4% compared to 2001, when it was 8.9 M .




Utilizando as normas IAS, os Resultados Líquidos Consolidados apresentam um decréscimo de 955 mil euros face aos valores atrás apresentados segundo as normas POC. Face aos resultados obtidos no período homólogo, apresentam um crescimento de 10%.

Using the IAS standards, the Consolidated Net Profit show a decrease of EUR 955 thousand when compared to the aforementioned values according to the Portuguese GAAP. Compared to the results obtained in the same period, last year they went up 10%.



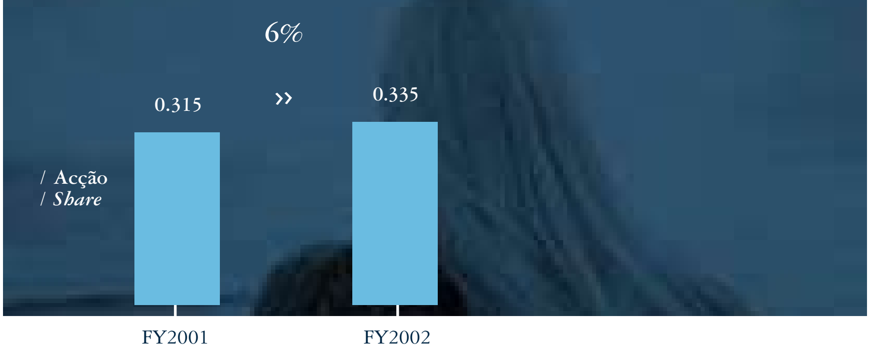

## 1.4 EPS (Resultados Por Acção)

Os EPS (Resultados Por Acção) subiram para 0.335 euros por acção, valor que compara com os 0.315 obtidos em 2001, traduzindo um crescimento de 6.3%.

## 1.4 EPS (Earnings Per Share)

EPS (Earnings Per Share) went up to EUR 0.335 per share, which is comparable to the 0.315 achieved in 2001, reflecting an increase of 6.3%.

EPS - Earnings Per Share *(Portuguese GAAP)*




## 2 . Enquadramento Macro-Económico

2002 foi um ano de forte desaceleração económica, marcado por ameaças de conflitos militares, por uma instabilidade geo-política no Médio Oriente e pela deterioração da situação na América Latina. Neste cenário verificou-se um aumento significativo da aversão ao risco, com implicações negativas a nível do comportamento de consumo e de investimento, adiando a retoma económica.

A instabilidade e incerteza levaram as empresas a adiar investimentos e a reduzir as suas estruturas de custos, determinando redução de vendas para os seus fornecedores e afectando os restantes elementos das cadeias de valor. Essa contracção dos volumes de negócio e dos resultados das empresas teve um natural efeito nos mercados accionistas, os quais desvalorizaram fortemente, marcados por elevados níveis de volatilidade.

Em termos de Economia Portuguesa, a quebra generalizada do consumo e do investimento privado, acompanhada por forte contenção da despesa e do investimento público, foi responsável, em 2002, por um crescimento estimado do PIB não superior a 0.5%, e inferior ao crescimento médio anual da Zona Euro, que se estima situado próximo de 1%.

As perspectivas para 2003, caso se verifique uma evolução favorável do contexto macro-económico, apontam para um crescimento médio do PIB esperado para a Zona Euro à volta dos 1.5%, valor superior ao esperado para Portugal, que se situa nos 1%. A acontecer, seria o segundo ano consecutivo de divergência económica face aos países da Zona Euro.

## 2 . Macroeconomic Environment

2002 was a year of intense economic slowdown marked by threats of military conflict, geo-political instability in the Middle East and the deterioration of the situation in Latin America. In this scenario, there was a significant increase in the aversion to risk, with negative effects on the behaviour of consumers and investors, resulting in the pullback of economic rebound.

The instability and uncertainty in the economy caused companies to postpone investments and reduce their cost structures, which meant their suppliers' sales dropped, thus affecting the whole value chain. This contraction in the volume of business and in company profits naturally affected the stock markets, which fell sharply in an extremely volatile climate.

Where the Portuguese economy was concerned, the generalised decline in consumption and private investment accompanied by severe constraints on expenditure and public investment, was responsible for an estimated growth in the GDP of no more than 0.5% in 2002, which was lower than the average annual growth of the Euro Zone, which is estimated to have been around 1%.

If the macro-economic situation improves, the outlook for 2003 points to an expected average growth in the GDP in the Euro Zone of about 1.5%, which is higher than the 1% expected for Portugal. If this is the case, it will be Portugal's second year of divergence from the economies of the other Euro Zone countries.

## 3 . O Sector das Tecnologias de Informação

Não existem, nesta data, dados finais sobre a evolução do mercado nacional de Tecnologias de Informação (TI) no ano 2002. As estimativas iniciais apontavam para valores na casa dos 2.1 mil milhões de euros, segundo um estudo realizado pela Associação Nacional das Empresas das Tecnologias de Informação e Electrónica (Anetie) com o Centro de Estudos Aplicados da Universidade Católica Portuguesa. Este valor aproxima--se da estimativa fornecida pelo European Information Technology Observatory - EITO (uma "task force" criada pela Comissão Europeia para acompanhar a evolução do mercado de TI e que conta com a colaboração da International Data Corporation - IDC), que aponta para valores na casa dos 1.9 mil milhões de euros.

Este valor corresponde a uma estimativa de crescimento nulo ou mesmo negativo deste sector em Portugal, pois no ano passado a dimensão estimada do mercado era de cerca de 2.185 mil milhões de euros. De facto, já no decurso do 2º semestre de 2002, a INSAT - Consultadoria e Serviços SA alertava para o facto de o mercado se poder encontrar em retracção. As reacções que detectamos no mercado em clientes concretos parecem confirmar esta estimativa de redução efectiva da dimensão do mercado. Recentemente a IDC estimou que a taxa de crescimento do mercado de TI em Portugal foi negativa em 2002 (-4.9%).

As razões apontadas para este abrandamento do sector são várias, entre as quais:

a) Abrandamento global da economia

b) Concentração dos gestores no corte de custos, com os orçamentos de TI mais focados na manutenção e menos em investimento

c) Adiamento de investimentos em TI por parte da Administração Pública, como resultado da conjuntura política

d) Fraco investimento em soluções de e-government

e) Maior pressão nos preços, fruto de uma maior capacidade de oferta

f) Dúvidas quanto ao retorno dos investimentos significativos em TI realizados no passado

## 3 . The Information Technology Sector

At present, we do not have much in the way of final data on the developments in the Portuguese Information Technology (IT) market in 2002. Initial estimates point to a figure of about EUR 2.1 billion, according to a study conducted by the National Association of Information Technology and Electronics Companies (ANETIE) with the Centre of Applied Studies at the Universidade Católica Portuguesa. This figure is close to the estimate made by the European Information Technology Observatory - EITO (a task force set up by the European Commission to monitor the IT market, in collaboration with the International Data Corporation - IDC), which points to a figure of about EUR 1.9 billion.

This estimate represents zero or even negative growth in the sector in Portugal, as last year the estimated size of the market was about EUR 2.185 billion. Indeed, in the second half of 2002, INSAT - Consultadoria e Serviços SA drew attention to the fact that the market might have been declining. The reactions that we have detected from specific customers operating in the market seem to confirm this suspected reduction in the size of the market. IDC recently estimated that the growth rate of the IT market in Portugal was negative in 2002 (-4.9%).

A number of reasons have been given for this slowdown in the sector, including:

a) The overall deceleration in the economy

b) Managers' concentration on cutting costs, with IT budgets focussing more on maintenance and less on investment

c) The postponement of investments in IT by the public administration as a result of the present political scenario

d) A lack of investment in e-government solutions

e) Greater pressure on prices as a result of over supply

f) Doubts as to the return on substantial investments in IT made in the past

Em Portugal, os ratios de investimento em TI quer por habitante quer em % do PIB mostram-se muito inferiores aos da média comunitária, facto que deixa antever perspectivas de crescimento interessantes para este sector logo que se verifique uma retoma. No entanto, torna--se difícil antever quando se verificará essa mesma retoma.

O Volume de Negócios da Novabase obtido em 2002, cerca de 114.1 M , corresponderá assim a uma quota no mercado de cerca de 13.5% do sub-segmento dos serviços de TI. No entanto, uma parte da nossa actividade, designadamente o fornecimento de equipamentos para Televisão Interactiva, Bilhética e Controlo de Acessos não figura exactamente neste sub-segmento, pelo que a quota de mercado será corrigida por esse factor.

Se analisarmos apenas os fornecedores de serviços e software aplicacional, que constituem o caso mais comparável com a Novabase, verifica-se que a empresa se inclui entre os três primeiros integradores no mercado nacional e o segundo de origem nacional, sendo o primeiro a Edinfor (grupo EDP).

Em termos de grandes utilizadores, continua a verificar-se uma predominância neste mercado de três grandes sectores: Financeiro, Telecomunicações e Administração Pública, seguramente os mercados onde também a Novabase desenvolve maioritariamente a sua actividade.

Prevê-se um ano de 2003 ainda em contexto claramente recessivo e marcado por várias dúvidas. Acredita-se que continue o processo de concentração no sector das TI, resultante do abrandamento da economia e de um tecido empresarial fragmentado. Assim, verificaram-se várias operações de fusão ao nível internacional que tiveram a sua contrapartida no mercado nacional e ainda algumas aquisições de empresas nacionais por parte de empresas maiores, umas nacionais e outras estrangeiras. De destacar aqui a aquisição pela Indra de uma empresa portuguesa do sector (CPC), o que permite àquela grande empresa ibérica deter uma intervenção mais directa sobre o mercado nacional. Relevam-se ainda as dificuldades vividas por várias empresas emblemáticas do mercado nacional, o que demonstra a dificuldade dos tempos que vivemos.

Espera-se uma procura cada vez maior de soluções de outsourcing de sistemas e de aplicações. Não sendo imune ao contexto, acreditamos que a Novabase saberá reforçar as suas capacidades e os seus resultados neste futuro incerto.

In Portugal, the ratios of investment in IT both per inhabitant and as a percentage of the GDP are lower than the EU average, which opens up interesting growth prospects for the sector as soon as there is a revival in the economy. It is, however, difficult to foresee when this revival will actually come.

The Turnover that Novabase achieved in 2002, about 114.1 M , corresponds to a market share of around 13.5% of the IT services sub-segment. Part of our business, the supply of equipment for interactive television, ticketing and access control, does not, however, fit exactly into this sub-segment, and so our market share has to be corrected accordingly.

If we consider only suppliers of services and software, which are the companies most comparable to Novabase, we find that the company is one of the top three integrators in the market in Portugal and the second Portuguese integrator, after Edinfor (EDP Group).

In terms of the largest users, three main sectors continue to dominate the market: financial institutions, telecommunications and the public sector, which are also the segments in which Novabase does most of its business.

We can certainly expect 2003 to be a year of recession marked by a number of uncertainties. We believe that the concentration trend in the IT sector will continue, as a result of the slowdown of the economy and of a still fragmented competitive landscape. There have been several international mergers that have had their repercussions on the Portuguese market, while there have also been some acquisitions of Portuguese companies by larger Portuguese and foreign concerns. Of note in this respect was the acquisition by Indra of CPC, a Portuguese IT company, which means that this large Iberian company is now able to operate directly in the Portuguese market. Some “big names” in the Portuguese market have been experiencing problems, which goes to show the difficult times in which we are living at the moment.

We expect there to be a growing demand for outsourcing of systems and applications. Though it is by no means immune to the circumstances, we believe that Novabase will still be able to reinforce its capacities and its results in this uncertain future.

## 4 . Estrutura e Modelo de Governo

### 4.1 Divisões de Negócio

Durante o ano de 2002 a Novabase integrou vários dos seus negócios, tendo nomeadamente reduzido para três o número de divisões:

_ Novabase Consulting
_ Novabase Engineering Solutions
_ Novabase Training

As estas divisões de negócio junta-se a Novabase Capital, corporate venture da Novabase.

A **Novabase Consulting** operou uma profunda reestruturação com vista a reduzir o número das suas estruturas organizacionais, nomeadamente o número de empresas, fundiu actividades, integrou forças de vendas e criou duas competências partilhadas de suporte à condução dos negócios. O modelo de governo da divisão prevê a existência de partners por mercado e por prática, resultando cada prática da fusão de várias empresas.

As práticas são:
EA - Enterprise Applications
BI - Business Intelligence
ACD - Advanced Custom Development e Outsourcing

As competências partilhadas de negócio são:
EPM - Enterprise Project Management
BCA - Business Consulting & Architecture

A prática de Outsourcing inclui a antiga divisão ASP e a NBO (empresa de recrutamento e cedência de recursos).

A **Novabase Engineering Solutions** fornece soluções de TV interactiva, telecomunicações, bilhética e controlo de acessos. Após a aquisição da participada portuguesa da GE Capital IT Solutions, operada em Dezembro de 2002, a divisão passa a dispôr igualmente de uma oferta de Infraestruturas e Networking e Enterprise Computing.

## 4 . Structure and Management

### 4.1 Business Divisions

In 2002, Novabase combined several of its businesses and reduced the number of its divisions:

_ Novabase Consulting
_ Novabase Engineering Solutions
_ Novabase Training

In addition to these business divisions, there is also Novabase Capital, Novabase's corporate venture.

**Novabase Consulting** underwent major restructuring in order to reduce the number of its organisational structures, particularly the number of companies. It merged activities, united sales forces and set up two shared business-support units. The division's management model involves partners for each market and practice, and each practice is the result of the merger of several companies.

The practices are:
EA - Enterprise Applications
BI - Business Intelligence
ACD - Advanced Custom Development and Outsourcing

The shared business units are:
EPM - Enterprise Project Management
BCA - Business Consulting & Architecture

The Outsourcing practice includes the old ASP division and NBO (a recruiting and human resources outsourcing company).

**Novabase Engineering Solutions** supplies solutions for interactive TV, telecommunications, ticketing and access control. After the acquisition of the Portuguese subsidiary of GE Capital IT Solutions in December 2002, the division is now able to offer Infrastructures, Networking and Enterprise Computing.

A **Novabase Training** fornece soluções de formação presencial e de e-learning. Fez a sua estreia em 2002, após a aquisição das participações na FLAG e FLAG BEAT, estruturou a sua oferta e iniciou uma abordagem ao mercado destinada a criar uma nova área de negócio da Novabase perfeitamente complementar às restantes.

No entanto, a reduzida dimensão previsível de uma operação de formação, mesmo que de sucesso no mercado nacional, face à dimensão das restantes divisões, fez-nos tomar a decisão que será implementada em 2003, de integração destas empresas nas outras estruturas da Novabase, desactivando assim a estrutura divisional. Esta decisão acarretará uma redução de custos nesta área e surge como mais natural, pois a existência de uma divisão na Novabase só se justifica para volumes de negócio comparáveis às restantes divisões, o que não seria aqui o caso.

### 4.2 Novabase Capital

Por seu turno, a **Novabase Capital**, não sendo uma divisão de negócio, é uma estrutura de suporte ao desenvolvimento dos negócios. Concentra a função de "Corporate Venture" da Novabase e a área de Fusões e Aquisições capaz de responder às necessidades das restantes divisões neste domínio.

### 4.3 Organigrama

O organigrama junto inclui todas as empresas que se encontram no perímetro de consolidação da Novabase SGPS, SA. Refere-se também a Novabase IIS (ex - GE Capital IT Solutions Portugal), cuja aquisição apenas foi formalizada no dia 2 de Janeiro de 2003.

**Novabase Training** supplies solutions for classroom based training and e-learning. The division made its debut in 2002 and, following the acquisition of stakes in FLAG and FLAG BEAT, it structured its offer and began a market approach aimed at creating a new business area for Novabase that would be perfectly complementary to the pre-existing ones.

However, the limited potential size of a training operation, even a successful one, in the Portuguese market, compared to the size of the other divisions, led us to take the decision, which will be implemented in 2003, of integrating these companies into the other Novabase structures and deactivate this division. This move will reduce costs in this area and will also be more natural, as the existence of a division at Novabase is only justified for volumes of business comparable to those of the other divisions, which was not the case here.

### 4.2 Novabase Capital

**Novabase Capital** is not a business division; it is a business support structure. It combines Novabase's Corporate Venture function with the area of Mergers and Acquisitions and is able to meet the needs of the other divisions in this field.

### 4.3 Organisation Chart

The attached organisation chart includes all the companies within the consolidation perimeter of Novabase SGPS, SA. Novabase IIS (ex - GE Capital IT Solutions Portugal), is also included, although its acquisition was only formalized on January 2nd 2003.

Futuro
*Future*

# Novabase S.G.P.S., S.A.

## Novabase Consulting

### Portugal

- Novabase Sistemas de Informação, S.A. 74.8%
  - ATX Software, S.A. 51.0%
- Novabase Desenvolvimento à Medida, S.A. 95.0%
- NBO Recursos em TI, S.A. 100.0%
- Novabase Outsourcing, S.A. 92.5%
- Mentor IT - Consultoria em TI, S.A. 77.5%
- Novabase Saúde, S.A. 55.0%
- Novabase Porto, S.A. 100.0%
- Cfocus Soluções de Marketing, S.A. 86.0%
  - Celfocus, S.A. 55.0%
- Novabase Data Quality, S.A. 96.0%
- Novabase Enterprise Resources Planning, S.A. 100.0%
- Novabase Gestão de Activos, S.A. 100.0%
- Novabase Integração de Processos, S.A. 90.0%
- Novabase Geoinformação, S.A. 100.0%
- Novabase Suporte à Decisão, S.A. 96.5%
  - Praetor II, Lda. 96.5%
  - Praetor III, Lda. 96.5%

### *Foreign Operations*

- Novabase Brasil, Lda. 80.0%
- Novabase Consulting, S.A. (Espanha) 95.0%

## Novabase Engineering Solutions

### Portugal

- Octal, Engenharia de Sistemas, S.A. 100.0%
- OnTV, S.A. 51.0%
- TVLab, S.A. 50.0%
- Octal TV, S.A. 60.7%
- Novabase Infraestruturas, S.G.P.S. 83.0%
  - Novabase IIS Infraestruturas e Int. Sistemas Informáticos, S.A. 100.0%

### *Foreign Operations*

- Octal, Engenieria de Sistemas, S.L. 75.0%
- Octal TV - Branch Suíça 100.0%

## Novabase Serviços, S.A.

### Novabase Training

**Portugal**

- Superemprego, S.A. — 36.3%
- S.A.F., S.A. — 51.0%
- Deltafor, S.A. — 100.0%
  - Flag, S.A. — 100.0%
    - Flag Beat — 100.0%

### Novabase Capital

**Portugal**

- Novabase Capital, S.G.P.S., S.A. — 100.0%
  - Deltafor, S.A. — 100.0%
  - Manchete, S.A. — 25.0%
  - Dínamo, S.A. — 40.0%
  - Clipanúncios, S.A. — 25.0%
- MIND - Software e Multimédia Industrial, S.A. — 50.0%
- Sapi 2 - CI, Consultoria Informática, S.A. — 50.0%
  - Sapi 2 - PI, Projectos Informáticos, Lda. — 100.0%

As Relações perfeitas são feitas de confiança, força e versatilidade.
São universais.

*The perfect Relations are based on trust, strength and versatility.*
*They are universal.*



## 4.4 Modelo de Governo

Os Órgãos Sociais e de Coordenação da Novabase SGPS, SA são:

**Assembleia Geral -** é o orgão máximo de decisão da Novabase. No decorrer de 2002 a Assembleia Geral reuniu por uma ocasião (29 de Abril) para analisar, discutir e votar sobre as seguintes matérias:

_ Relatório e Contas do Exercício de 2001
_ Proposta de Aplicação de Resultados
_ Apreciação geral do Conselho de Administração e do Conselho Fiscal da Sociedade
_ Supressão do direito de preferência relativamente ao eventual aumento de capital a deliberar pelo Conselho de Administração para suporte ao Plano de Opção de Compra de Acções atrás referido
_ Aquisição e alienação de acções próprias

Nesta Assembleia registou-se a presença de accionistas detentores de mais de 70% do capital social, tendo todos os pontos sido aprovados por mais de 2/3 dos votos.

**Conselho Fiscal -** compete-lhe fiscalizar as contas da sociedade, tendo efectuado, no ano de 2002, as reuniões estatutariamente previstas e desenvolvido os trabalhos de verificação de contas que entendeu necessários no cumprimento das suas obrigações, tendo procedido às análises e formulado as sugestões que entendeu adequadas.

**Conselho de Administração -** compete-lhe gerir as actividades da Empresa, devendo subordinar-se às deliberações dos accionistas e observar as intervenções do Conselho Fiscal. Conduziu a sua actividade no âmbito das suas competências e dentro das linhas de orientação definidas e aprovadas para este exercício e cuja expressão essencial se reflecte neste Relatório.

A figura indica a composição do Conselho, bem como as responsabilidades principais dos seus membros.

## 4.4 Corporate Governance Model

The corporate and coordinating boards at Novabase SGPS, SA are:

**The General Shareholders Meeting -** Novabase's highest decision-making board. The GM met once in 2002 (29 April) to examine, discuss and vote on the following matters:

_ The Annual Report and Accounts for 2001
_ The Proposal for Allocation of Profits
_ General appraisal of the company's Board of Directors and Board of Auditors
_ Elimination of the right of preference in the increase in capital to be decided on by the Board of Directors in support of the Stock Option Plan
_ Acquisition and sale of the company's own shares

Shareholders owning more than 70% of the share capital attended the meeting and all the points on the agenda were approved by more than 2/3 of the votes.

**Board of Auditors -** this Board is responsible for supervising the company's accounts. It held the compulsory number of meetings required by the articles of association in 2002 and made all examinations of the accounts that it saw fit as part of its duties. It conducted the analysis and made the suggestions that it deemed necessary.

**Board of Directors -** the Board is responsible for running the company and must abide by the shareholders' decisions and the Board of Auditors' recommendations. It worked entirely within its remit and in compliance with the guidelines laid down and approved for this financial year, which are reflected in this Report.

The chart shows the members of the Board of Directors and their main responsibilities.

## Conselho de Administração
*Board of Directors*

- Rogério Santos Carapuça   CEO / Chairman
- José Afonso Sousa   CFO / Novabase Capital
- Pedro Marques Carvalho   CIO / Novabase Serviços
- Luís Paulo Salvado   CEO / Novabase Consulting
- Álvaro Silva Ferreira   Novabase Consulting
- João Nuno Bento   Novabase Consulting
- João Filipe Neto   Novabase Consulting
- Nuno Duarte   CEO / Novabase Engineering
- João Vasco Ranito   Novabase Engineering
- José Carlos Jesus   Novabase Engineering
- Paulo Jorge Andrez   CEO / Novabase Training

Para além dos Órgãos Estatutários (Assembleia Geral, Conselho Fiscal e Conselho de Administração), a Novabase instituiu ainda um outro Órgão cuja actividade se resume de seguida.

**Comissão Executiva -** é o orgão de coordenação das funções horizontais centralizadas (Finanças, Marketing, Área Administrativa dos Recursos Humanos, Sistemas de Informação, Jurídica e Logística). Inclui os administradores que tutelam as áreas funcionais e os seus clientes internos, i.e. os CEO das divisões de negócios. Este orgão propõe ao Conselho de Administração políticas e orientações para a gestão corrente.

In addition to the statutory boards (General Meeting, Board of Auditors and Board of Directors), Novabase has formed another Board, whose responsibilities are described below.

**Executive Committee -** this committee is responsible for coordinating centralised horizontal functions (Finance, Marketing, Human Resources, Information Systems, Legal and Logistics). It includes the directors who manage the functional areas and their internal clients, i.e. the CEO of the business divisions. The committee suggests policies and guidelines on the everyday running of the company to the Board of Directors.

## Comissão Executiva
*Executive Committee*

| Rogério Santos Carapuça | José Afonso Sousa | Pedro Marques Carvalho | Luís Paulo Salvado | Paulo Andrez | Nuno Duarte |
|---|---|---|---|---|---|
| CEO / CMO | CFO | CIO | CEO / Consulting | CEO / Training | CEO / Engineering Soluions |

## 5 . Actividade das Divisões de Negócio

### 5.1 Novabase Consulting

A actividade da divisão no ano de 2002 foi caracterizada por um Volume de Negócios de 63.3 M , tendo crescido 13.4% face aos 55.8 M obtidos no ano anterior. O EBITDA desta divisão foi de 12.5 M , o que representa 19.7% do Volume de Negócios. Estes indicadores, quando analisados à luz do ambiente recessivo vivido em Portugal no sector das TI, demonstram uma boa capacidade de manutenção da base de clientes e Volume de Negócios associado, bem como a preferência dos clientes pela actividade desenvolvida nos últimos anos.

Do trabalho desenvolvido no exercício em análise destacamos:

**Estrutura Organizacional**

O primeiro semestre de 2002 foi caracterizado pela implementação da restruturação divisional, resultando na constituição da actual divisão Novabase Consulting, fruto da aglutinação da anterior divisão de e-Consulting com as actividades de Cedência de Recursos e Outsourcing aplicacional. Durante o segundo semestre a estrutura empresarial foi também motivo de uma restruturação, com o claro objectivo de aglutinar e reforçar valências técnicas, simplificando o modelo de gestão, estruturando-se toda a divisão em torno de cinco grandes blocos.

**Área Comercial -** gestão integrada de toda a oferta da divisão para os vários mercados verticais.

**Prática de Business Intelligence -** agregando

## 5. Activities of the Business Divisions

### 5.1 Novabase Consulting

The Turnover of the division in 2002 was 63.3 M , which represents an increase of 13.4% in relation to the 55.8 M in 2001. This division's EBITDA was 12.5 M , which is 19.7% of its Turnover. When analysed in the light of the climate of recession in the IT sector in Portugal, these indicators are a sign of the division's capacity for maintaining its customer base and Turnover and of its customers' preference for its work in recent years.

The following are important aspects of the work done in 2002.

**Organisational Structure**

The first half of 2002 was marked by the restructuring of the divisions, resulting in the formation of the current Novabase Consulting division, which was the fruit of the merging of the old e-Consulting division with human resources outsourcing and application outsourcing. In the second half of the year, the corporate structure was also reorganised with the aim of combining and strengthening technical competences and simplifying management, by structuring the whole division in five main blocks.

**Commercial Area -** integrated management of the division's whole range of products for the different vertical markets.

**Business Intelligence Practice -** aggregating competências em suporte à decisão, qualidade de dados e geo-referenciação.

**Prática de Enterprise Applications** - agregando competências sobre as principais soluções aplicacionais ao nível empresarial.

**Prática de Outsourcing** - agregando as competências da disponibilização e gestão de meios humanos e a anterior estrutura de ASP.

**Prática de Advanced Custom Development**- agregando as competências de desenvolvimento à medida nos principais ambientes aplicacionais de médio e grande porte.

### Estrutura Funcional

Ao nível funcional foi criada uma nova unidade de Gestão de Talento com o objectivo de implementar uma política consistente de gestão de carreiras e competências ao nível da divisão. Uma nova unidade de Consultoria de Negócio foi também activada, visando reforçar o Know-How sobre as especificidades do negócio dos clientes.

Visando uma melhor operacionalização das suas actividades em Portugal, a divisão Novabase Consulting passou também a basear as suas operações em novas instalações. A utilização das novas instalações permitiu disponibilizar melhores condições de trabalho para todos os colaboradores bem como uma redução significativa na estrutura de custos de infra-estruturas da divisão, melhorando ainda as condições de interface com clientes.

### Aquisições

Pretendendo reforçar a sua presença no mercado de Cedência de Recursos, a Novabase Consulting aumentou a carteira de negócios, pela aquisição e integração da unidade de negócio de Cedência de Recursos da empresa

competences in decision support, data quality and geo-referencing.

**Enterprise Applications Practice** - aggregating competences in the main corporate applications

**Outsourcing Practice** - aggregating competences for providing and managing human resources and the previous ASP structure.

**Advanced Custom Development Practice** - aggregating competences for custom development of medium and large-size applications.

### Functional Structure

At a functional level, a new Talent Management Unit was created to implement a consistent career and competence management policy for the division. A new Business Consulting Unit was also set up to improve know-how on the specifics of customers' businesses.

The Novabase Consulting division moved to new offices in order to make its activities in Portugal more efficient. The move to these new premises resulted in better working conditions for all employees, a significant reduction in the division's G&A costs and in an improvement in conditions for interfacing with customers.

### Acquisitions

In order to reinforce its presence in the Outsourcing market, Novabase Consulting extended its business portfolio by acquiring the Outsourcing unit from Mercabolsa. The unit joined the division in February 2002.

As one of the goals of Novabase Consulting is to improve its technological and business competences in IT for the



Mercabolsa. A operação de integração ocorreu durante o mês de Fevereiro de 2002.

Sendo um dos objectivos da Novabase Consulting o reforço das competências tecnológicas e de negócio no sector das TI na área financeira, foi efectuada a aquisição da ATX Software, no final do ano 2002. A ATX é uma empresa especializada na construção de sistemas de informação para a área financeira.

**Destaques da Actividade da Divisão**

Do ponto de vista comercial o ano foi caracterizado por uma forte redução do investimento em TI na maioria das empresas Portuguesas, provocando um esforço redobrado na conquista de novos projectos para a divisão. Apesar do ambiente pessimista, a Novabase obteve um conjunto significativo de adjudicações e levou a efeito um conjunto de projectos interessantes, dos quais salientamos os seguintes, por segmento de mercado:

**Government:**

_ Desenvolvimento do portal "Gestão.Saúde", que visa disponibilizar estudos e informação sobre a evolução e gestão dos sistemas de saúde. Sobre este subsistema, assenta uma Plataforma de Disponibilização de Conteúdos sobre a Internet.

_ Implementação de sistema de gestão e planeamento do licenciamento de obras numa câmara municipal de grande dimensão.

_ Desenvolvimento de uma solução para gestão de património de um instituto público, contemplando gestão de arquivo, sistema de workflow e disponibilização de informação através da intranet.

_ Implementação de um sistema de suporte à decisão para a área do urbanismo de uma câmara municipal de grande dimensão

_ Desenvolvimento de uma solução de análise, controlo e racionalização de custos de telecomunicações para a Administração Pública.

_ Implementação de um contact center para disponibilização de serviços autárquicos e de informação ao cidadão, numa agência de desenvolvimento regional do centro do país.

financial sector, at the end of 2002 it took over ATX Software. ATX is a company that specialises in building information systems for the financial area.

**Important Aspects of the Division's Business**

From a commercial point of view, the year was marked by a substantial reduction in investment in IT by most Portuguese companies, making it necessary to redouble our efforts to win new projects for the division. In spite of the pessimistic atmosphere, Novabase was awarded a significant number of contracts and undertook several important projects. Some key projects are described below, divided according to market segment:

**Government:**

_ Development of the "Gestão.Saúde" portal providing access to studies and information on the development and management of health systems. An Internet content access platform is based on this subsystem.

_ Implementation of a management and planning system for a large city council.

_ Development of an asset management application for a public institute including archive management, a workflow system and the transfer of information on the intranet.

_ Implementation of a decision support system for the town-planning department of a large city council.

_ Development of an application designed to analyse, control and rationalise telecommunication costs for the Public Administration.

_ Implementation of a contact center for access to local authority services and citizen's information at a regional development agency in central Portugal.

_ The beginning of a project that will serve as mediator in the digital space between the supply of and demand for information and services within the geographical area of a municipality in the north of Portugal.

_ Início de um Projecto que pretende assumir a função de intermediação no espaço digital entre a oferta e a procura de informação e serviços dentro do espaço geográfico de um concelho do norte do país.

_ Implementação de um ERP usando tecnologia SAP para uma direcção-geral.

_ Execução de um Plano Estratégico de Sistemas de Informação para um Ministério Angolano.

_ Desenvolvimento de soluções à medida para vários Ministérios em Portugal.

**Insurance:**

_ Execução da primeira fase de um projecto CRM com a ferramenta Siebel numa companhia de seguros, visando aumentar as capacidades de gestão da relação com o cliente. Foram também criadas novas funcionalidades com vista a alargar esta ferramenta de CRM à rede de vendas.

_ Implementação de um sistema de MIS - Reports integrado, para um grande grupo segurador nacional, que permite disponibilizar aos diversos utilizadores um conjunto de relatórios, referentes a qualquer ponto da estrutura hierárquica da sua rede comercial.

_ Desenvolvimento do primeiro projecto de detecção e gestão de fraude no ramo de sinistros automóvel para um grupo segurador também líder de mercado.

_ Projecto de qualidade de dados para um Grupo Segurador Português.

_ Desenvolvimento de uma solução de geo-referenciação de sinistros adaptada para integração com os call centers de seguradoras.

_ Implementação de um projecto para a área de detecção de fraude no seguro automóvel, para um Grupo Segurador Nacional.

_ Desenho da estratégia para o mercado de seguros, suportada nas competências de CRM, BI, ERP, Outsourcing, Security, Advanced Custom Development e materializada no road map de sistemas de informação para o referido mercado segurador.

_ Desenho e gestão de processos na área de seguros VIDA por uma importante seguradora Moçambicana.

_ Implementation of an ERP using SAP technology for a government department.

_ Implementation of a strategic information-systems plan for an Angolan Ministry.

_ Development of custom solutions for several ministries in Portugal

**Insurance:**

_ Execution of the first phase of a CRM project with the Siebel application for an insurance company, to increase its customer relations management capacity. New functions were created to extend this CRM application to the sales network.

_ Implementation of an integrated MIS - Reports system for a large Portuguese insurance group, providing the different users with access to reports on any point of the chain of command of its commercial network.

_ Development of the first project for detecting and managing fraud in the road accident claims department for a leading insurance group.

_ Data quality project for a Portuguese insurance group.

_ Development of a claims geo-referencing application adapted for integration into insurance companies' call centres.

_ Implementation of a project for fraud detection in motor insurance for a portuguese insurance company.

_ Design of a strategy for the insurance market based on CRM, BI, ERP, Outsourcing, Security and Advanced Custom Development competences and taking the form of a roadmap of information systems for this market.

_ Design and management of life assurance processes for an important Mozambican insurance company.

**Banking & Securities:**

_ Assinatura de um contrato com o grupo Espírito Santo, visando a prestação de serviços na área das Tecnologias de Informação em regime de outsourcing, com um valor mínimo de 6 M anuais, e por um período de cinco anos renovável por outros cinco.

_ Implementação de uma Solução Corporativa de Formulários Electrónicos num grande Grupo Financeiro Português. Esta solução visou a criação de um meio de comunicação formal corporativo entre os milhares de colaboradores da instituição, bem como uniformizar toda a recolha de propostas de crédito provenientes da rede comercial e sua interligação com os sistemas de *Workflow* existentes.

_ Implementação de uma solução de Desmaterialização de Formulários na área dos Serviços Financeiros.

_ Desenvolvimento de uma aplicação para gestão de propostas de crédito a particulares numa grande instituição financeira. Esta implementação visou dotar todos os intervenientes do processo de crédito a particulares (preposição, análise e aprovação), de uma solução única, integrada e disponível na intranet.

_ Implementação dos projectos de Conversão e Testes para o Euro de dois Sistemas de Informação, críticos para duas importantes direcções de um grande Grupo Financeiro Português.

_ Implementação de um novo Sistema de Informação para a gestão da área de recursos humanos de um Grande Grupo Financeiro Português e migração dos dados existentes na anterior aplicação de Medicina do Trabalho para o novo package adquirido.

_ Desenvolvimento para um grande Grupo Financeiro Português, durante o ano 2002, de vários projectos na área da Qualidade de Dados. Estes projectos têm vindo a ser executados, quer ao nível do ramo bancário, quer do ramo segurador deste Grupo. Os projectos têm contemplado acções de normalização, purificação, desduplicação e enriquecimento de dados.

**Banking & Securities:**

_ Signing of an outsourcing contract with the Espírito Santo group for information technology services with a minimum value of 6 M a year for a period of five years, renewable for another five.

_ Implementation of a corporate electronic form solution for a large Portuguese financial group. This solution involved creating a formal means of corporate communication between the thousands of employees at the institution as well as standardising the collection of loan applications from the commercial network and connecting them with the existing workflow systems.

_ Implementation of a form "dematerialisation" solution in the financial services area.

_Development of a personal loan application management programme for a large financial institution. The programme was designed to provide all those involved in the personal loan process (application, analysis and approval) with a single, integrated, intranet solution.

_ Implementation of Euro conversion and testing projects in two information systems which were critical to two important departments of a large Portuguese financial group.

_ Implementation of a new information system for human resources management at a large Portuguese financial group, and data migration from the previous occupational medicine application to the new package.

_ Development of several Data Quality projects for a large Portuguese financial group in 2002. These projects have been conducted both in the banking and insurance branches of the group and have included the standardisation, clean up, de-duplication and enrichment of data.

_ Realização de um road map de Suporte à Decisão numa instituição financeira, com posterior construção de um protótipo para a área de Supervisão de Gestão de Activos.

_ Redefinição e uniformização de toda a Arquitectura de Sistemas de Informação de um importante Grupo Financeiro Português. Conversão do Sistema de Informação de suporte à actividade de uma das empresas do Grupo e migração da respectiva base de dados para os novos *standards* em vigor. Neste processo foi ainda considerada a evolução dos equipamentos e canais de comunicações existentes, de modo a optimizar o desempenho da solução.

_ Como consequência da aceitação do projecto de implementação de um novo Sistema de Informação num importante departamento de uma Instituição Financeira, foi celebrado o respectivo contrato de Apoio Técnico à Evolução (Outsourcing Aplicacional) desse mesmo sistema, por um período de 4 anos.

_ Adjudicação do serviço de recuperação do arquivo histórico de Contratos de Adesão a Cartões de Crédito numa Instituição Financeira, tendo como objectivo a futura implementação de uma solução de arquivo electrónico documental para os processos digitalizados.

_ Celebração com uma Instituição Financeira de um contrato de manutenção, relativo ao DataWarehouse Corporativo.

_ Celebração do contrato de Outsourcing Aplicacional para gestão da infra-estrutura aplicacional e o contrato de Desenvolvimento e Manutenção Aplicacional da arquitectura multicanal de uma Instituição Bancária. Nesta mesma instituição, foi concluído o projecto de colaboração para implementação do suporte aplicacional à actividade dos novos Canais de Relação Pessoal.

**Manufacturing, Retail & Services:**

_ Desenvolvimento de um sistema de gestão documental para um dos maiores grupos de empresas de produção e comercialização de bebidas em Portugal. Trata-se de um projecto estratégico que complementa outros projectos de Sistemas de Informação já em produção, e que trará a todo o grupo uma optimização na gestão documental.

_ Design of a Decision Support roadmap at a financial institution followed by the construction of a prototype for asset management supervision.

_ Redefinition and standardisation of the whole architecture of the information systems at an important Portuguese financial group. Conversion of the business support information system of one of the group's companies and transfer of its database to the new standards. This process also involved upgrading the existing equipment and communication channels in order to optimise the solution's performance.

_ As a result of the acceptance of the project to implement a new information system in an important department of a financial institution, a four-year technical evolutionary maintenance contract (application outsourcing) was signed.

_ The division was awarded the contract to recover the historical archives of credit card contracts of a financial institution with a view to the future implementation of an electronic document archive for digital processes.

_ Signing of a corporate Data Warehouse maintenance contract with a financial institution.

_ Signing of an Application Outsourcing contract for the management of application infrastructure together with an application development and maintenance contract for the multi-channel architecture of a bank. A cooperation project for implementing applications supporting the activities of the new personal relation channels at the same bank was also completed.

**Manufacturing, Retail & Services:**

_ Development of a document management system for one of the largest beverage manufacturers and distributors in Portugal. It is a strategic project that complements other information system projects already running and will serve to optimise document management in the whole group.



**Post & Transportation:**

_ Implementação de um sistema de controlo de gestão de um operador de transporte aéreo. O referido sistema permite ao cliente apurar margens e controlar custos de operação suportando um conjunto de decisões em tempo útil, assim como suportar todo o mecanismo de optimização de rotas e de reporting aos accionistas.

_ Desenvolvimento do primeiro projecto (em termos nacionais) de um portal de internet para um importante transportador aéreo, que permite efectuar reservas de voos regulares e de pacotes turísticos online.

_ Adjudicação do suporte e manutenção de um conjunto de sistemas de informação para um operador de transportes.

_ Implementação de um sistema de informação de gestão de meios de transporte de um operador de transportes nacional.

_ Apresentação ao mercado da estratégia de sistemas de informação para os operadores de logística.

_ Desenvolvimento de uma aplicação de gestão de frotas específica para o mercado de transportes integrada com as áreas de geo-referenciação de rotas e cartografia digital.

_ Apresentação ao mercado do e-framework de reservas online para operadores de transportes aéreos e de turismo.

**Telecom & Media:**

_ Desenvolvimento de um sistema de disponibilização online de conteúdos de uma agência noticiosa, bem como participação na recuperação do arquivo histórico. O serviço foi lançado, permitindo o acesso e comercialização de conteúdos noticiosos ao público em geral e a clientes institucionais.

_ Início da comercialização do produto TelRep. Este produto tem o seu foco na redução, supervisão e gestão dos custos em telecomunicações. Ao longo de 2002 várias vendas do produto foram efectuadas, disponibilizando informação necessária para uma eficaz gestão dos gastos correntes com esta rubrica.

_ Desenvolvimento do maior projecto nacional infra-estruturante de CRM em plataforma Siebel e site de e-commerce em Grupo de Telecomunicações.

**Post & Transportation:**

_ Implementation of a management control system for an airline. The system enables the customer to calculate margins and control operating costs, supporting a series of decisions in approppriate time and supporting the whole mechanism for optimising routes and reporting to shareholders.

_ Development of the first project in Portugal to set up an internet portal for an important airline enabling customers to book scheduled flights and package holidays online.

_ Award of the contract for the support and maintenance of a series of information systems for a transport company.

_ Implementation of a transport management information system for a Portuguese transport company.

_ Official presentation of an information systems strategy for logistics operators.

_ Development of a specific fleet management application for the transport market, integrated with route geo-referencing and digital cartography.

_ Official presentation of an e-framework of online bookings for airlines and tour operators.

**Telecom & Media:**

_ Development of a system providing online access to the contents of a news agency and participation in the recovery of its archives. The service has been launched and provides access to and the sale of news items to the general public and institutional customers.

_ Introduction in the market of TelRep. This product is used to reduce, supervise and manage telecommunications costs. Several customers bought the product in 2002 and were thus provided with the information needed to effectively manage their current telecom costs.

_ Development of the largest Portuguese CRM infrastructure project using a Siebel application and an e-commerce site for a telecommunications group.

_ Desenvolvimento de um sistema de geo-referenciação de informação e de re-estruturação tecnológica de plataforma de Business Intelligence num Grupo de Telecomunicações.

_ Implementação da evolução de site de e-commerce em agência noticiosa Portuguesa.

_ Implementação de um projecto de Order Management em operador de telecomunicações fixas.

_ Desenvolvimento de um projecto de geo-referenciação de activos com integração para análise de viabilidade de utilização de banda larga em operador de telecomunicações fixas.

_ Realização de um projecto de actualização tecnológica e desenvolvimento de novas funcionalidades da plataforma de integração (EAI) de um operador de telecomunicações.

_ Realização da re-estruturação tecnológica de alimentação de Data Warehouse em empresa de media.

_ Finalização de um conjunto de projectos de Análise de Tarifários e Gestão de Campanhas em operador móvel.

_ Desenvolvimento de um projecto de Previsão de Abandono de Clientes Pré-pagos em operador móvel.

_ Início de novos modelos de análise sobre repositório de informação de Gestão em operador móvel.

**Utilities & Energy:**

_ Implementação de plataforma de integração de sistemas e criação de Webservices para empresa de distribuição de água.

_ Desenvolvimento de um projecto de integração entre vários sistemas de back-office (SAP), o sistema de billing e sistemas core operacionais numa *utility* nacional.

_ Development of a system involving information geo-referencing and the technological restructuring of a business intelligence platform for a telecom group.

_ Implementation of an e-commerce site for a Portuguese news agency.

_ Implementation of an Order Management project for a fixed telecommunications operator.

_ Development of an asset geo-referencing project with integration to analyse the feasibility of using broadband for a fixed telecommunications operator.

_ Execution of a project to update the technology and develop new functions in the integration platform (EAI) of a telecom operator.

_ Technological restructuring of the Data Warehouse feed for a media company.

_ Completion of a series of tariff analysis and campaign management projects for a mobile phone operator.

_ Development of a project for forecasting pre-paid customer dropouts for a mobile phone operator.

_ Beginning of new models for analysing management information repositories for a mobile phone operator.

**Utilities & Energy:**

_ Implementation of a systems integration platform and the creation of web services for a water company.

_ Development of a project to integrate several back-office systems (SAP), the billing system and core operating systems at a Portuguese utility company.

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### Operações Internacionais

A nível internacional a Novabase Consulting levou a efeito no Brasil um ciclo de restruturação. Depois de uma primeira fase de instalação e abertura de mercados, os objectivos para 2002 centraram-se na consolidação e obtenção do equilíbrio financeiro, tendo para isso sido nomeada uma nova equipa de gestão. Ao nível da oferta operou-se uma mudança significativa.

A redução verificada no mercado das margens operacionais nas áreas de ERP e Cedência de Recursos, fruto de um excesso de capacidade no mercado, levaram à decisão de desafectação de um número significativo de colaboradores, resultando numa diminuição de perto de 40% da força produtiva da Novabase Brasil. O desinvestimento nestas áreas foi colmatado por uma maior aposta nas áreas de BI e CRM. Para além da significativa alteração na carteira de clientes e projectos, o ano de 2002 da Novabase Brasil foi caracterizado por uma forte política de contenção e racionalização de custos.

O ano fica ainda marcado pelo início das operações em Espanha com a constituição da Novabase Consulting Espanha no final do segundo trimestre. A recém criada empresa começou a operar em Junho através dos seus escritórios de Madrid, focando a sua atenção na disponibilização das práticas de CRM e BI para os principais sectores de actividade do mercado naquele país.

### 5.2 Novabase Engineering Solutions

O Volume de Negócios da divisão Novabase Engineering Solutions foi de aproximadamente 46.4 M , representando cerca de 40.7% do Volume de Negócios global da Novabase e um crescimento face ao período homólogo de 25.2%. Estes proveitos consistiram no fornecimento de equipamento para televisão (cabo e satélite) e de serviços de integração de sistemas associados (num total de proveitos de 28.5 M que se comparam com proveitos de 20 M em 2001), assim como fornecimento de equipamento e serviços na área do Ticketing, Telecomunicações e Controlo Electrónico de

### International Operations

At an international level, Novabase Consulting restructured its business in Brazil. After the initial phase of setting up the business, our goals for 2002 were to consolidate the financials of the operation. A new management team was also brought in. Substantial changes were also made in the range of services offered.

The reduction in operating margins in the areas of ERP and human resources Outsourcing as a result of surplus capacity in the market led to the decision to lay off a substantial number of employees, resulting in a reduction of nearly 40% in the work force at Novabase Brasil. Disinvestment in these areas was completed with a greater commitment to the areas of BI and CRM. Besides the significant change in our portfolio of customers and projects, 2002 was characterised by a strict policy of curbing and rationalising costs at Novabase Brasil.

The year was also marked by the beginning of operations in Spain, where Novabase Consulting Espanha was set up at the end of the second quarter. The new company began operating in June from its offices in Madrid, focusing its attention on providing CRM and BI services to the main business sectors in Spain.

### 5.2 Novabase Engineering Solutions

The Turnover of the Novabase Engineering Solutions division was about 46.4 M , which represented around 40.7% of Novabase's overall Turnover and a growth of 25.2% in relation to 2001. These earnings came from the supply of television equipment (cable and satellite), and the provision of integration services for associated systems (at total earnings of 28.5 M , as opposed to 20 M in 2001), as well as the supply of equipment and services in the areas of ticketing, telecommunications and electronic access control (at total earnings of 17.5 M , against 16.9 M the year before).

Acessos (num total de proveitos de 17.5 M que se comparam com proveitos de 16.9 M no período homólogo).

Em termos de EBITDA, esta divisão gerou um valor de 5.6 M (que representa 12.2 % das vendas) o que traduz um crescimento face ao ano anterior superior a 27% .

**Destaques da Actividade da Divisão**

Foram desenvolvidas neste período diversas actividades, com vista ao desenvolvimento dos negócios desta divisão, das quais importa destacar as seguintes:

_ Adjudicação, na área do Ticketing e Controlo de Acessos Electrónico, de um contrato de fornecimento de aproximadamente 10 M para a instalação em todos os mais de 900 autocarros e pontos de venda de um grande transportador urbano de um sofisticado sistema de Ticketing e Validação de Passes Electrónicos sem contacto. Com um conjunto de encomendas em carteira neste sector, a Novabase assume-se como o líder de mercado em Portugal na implementação de sistemas de ticketing electrónico e sistemas de informação associados para o sector dos transportes:
i) Operadores de Travessia Fluvial
ii) Operadores Ferroviários e Metropolitano
iii) Transportes Rodoviários

_ Obtenção de novos contratos de desenvolvimento e prestação de serviços com empresas na Bélgica, Alemanha e Espanha, na área de TV interactiva.

_ Obtenção de novos contratos de fornecimento de descodificadores de satélite para serviços de distribuição de TV digital DTH, MMDS e CABO.

_ Obtenção de novos contratos de fornecimento para equipamentos de acesso Internet de banda Larga (ADSL e Cabo), assim como de equipamento para serviços de banda larga sem fios.

_ Constituição da subsidiária da OCTALTV na Suíça, com o objectivo de reforçar a capacidade comercial junto dos clientes no centro/norte da Europa.

In terms of EBITDA, this division generated a value of 5.6 M (which represents 12.2% of sales), reflecting a growth of more than 27% in relation to 2001.

**Important Aspects of the Division's Business**

A number of activities were undertaken in 2002 to develop the division's business. The following are particularly worthy of note:

_ Award of a contract in the area of Ticketing and Electronic Access Control worth about 10 M to install a sophisticated no-contact ticketing and season ticket validation system in all the more than 900 buses and sales outlets of a major urban transport company. With a number of orders on its books in this sector, Novabase is the market leader in Portugal for implementing electronic ticketing systems and associated information systems for the transport sector:
i) Ferry Operators
ii) Railways and Underground Railways
iii) Road Transport

_ New contracts to develop and provide services with companies in Belgium, Germany and Spain in the field of interactive TV.

_ New contracts to supply satellite decoders for the distribution of digital DTH, MMDS and cable TV.

_ New contracts to supply broadband Internet access equipment (ADSL and cable) and equipment for wireless broadband services.

_ Setting up of the subsidiary of OCTALTV in Switzerland to reinforce commercial capacity for customers in central and northern Europe.



_ Desenvolvimento de diversas actividades de investigação e desenvolvimento no domínio de novos produtos, com vista ao desenvolvimento dos negócios desta divisão, das quais importa destacar os equipamentos de acesso ADSL para os serviços de acesso Internet por ADSL por computador pessoal e para os serviços de distribuição de TV interactiva por ADSL.

Destaque ainda para a já referida aquisição de 83% do capital da subsidiária portuguesa da GE Capital IT Solutions, líder em soluções e serviços de integração de redes e infra-estruturas de comunicações e entreprise computing. Os restantes 17% estão na posse da gestão da empresa.

## 5.3 Novabase Training

Durante o ano de 2002, ao nível do negócio da formação, assistiu-se a uma situação típica de momentos de abrandamento económico: por um lado as empresas adiam o seu investimento na área de formação (muitas estão mesmo a reduzir os seus quadros); por outro lado os clientes individuais, fruto desse abrandamento, aproveitam para fazer formação e procurar um aumento das suas competências.

A redução de custos ao nível das empresas não se observa apenas na actividade formativa, mas também na área de fornecimento de sistemas de informação, nomeadamente na implementação de sistemas de e-learning, em que, apesar do aumento de interesse por parte das empresas, ainda não se materializou todo o potencial que este conceito encerra em si.

_ Research and development of new products in order to develop the division's businesses, the most important of which are ADSL Internet access equipment for PCs and access equipment for the distribution of interactive TV by ADSL

Of particular importance in this field was the aforementioned acquisition of 83% of the share capital of the portuguese subsidiary of GE Capital IT Solutions, leader in solutions and services for the integration of networks and communication infrastructure and enterprise computing. The remaining 17% belong to the management of the company.

## 5.3 Novabase Training

In the training business in 2002, the situation was typical of times of economic slowdown: on one hand, companies postpone their investments in training (many are actually downsizing) and on the other hand, as a result of the slowdown, individual customers take the opportunity to get training and improve their competences.

Companies tend to reduce not only their training costs but also their spending on information systems, such as e-learning systems, and the potential of this concept is far from being fully tapped in spite of the increasing interest on the part of companies.

No decurso de 2002 a divisão Novabase Training, constituída no início do ano, atingiu um Volume de Negócios de 2.5 M , o que representa um crescimento de 45.4% face a igual período do ano transacto, onde se obteve 1.7 M . O peso desta divisão no Volume de Negócios global da Novabase foi de 2.2%, o que reflecte o facto desta ser uma actividade recente na empresa. O EBITDA desta divisão foi neste período de 0.4 M , o que representa 15.6% do Volume de Negócios.

Ao nível do e-learning, notou-se um maior interesse por parte das empresas, nomeadamente das grandes empresas, estando esta fase destinada à instalação de plataformas e ao início de projectos piloto. As grandes organizações começaram a colocar consultas ao mercado nesta área, sendo alguns dos projectos (2 a 3 anos) de valor bastante significativo.

Existe ainda algum desconhecimento no mercado das vantagens de migração e de reutilização de conteúdos que sigam as normas AICC e/ou SCORM, tendo-se assistido, nalguns casos, a clientes perderem o investimento realizado anteriormente.

De qualquer forma, existe já um número expressivo de empresas que consideram o e-learning como fazendo parte integrante da sua estratégia de Recursos Humanos.

O ano de 2002 foi também o ano em que se apostou na vertente comercial desta área, dando a conhecer a oferta ao mercado alvo da mesma. Este esforço comercial e fruto do ciclo de venda de alguns produtos, só terá maior impacto nos resultados e volume de negócios em próximos exercícios, nomeadamente já em 2003.

In 2002, the Novabase Training division, which was set up at the beginning of the year, achieved a Turnover of 2.5 M , which represented a growth of 45.4% compared to the year before, when it was 1.7 M . This division's weight in Novabase's total Turnover was 2.2%, which reflects the fact that it is a new business activity for the company. The division's EBITDA was 0.4 M , which represents 15.6% of Turnover.

Where e-learning was concerned, companies in general and large companies in particular began to show more interest. This stage is devoted to the installation of platforms and the beginning of pilot projects. Large organisations have started to probe the market in this area and some of the projects (2 to 3 years in duration) are worth a considerable amount.

The market is still relatively unaware of the advantages of the migration and reuse of contents complying with AICC and/or SCORM standards and in some cases customers have lost previous investments.

In any case, there is already a considerable number of companies that consider e-learning to be an integral part of their human resources strategy.

2002 was also the year in which we committed ourselves to the commercial aspect of this area, informing our target market of the products we have to offer. The impact of this commercial effort and the sales cycle of some products will only have an effect on the results and turnover in future years, beginning in 2003.

## 6 . Actividade da Novabase Capital

O Volume de Negócios consolidado da Novabase Capital no exercício de 2002 foi de 1.9 M , cerca de 1.6% do Volume de Negócios global da Novabase, com uma margem EBITDA de 18%. Estes valores representam uma actividade em linha com o orçamentado para este período.

As actividades desenvolvidas pela Novabase Capital estiveram associadas a duas grandes áreas de intervenção:

_ **Desenvolvimento do portfolio**, optimizando a carteira de investimentos e potenciando o crescimento do negócio das empresas participadas. Procuramos oportunidades de *Corporate Venture Capital*, continuando a analisar transacções de investimento e desinvestimento que possam acrescentar valor para o Grupo. Em 2002, alienámos a participação na Milenar, como tínhamos planeado após ter concluído com sucesso a fase de desenvolvimento tecnológico da plataforma, conseguindo uma mais-valia financeira de cerca de 50%. Adicionalmente, foram feitos desinvestimentos estratégicos das participações nos projectos Infordesporto e Netsaúde, ficando a Novabase como fornecedor tecnológico preferencial.

_ **Actividades de M&A para as empresas do Grupo,** apoiando a consolidação das divisões de negócio no mercado local e explorando possibilidades de investimento internacional. Um exemplo recente foi a participação no processo de aquisição da subsidiária portuguesa da GE Capital IT Solutions para a divisão Engineering Solutions.

## 6 . Activities of Novabase Capital

The consolidated Turnover of Novabase Capital in 2002 was 1.9 M , about 1.6% of Novabase's overall Turnover, with an EBITDA margin of 18%. These figures are in line with those budgeted for the year.

Novabase Capital's activities were associated with two main areas:

_ **Development of its portfolio**, optimising its portfolio of investments and stimulating the growth of the subsidiaries' business. We sought corporate venture capital opportunities, continuing to analyse investment and disinvestment transactions with the potential to add value to the Group. In 2002, we sold our stake in Milenar, as we had planned after successfully completing the technological development of the platform, resulting in a capital gain of about 50%. In addition, there were strategic disinvestments from the projects Infordesporto and Netsaúde, although Novabase still remained their technological supplier of choice.

_ **M&A activities for the Group's companies**, supporting the consolidation of the business divisions in the local market and looking into international investment opportunities. A recent example was our participation in the acquisition of the portuguese subsidiary of GE Capital IT Solutions for the Engineering Solutions division.

**Destaques da Actividade da Divisão**

No decorrer do exercício 2002, o portfolio de empresas participadas/geridas pela Novabase Capital apresentou resultados bastante animadores, cumprindo-se as expectativas definidas. Tentando resumir o que de mais relevante pode destacar-se nestas empresas no decorrer do ano, temos:

_ Durante 2002, a **Mind** continuou a reforçar, na área do *NewMedia*, a reputação e visibilidade que já vinha a construir em anos anteriores. Alguns prémios e nomeações são prova dessa realidade:

Nomeação dos projectos "Senhor do Anéis" e "Mundial 2002", (produtos desenvolvidos para a NOVIS/CLIX), para a categoria de CD-Rom, no Prémio de Design Publish/Briefing. O site CETELEM foi um dos nomeados na categoria de Comércio Electrónico e Suporte às PME, do Multimédia XXI'2002, promovido pela APDC (Associação para o Desenvolvimento das Comunicações). Igualmente, em 2002, a Mind recebeu o 2º prémio na categoria de sites do 5º Concurso Nacional da Microsoft - Site Nik, desenvolvido para a Peugeot Portugal. Na área industrial, saliente-se a assinatura de um contrato com a empresa inglesa BUSM ("British United Shoe Machinery"), uma das maiores multinacionais na área dos bens e equipamentos para calçado. Esse contrato teve por objecto a distribuição à escala mundial, por parte da BUSM, de produtos de software para calçado desenvolvidos pela Mind. Neste mesmo enquadramento, Mind e BUSM fizeram, com assinalável sucesso, a apresentação pública dos referidos produtos durante a Feira SIMAC 2002/Itália, a maior mostra mundial de produtos e tecnologias para a Indústria do Calçado. Na área das Bibliotecas e Arquivos, foi fortalecida a parceria com a Biblioteca Nacional, através da negociação de um novo contrato de cooperação, que se traduz numa maior autonomia para a Mind.

**Important Aspects of the Division's Business**

In 2002, the portfolio of subsidiaries and companies managed by Novabase Capital showed quite encouraging results that lived up to expectations. The most relevant events during the year were as follows:

_ In 2002, **Mind** continued to reinforce the reputation and visibility that it had achieved in previous years in the "New Media" segment. Several awards and nominations are proof of this:

The projects "Lord of the Rings" and "World Cup 2002", which were products developed for NOVIS/CLIX, were nominated for the Publish/Briefing Design Prize in the CD-Rom category. The CETELEM site was one of the nominees in the category of e-Commerce and Support for SMEs, of Multimédia XXI'2002, promoted by the APDC (Associação para o Desenvolvimento das Comunicações). Also in 2002, Mind was awarded second prize in the web sites category of the 5th National Microsoft Competition for the Nik site developed for Peugeot Portugal. In the manufacturing area, a contract was signed with the UK company BUSM (British United Shoe Machinery), one of the largest multinationals in the area of equipment for the footwear industry. The contract is for the worldwide distribution by BUSM of software products for the footwear industry developed by Mind. Within the same framework, Mind and BUSM officially presented the products, which were a great success, at the SIMAC 2002 Fair in Italy, the largest fair in the world for products and technologies for the footwear industry. In the area of libraries and archives, we reinforced out partnership with the Portuguese National Library after negotiating a new cooperation contract giving Mind greater autonomy.

_ O ano de 2002 foi considerado pela **SAPi2** como um ano de viragem na estratégia da empresa, assumindo-se no mercado como empresa autónoma. São factos relevantes desta nova estratégia o reforço da sua parceria com a SAP Portugal, a diminuição da sua dependência de parceiros com motivos de sub-contratação e a conquista de um novo conjunto de clientes directos. Durante o mesmo ano, a SAPi2 investiu internamente no desenvolvimento do seu portal e no conhecimento de áreas ligadas à Web, como sejam o SAP Portals, o Web AS e o ITS, tendo concebido um conjunto de ferramentas que permitem a interpretação de informação externa ao sistema SAP, a sua consulta via Web e uma consequente automatização no processo de integração com o mesmo. Para 2003, a SAPi2 espera reforçar a sua presença em clientes directos, consolidando a sua experiência na coordenação e implementação de projectos SAP, sejam eles projectos iniciais ou projectos de optimização de processos de negócio.

_ Durante 2002, a **Dínamo** complementou o seu leque de serviços de implementação de Sistemas de Gestão com os Sistemas de Gestão de Segurança de Informação (SGSI), estabelecendo para o efeito uma parceria com o BSI *(British Standard Institute)*, passando assim a ser o representante desta entidade em Portugal. Na sequência desta iniciativa já foi realizado um Workshop, foram publicados vários artigos em revistas da especialidade e realizados diversos diagnósticos. Foi também neste ano que um dos colaboradores da Dínamo obteve a certificação PMP *(Project Management Profissional)* do PMI *(Project Management Institute)*, aumentando assim a exclusiva lista de portugueses que detêm esta qualificação.

_ **SAPi2** considered 2002 to be the turning point in the company's strategy as it took its place in the market as an independent company. Relevant aspects of this new strategy were the strengthening of its partnership with SAP Portugal, the reduction in its dependence on sub-contracting partners and the winning of a series of new direct customers. During the year, SAPi2 invested internally in the development of its portal and in learning about areas linked to the Web, such as SAP Portals, Web AS and ITS. It designed a series of tools to interpret information from outside the SAP system, to consult via the Web, with the resulting automation of the process of Web integration. In 2003, SAPi2 expects to reinforce its presence with direct customers, consolidating its experience in the coordination and implementation of SAP projects, whether they are initial projects or those involving the optimisation of business processes.

_ In 2002, **Dínamo** complemented its range of management system implementation services with information security management systems (ISMS), for which it set up a partnership with the BSI (British Standards Institute), by which it became the institute's representative in Portugal. As part of this initiative, a workshop was held, several articles were published in specialist magazines and several diagnoses were made. It was also in 2002 that one of the employees at Dínamo received PMP (Project Management Professional) certification from the PMI (Project Management Institute), thus joining the highly exclusive list of Portuguese professionals with this qualification.

_ A **Manchete**, em 2002, apostou no desenvolvimento da sua área de *competitive intelligence* através de relatórios de media para suporte à decisão mais elaborados e interactivos com o cliente. Para além de um alargamento da sua base de clientes de *media clipping online*, houve claramente uma aposta em serviços de valor acrescentado, tais como análises de marca e posicionamento de concorrência nos media. A aposta nos clientes da área tecnologia/consultoria deu frutos, conseguindo as contas dos líderes de mercado nestes sectores, assim como no sector da indústria farmacêutica, onde a Manchete ainda não estava presente. A plataforma de *clipping* Netpress foi ainda bastante melhorada com a introdução de novas funcionalidades e tecnologia inovadora, mantendo-se assim como líder de mercado no *clipping* online nos principias sectores da economia portuguesa.

_ O **SuperEmprego**, portal vertical na área do emprego e formação, afirmou-se cada vez mais como a plataforma de recrutamento electrónico de sucesso. Integrado na rede Sapo, resulta de uma parceria entre a Novabase e a PT Multimedia e conta já com uma alargada rede de parceiros e clientes a nível nacional e internacional. Mensalmente, o SuperEmprego divulga uma média de 350 oportunidades de emprego e formação, consultadas por mais de 330 mil utilizadores regulares, ultrapassando os 7 milhões de *pageviews* mensais. Para além dos conteúdos disponíveis no portal, é enviada uma *newsletter* semanal a cerca de 53 mil subscritores.

Para o próximo ano a Novabase Capital continuará a actuar nestas duas vertentes, afirmando-se, cada vez mais, como uma área catalisadora de novos negócios e oportunidades.

_ **Manchete** committed itself to developing its area of competitive intelligence in 2002 by means of more elaborate decision support media reports that interacted more with the customer. In addition to enlarging its base of online media-clipping customers, it clearly set its sights on value added services such as brand and media positioning analysis of the competition. Commitment to customers in the technological and consultancy areas bore fruit and we managed to win the accounts of the market leaders in these sectors and in the pharmaceutical industry, which Manchete had not yet penetrated. The Netpress clipping platform was substantially improved with the introduction of new functions and innovative technology, enabling it to maintain its position of market leader in online clipping in the main sectors of the Portuguese economy.

_ **SuperEmprego**, a vertical job and training portal, asserted itself more and more as the most successful e-recruiting platform. Part of the Sapo network, it is the result of a partnership between Novabase and PT Multimedia. It already boasts a large network of partners and customers at a national and international level. Every month the SuperEmprego portal advertises an average of 350 job and training opportunities and is visited by more than 330 thousand regular users, with over 7 million page views a month. In addition to the contents available at the portal, a weekly newsletter is sent to about 53 thousand subscribers.

Next year, Novabase Capital will continue to operate in these two fields, asserting itself more and more as a catalyst for new business and new opportunities.

Todos os Percursos são possíveis. A arte está em reconhecer aqueles que nos levarão longe.
*All Paths are possible. The art is in recognizing those that can take you further.*

Percurso
*Path*

# 7 . Actividade das Áreas Funcionais

## 7.1 Recursos Humanos

No ano de 2002 efectuou-se a separação entre duas áreas, a de Gestão de Talento e a de Gestão Administrativa de Recursos Humanos. Assim, foi criada na divisão Novabase Consulting uma nova área de apoio estratégico ao negócio designada por Gestão de Talento.

Esta área tem como principal objectivo a criação de uma prática comum na Novabase Consulting no que diz respeito aos processos de Gestão de Talento, orientada às necessidades e especificidade do nosso negócio, com vista a consolidar o compromisso e a excelência de desempenho. Da experiência feita nesta divisão tiraremos conclusões para toda a empresa.

Os resultados e benefícios que se esperam obter através desta área serão conseguidos a médio prazo, uma vez que implica trabalhar em dois pilares críticos e sensíveis. Por um lado, o alinhamento organizacional face a práticas, processos e metodologias de Gestão de Talento, por outro, a mudança da mentalidade e abordagem deste tema.

Por seu turno, ao nível central (Novabase SGPS), a área de Gestão Administrativa de Recursos Humanos iniciou a centralização dos processos respectivos, tendo adoptado um novo sistema de informação.

# 7 . Activities of the Functional Areas

## 7.1 Human Resources

In 2002 two areas were separated: Talent Management and Human Resources Management. A new strategic business support area called Talent Management was created in the Novabase Consulting division.

The main purpose of this area is to introduce standard practices in Talent Management at Novabase Consulting, oriented towards the needs and specificities of our business in order to consolidate our commitment and the excellence of our performance. We will later be able to draw conclusions for the whole company from the experiment in this division.

The results and benefits that we expect to achieve from this area are medium-term objectives, as it involves working in two critical, sensitive fields: on one hand, aligning the organisation with Talent Management practices, processes and methods and, on the other hand, a change of mentality and attitude to the matter.

In turn, at a central level (Novabase SGPS), the Human Resources Management Department adopted a new information system and began centralising its procedures.

## 7.2 Sistemas de Informação

Este foi para a Novabase o ano mais importante de sempre em relação à implementação de sistemas de informação para suporte à sua gestão e operação. Com a definição da arquitectura de sistemas da Novabase em Maio de 2001 iniciou-se um complexo programa de iniciativas de TI, para responder às necessidades da gestão aos mais diversos níveis da organização e em todas as suas naturezas. Estes projectos vão potenciar a Novabase, através de um conhecimento mais profundo do estado do negócio e agilizar as decisões, garantindo que toda a informação relevante é conhecida e tida em consideração no momento oportuno. No decorrer deste processo, não só foi garantido o rigoroso alinhamento da estratégia de TI com o negócio, como também a mais elevada disciplina no cumprimento dos prazos e dos orçamentos individuais de cada projecto.

Na componente de repositório de recursos humanos, processamento de salários e *employee self-service*, foi implementado o Meta4 e para a gestão da força de vendas e CRM o Siebel Sales. A mais importante iniciativa foi claramente a implementação de mySAP para a gestão administrativa e financeira de projectos. A integração de sistemas recorre a um Operational Data Store que é gerido através de uma ferramenta de EAI - Enterprise Application Integration. Ao longo do ano foram igualmente renovadas todas as plataformas de hardware de suporte às aplicações corporativas, introduzida uma rede especializada para storage (SAN) e um novo robot de backup's.

A Direcção Informática (DI) reduziu a sua equipa em 25% para 17 pessoas e obteve economias de escala a partir da introdução de mecanismos de alarme e manutenção preventiva e remota, recorrendo a produtos como o BMC, Compaq InSight Manager e desenvolvimentos de software internos em PERL e SNMP com agentes de monitorização que por SMS avisam a equipa técnica sempre que surge um problema ou uma mudança que pode ser relevante. Esta equipa suporta uma infraestrutura com mais de 200 servidores e uma comunidade Novabase com cerca de 1.000 utilizadores, dos quais mais de 20% remotos. O atendimento de 1ª linha recebeu em 2002 mais de 7.300 pedidos e desenvolveu mais de 20.000 actividades orientadas ao utilizador final. A DI liderou igualmente uma mudança

## 7.2 Information Systems

For Novabase, this was the most important year ever in the implementation of information systems to support management and operations. The definition of the architecture of Novabase's systems in May 2001 marked the beginning of a complex programme of IT initiatives to meet management needs in all their different forms at a wide variety of levels in the organisation. These projects will enhance Novabase's capabilities with better knowledge of the state of the business and make its decision making more agile by ensuring that all the relevant information is available and taken into consideration at the right moment. During this process, we guaranteed not only the strict alignment of our IT strategy with our business but also the strongest discipline in meeting deadlines and individual budgets for each project.

Meta4 was implemented in the human resource repository, salary processing and employee self-service, and Siebel Sales was installed for sales force management and CRM. By far the most important initiative was the implementation of mySAP for administrative and financial project management. The systems integration uses an operational data store that is managed by an EAI - Enterprise Application Integration tool. During the year, we also renewed all our hardware platforms supporting corporate applications and introduced a specialised storage network (SAN) and a new backup robot.

The Information Systems Department (ISD) downscaled its team by 25% to 17 people and achieved economies of scale by introducing remote and preventive alarm and maintenance mechanisms using products like BMC and Compaq InSight Manager and internally developing PERL and SNMP software with monitoring agents that warn the technical team by SMS whenever there is a problem or any possibly significant development. This team supports an infrastructure with more than 200 servers and a Novabase community of around 1.000 users, more than 20% of whom are remote. Front-line service received more than 7.300 requests in 2002 and undertook over 20.000 activities for the end user. The ISD was also responsible for a profound change in the functional areas, introducing the Siebel Service for recording and managing their activities. The ISD bills

profunda ao nível das áreas funcionais, disponibilizando o Siebel Service para o registo e gestão das suas actividades.
A DI procede à facturação de todos os serviços e produtos que disponibiliza às empresas Novabase, garantindo a total directização e transparência dos custos internos de TI, para o que possui uma solução própria de billing baseada em Proclarity.
Esta equipa possui certificação MSP-Microsoft Solution Provider, Compaq SAN-Storage Area Network e BMC--Software Business Parter e Certified Service Partner.

## 7.3 Comunicação e Marketing Institucional

Em 2002, a Novabase continuou a reforçar a sua imagem institucional, consolidando o processo de renovação da sua identidade corporativa.

A comunicação desenvolvida pela Novabase reafirmou os valores da sua cultura, que se centram na confiança e na transparência, apostando sempre na orientação à satisfação do Cliente.

A Unidade de Comunicação e Marketing Institucional prosseguiu o seu trabalho de manutenção e reforço da notoriedade da Novabase, num ano em que o investimento foi reduzido em relação a 2001.

O lançamento do novo site institucional e respectiva newsletter electrónica, a edição do Manual de Identidade Corporativa, o reforço de meios de comunicação interna, a renovação de suportes de comunicação externa e a coordenação de diversas acções de marketing junto dos Clientes foram alguns dos aspectos mais relevantes da actividade de comunicação e marketing da Novabase.

Ao nível de imprensa, a Novabase consolidou a sua presença nos meios de comunicação social mais relevantes do panorama nacional, contribuindo assim para o reforço da notoriedade da marca Novabase. Participámos e organizámos 18 eventos externos e 48 eventos internos. Emitimos 40 comunicados de imprensa donde resultaram 1.661 notícias sobre a Novabase nos orgãos de comunicação social. A média mensal de visitas ao site web da Novabase foi de 13.299 e atingimos o número de 1.490 assinantes da Newsletter electrónica.

all the services and products that it provides to Novabase companies, guaranteeing the total departmentalisation and transparency of internal IT costs, for which it has its own billing application based on Proclarity.
The team has certification from MSP-Microsoft Solution Provider, Compaq SAN-Storage Area Network and BMC-Software Business Partner and Certified Service Partner.

## 7.3 Corporate Marketing and Communication

In 2002, Novabase continued to reinforce its corporate image and to consolidate the makeover of its corporate identity.

Novabase's communication reasserted the values of its culture. These values focus on trust and transparency and are oriented towards customer satisfaction at all times.

The Corporate Marketing and Communication Unit continued its work on maintaining and reinforcing recognition of Novabase in a year in which there was less investment than in 2001.

The launch of the new company website and its newsletter, the publication of the Corporate Identity Manual, the improvement of internal communication, the renovation of supports to external communication and the coordination of several marketing activities for customers were some of the most relevant aspects of Novabase's marketing and communication.

Where the press was concerned, Novabase consolidated its presence in the most important media in Portugal, thus contributing to increasing recognition of the Novabase trademark. We organised and participated in 18 external events and 48 events were organised within the Group. We issued 40 press releases, which resulted in 1.661 news items on Novabase in the media. The monthly average number of visits to the Novabase website was 13.299 and there were 1.490 subscribers to our electronic newsletter.

De salientar ainda a atribuição à Novabase do prémio "Melhor Site Institucional 2002" pela Associação Portuguesa de Comunicação Empresarial (APCE).

## 7.4 Finanças

Este foi um ano de significativa mudança nas áreas financeiras, uma vez que estas estiveram envolvidas num conjunto de projectos e actividades estruturantes conducentes à melhoria dos sistemas de informação de gestão.

Com particular incidência neste campo refere-se a implementação bem sucedida do projecto SAP R/3, envolvendo milhares de horas de recursos votados ao levantamento de processos, redesenho, formação, testes, migração e implementação.

O projecto SAP da Novabase pode ser considerado como um dos mais avançados quanto à profundidade alcançada no domínio das componentes de *Project Management and Accounting.*

A Novabase prosseguiu a sua política de atracção de talento, continuando a reforçar-se no mercado com profissionais seniores vindos de sectores relevantes para a actividade do Grupo.

Neste ano, apesar do crescimento contínuo e sustentado do negócio, foi possível através de um programa de contenção sistemática e de centralização progressiva de algumas actividades, obter uma redução de efectivos considerável.

Um conjunto de ferramentas e metodologias foram também introduzidas, no sentido de melhorar a captação de informação prospectiva que permita antecipar o mercado.

Novabase also won the prize for the Best Company Website 2002 awarded by the Associação Portuguesa de Comunicação Empresarial (APCE).

## 7.4 Finance

This was a year of substantial change in the financial areas of the Group, as these areas were involved in a series of projects and structuring activities to improve our management information systems.

Of particular relevance in this field was the successful implementation of the SAP R/3 project involving thousands of hours of resources devoted to surveying processes, redesigning, training, tests, migration and implementation.

Novabase's SAP project can be considered one of the most advanced in terms of the depth achieved where Project Management and Accounting components are concerned.

Novabase continued to pursue its policy of attracting talent and reinforcing its position with senior professionals from sectors relevant to the Group's business activities.

In spite of the ongoing, sustained growth of the business, in 2002 it was possible to use a programme of systematic restraint and progressive centralisation of some activities to achieve a considerable reduction in permanent staff.

A series of tools and methods were also introduced to improve the gathering of prospective information enabling us to remain a step ahead of the market.



## 7.5 Logística

A área de logística da Novabase levou a cabo a mudança de instalações da Novabase Consulting, Novabase Capital e Novabase SGPS para um novo espaço nas Amoreiras. O novo espaço, é caracterizado por um menor custo por m2 e por distribuir os colaboradores por menos andares, possibilitando assim uma maior interacção entre todos. Tem melhores facilidades para reuniões e possui uma cantina cuja exploração foi concessionada.

Já em Dezembro de 2002, esta área deu apoio à integração do novo espaço onde está alojada a Novabase Infraestruturas e Integração de Sistemas Informáticos (ex- GE Capital IT Solutions) em Carnaxide.

Assim, na cidade de Lisboa, a Novabase possui agora três espaços distintos: Amoreiras, Parque das Nações e Carnaxide.

## 7.6 Jurídica

Tradicionalmente, os serviços jurídicos eram contratados pela Novabase ao exterior, por meio de algumas avenças com escritórios de advogados. Sem deixar de recorrer a estes em questões muito específicas, a Novabase fez em 2002 uma aposta na criação de competências próprias nesta área, justificada pela dimensão que a empresa atingiu e pela celeridade/proximidade que tal permite em relação a muitos processos. O saldo dessa aposta em 2002 é altamente positivo.

## 7.5 Logistics

Novabase's logistics area was responsible for moving Novabase Consulting, Novabase Capital and Novabase SGPS to their new offices in the Amoreiras area. The new offices involve a lower cost per square metre and mean that the employees are distributed on fewer floors, thus facilitating interaction between them. The premises have better facilities for meetings and a canteen for which a concession has been granted.

In December 2002, the logistics area provided support during the integration of the new premises of Novabase Infraestruturas e Integração de Sistemas Informáticos (formerly GE Capital IT Solutions) in Carnaxide.

Novabase now has three different offices in Lisbon: Amoreiras, Parque das Nações and Carnaxide.

## 7.6 Legal

Traditionally, Novabase has preferred to outsource its legal services, having a number of law firms on retainer. While still using their services for specific cases, in 2002 Novabase decided to create its own competences in this area as a result of the size the company has achieved and because of the possibility of speedier resolution of many cases. This proved to be by far the right choice in 2002.

## 8 . Factos Relevantes

Como parte integrante das acções de divulgação que competem às empresas cotadas, como é o caso da Novabase, enviámos para a CMVM, para consequente divulgação ao mercado, os seguintes factos relevantes:

2002-12-30
ATX
A Novabase chegou a um acordo com o Grupo Espírito Santo que envolve: (1) um contrato de outsourcing no valor mínimo anual de 6 M por um período de cinco anos e renovável por outros cinco anos, (2) a aquisição de 51% da empresa ATX Software, especializada em sistemas de informação centrais para a banca e mercado financeiro e (3) a compra pelo BES de 5% do capital da Novabase aos seus gestores, reforçando a sua posição final para 10%. A Novabase pagou 8.5 M , dos quais 2.5 M foram pagos em acções da Novabase avaliadas a 5.65 euros por acção com um período de um ano de imobilização e os restantes 6 M foram pagos em dinheiro.

**2002-12-09**
**GE Capital IT Solutions**
A Novabase adquiriu 83% da GE Capital IT Solutions Portugal, que integrou a divisão Engineering Solutions. A aquisição foi efectuada ao valor contabilístico por 2.5 M . Os gestores que permaneceram na empresa adquiriram os restantes 17%. Esta aquisição, que apenas foi efectiva em Janeiro de 2003, permitiu reforçar as competências da Novabase na área do desenho e implementação de infra-estruturas e redes para grandes clientes institucionais em Portugal.

**2002-11-05**
**Novabase ganha concurso para fornecimento de solução de bilhética para Rodoviária de Lisboa e Transportes Sul do Tejo**
A Rodoviária de Lisboa e os Transportes do Sul do Tejo escolheram a Novabase como fornecedor dos respectivos sistemas integrados de bilhética, num projecto cujo volume total ronda os 7 M . Estes projectos vêm ao

## 8 . Relevant Occurrences

As part of the obligations of listed companies like Novabase, we sent the following information to the CMVM for subsequent circulation to the market:

2002-12-30
ATX
Novabase reached an agreement with Banco Espírito Santo which involves: (1) an outsourcing services contract worth at least 6 M per annum over a five years period and renewable for another five, (2) the acquisition of 51% of ATX Software, a company specialized in building critical information systems for banking and financial institutions and (3) the purchase by BES of an additional stake of 5% in Novabase reaching a final position of 10%. Novabase paid 8.5 M for this deal, of which 2.5 M are in Novabase shares valued at 5.65 euros with a lock-up period of one year being the remaining 6 M paid in cash.

**2002-12-09**
**GE Capital IT Solutions**
Novabase reached an agreement to acquire 83% of GE Capital IT Solutions Portugal, which will become part of the Engineering Solutions division of Novabase. The acquisition made at book value, amounted to 2.5 M . Management, who will continue in the company, acquired the remaining 17%. The acquisition, effective in January 2003, reinforced Novabase competences in the design and implementation of IT infrastructures and networking to corporate customers in Portugal.

**2002-11-05**
**Novabase awarded a contract by Rodoviária de Lisboa and Transportes Sul do Tejo to supply ticketing solution**
Rodoviária de Lisboa and Transportes do Sul do Tejo have chosen Novabase as supplier of both company's integrated ticketing systems. The total value of this project amounts to 7 M . These projects meet the need for the transport companies to acquire increasingly modern and efficient business management support resources, including the ticketing project without

encontro da necessidade comum dos operadores de transportes de se dotarem de meios de apoio à gestão do seu negócio cada vez mais modernos e eficientes, onde se inclui o projecto de bilhética sem contacto desenvolvido pelos Operadores da Área Metropolitana de Lisboa (AML) no âmbito do projecto Calypso.

2002-10-29

**Novabase SGPS apresenta Resultados Consolidados do 3º Trimestre de 2002**

Volume de Negócios cresce 21% para 73.5 M , Resultados Líquidos crescem 7.5% para 4.1 M e EBITDA cresce 19% para 10.3 M . Novabase apresenta também contas em IAS.

2002-07-31

**Novabase apresenta Resultados do primeiro Semestre de 2002**

Volume de Negócios cresce 23.3% para 50.7 M , Resultados Líquidos crescem 27.2% para 2.8 M e EBITDA cresce 20.8% para 7.2 M . Novabase apresenta igualmente as contas em formato internacional (IAS).

2002-04-30

**Novabase divulga Resultados do 1º Trimestre de 2002**

Volume de Negócios cresce 22.3% para 21.7 M , Resultados Líquidos crescem 44.9% para 0.75 M e EBITDA cresce 41.2% para 2.7 M .

2002-04-03

**Novabase contratada pela Carris para fornecimento de solução de bilhética**

O contrato no valor total de 10.7 M inclui o fornecimento da solução que se baseia na utilização do cartão sem contacto “Lisboa Viva”, projecto conduzido pela OTLIS que congrega, numa óptica multimodal todos os operadores de transportes urbanos da área metropolitana de Lisboa. O valor total de 10.7 M inclui o fornecimento da solução (9.6 M ) e um contrato de manutenção por dois anos (1.1 M ).

2002-03-07

**Novabase divulga Resultados do Exercício de 2001**

O Volume de Vendas e Prestação de Serviços Consolidados em 2001 atingiu os 96.5 M , o que representa um crescimento de 82.5% face a 2000. Os Resultados

contact developed for the Operators of the Lisbon Metropolitan Area (AML) in the scope of the Calypso project.

2002-10-29

**Novabase SGPS announces 3rd Quarter 2002 Consolidated Results**

Turnover increases 21% to 73.5 M , Net Profit increases 7.5% to 4.1 M and EBITDA increases 19% to 10.3 M . Novabase also submits accounts in IAS.

2002-07-31

**Consolidated Results of Novabase SGPS, 1st Half 2002**

Turnover increases 23.3% to 50.7 M , Net Profit increases 27.2% to 2.8 M and EBITDA increases 20.8% to 7.2 M . Novabase also presents accounts according to IAS.

2002-04-30

**Novabase announces 2002 1st Quarter Results**

Turnover increases 22.3% to 21.7 M , Net Profit increases 44.9% to 0.75 M and EBITDA increases 41.2% to 2.7 M .

2002-04-03

**Novabase awarded a contract by Carris to supply ticketing solution**

The total value of the contract is 10.7 M and includes the supply of the solution based in the use of a contactless card, a project which comprises, in a multimodal scope, all the urban transport operators of the Lisbon metropolitan area. Total value is 10.7 M and includes the supply of the complete solution (9.6 M ) and a two year maintenance contract (1.1 M ).

2002-03-07

**Novabase announces 2001 Earnings**

Sales reached 96.5 M , representing an 82.5% increase over the previous year. Consolidated Net Profit reached 8.9 M , a 38.9% year-on-year increase. EBIDTA reached 16.3 M a 54.8% increase when compared to the 10.5 M registered in 2000.

Líquidos Consolidados em 2001, já deduzidos de interesses minoritários, atingiram 8.9 M¤, correspondendo a um crescimento de 38.9%. O EBITDA atingiu os 16.3 M¤, mais 54.8% face aos 10.5 M¤ registados em 2000.

2002-01-10
**Novabase e Otrum divulgam contrato para fornecimento de soluções para Televisão Interactiva na Europa**
A parceria visa o desenvolvimento de uma solução de Televisão Interactiva para a indústria de Hospitality.

## 9 . Análise Economico - Financeira

O **Volume de Negócios** em 2002 atingiu os 114.1 M¤, o que reflecte um crescimento de 18.2% face ao mesmo período no ano anterior.

Em termos de actividade:

_ A divisão **Novabase Consulting** cresceu 13.4% face a 2001, de 55.8 para 63.3 M¤.

_ A divisão **Novabase Engineering Solutions** cresceu 25.2% face a 2001, de 37.0 para 46.4 M ¤.

_ A divisão **Novabase Training** cresceu 45.4% face a 2001, de 1.7 para 2.5 M¤.

_ A **Novabase Capital** manteve aproximadamente o mesmo Volume de Negócios do ano anterior (1.9 M¤).¤

**Os Resultados Líquidos Consolidados**, depois de interesses minoritários são, neste período, de 9.5 M¤, representando um crescimento de 6.4% face a 2001 (8.9 M¤).

**O Número Médio de Colaboradores** que se situava, no fim de 2001, nos 944, decresceu para 926, representando uma redução de 1.9% face a 2001 . Assim sendo, o Volume de Negócios por Colaborador, neste período de 2002, fixou-se em cerca de 123 mil euros, mais 20.5% que em 2001 (102 mil euros).

2002-01-10
**Novabase and Otrum signed agreement to co-develop comprehensive Broadband Interactive TV services platform for Hotels**
This agreement is aimed at combining OCTAL TV (a Novabase's subsidiary) Microsoft TV based set-top-boxes technology with OTRUM Interactive TV service platform for Hotels.

## 9 . Economic and Financial Analysis

**Novabase's Turnover** in 2002 was 114.1 M¤, which reflects a growth of 18.2% in relation to 2001.

In terms of business:

_ The **Novabase Consulting** division grew 13.4% in relation to 2001, from 55.8 M¤ to 63.3 M¤.

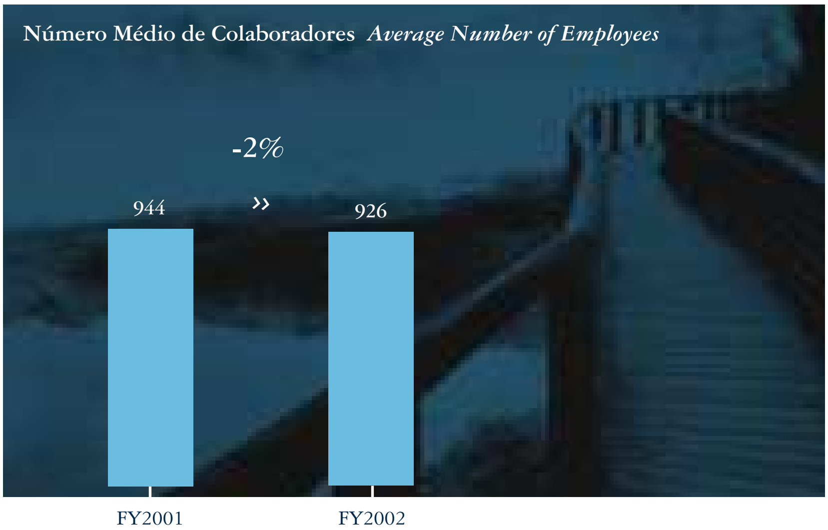
_ The **Novabase Engineering Solutions** division grew 25.2% in relation to 2001, from 37 M¤ to 46.4 M¤.

_ The **Novabase Training** division grew 45.4% in relation to 2001, from 1.7 M¤ to 2.5 M¤.

_ **Novabase Capital** maintained approximately its Turnover in relation to 2001 (1.9 M¤).

The **Consolidated Net Profit** after minority interests in 2002 was 9.5 M¤, representing an increase of 6.4% in relation to 2001 ( 8.9 M¤).

**The Average Number of Employees**, which was 944 in 2001, went down to 926 in 2002, representing a reduction of 1.9%. The Turnover per employee in 2002 was thus approximately EUR 123 thousand, which was 20.5% more than in 2001 (EUR 102 thousand).




O **EBITDA** atingiu os 18.8 M , o que reflecte um crescimento de 15.7% face a 2001 (16.3 M ).

Em percentagem do Volume de Negócios, o EBITDA neste período representa aproximadamente uma margem total de 16.5%. A desagregação desta margem por Divisão de Negócios, no final de 2002, é analisada como se segue:

_ A divisão **Novabase Consulting** em Portugal é responsável por uma margem EBITDA de 22%. Ao considerar-se em conjunto com o Brasil - negócio que ainda não entrou na fase de 'break-even' anual, e como tal representa ainda uma margem negativa (-11.9%) - a margem EBITDA reduz-se para 19.7%.

_ A divisão **Novabase Engineering Solutions** apresentou um EBITDA de 5.6 M , a que corresponde uma margem EBITDA de 12.2%.

_ A divisão **Novabase Training** apresentou um EBITDA de 0.4 M , a que corresponde uma margem EBITDA de 15.6%.

_ A **Novabase Capital** apresentou um EBITDA de 0.3 M , a que corresponde uma margem EBITDA de 18.0%.

EBITDA was 18.8 M , which reflects an increase of 15.7% in relation to 2001 (16.3 M ).

EBITDA as a percentage of the Turnover in 2002 represents a total margin of roughly 16.5%. The EBITDA per business division at the end of 2002 was as follows:

_ The **Novabase Consulting** division in Portugal is responsible for an EBITDA margin of 22%. When considered in conjunction with Brazil, a business which has not yet reached the yearly break-even stage and still presents a negative margin (-11.9%), the EBITDA goes down to 19.7%.

_ EBITDA of the **Novabase Engineering Solutions** division was 5.6 M , which corresponds to an EBITDA margin of 12.2%.

_ EBITDA of the **Novabase Training** division was 0.4 M , which corresponds to an EBITDA margin of 15.6%.

_ EBITDA of **Novabase Capital** was 0.3 M , which corresponds to an EBITDA margin of 18.0%.

O volume de "Trabalhos para a Própria Empresa" reduziu-se 43.1%, de 2.9 M em 2001 para 1.7 M em 2002. Em consequência, ao nível do *EBITDA Ajustado pela rúbrica "Trabalhos para a Própria Empresa"*, verifica-se um crescimento do EBITDA Ajustado de 28.6%, consubstanciado na evolução de um valor de 13.4 M em 2001 (o que corresponde a uma margem de EBITDA Ajustado de 13.8%) para um valor de 17.2 M em 2002, o que representa uma margem de EBITDA Ajustado de 15.1%.

Os **Resultados Operacionais (EBIT)** atingiram os 12.4 M , o que reflecte um crescimento de 6.3% face a 2001 (11.7 M ). O menor crescimento verificado neste indicador deveu-se essencialmente ao aumento do peso das amortizações derivadas do equipamento básico e despesas de investigação e desenvolvimento, consubstanciado nos investimentos estratégicos realizados pelo Grupo Novabase na modernização dos seus sistemas de informação.

Os **Resultados Financeiros** de 2002, no valor líquido negativo de 588 mil euros, foram fortemente penalizados face ao período homólogo (negativos de 208 mil euros), essencialmente devido a diferenças cambiais (300 mil euros) e ao aumento do recurso a operações de factoring sem recurso (200 mil euros), como resultado do agravamento generalizado dos prazos médios de recebimento na economia Portuguesa em geral, utilizando para este efeito a carteira de clientes institucionais de muito baixo risco e assegurando por esta via níveis sólidos e confortáveis de liquidez a custos de funding muito reduzido.

O recurso a este tipo de facilidades financeiras, utilizando apenas a carteira de clientes institucionais de muito baixo risco, permite encarar estes créditos como títulos de crédito perfeitamente transaccionáveis, permitindo suprimir as necessidades básicas de fundo de maneio das actividades do Grupo Novabase.

The volume of "Own Works" went down 43.1%, from 2.9 M¤ in 2001 to 1.7 M¤ in 2002. As a result, there was a 28.6% growth in the EBITDA "adjusted for own works", which went up from 13.4 M in 2001 (corresponding to an adjusted EBITDA margin of 13.8%) to 17.2 M in 2002 (meaning an adjusted EBITDA margin of 15.1%).

**The Operating Results (EBIT)** were 12.4 M , which reflects a growth of 6.3% in relation to 2001 (11.7 M ). The smaller growth in this indicator was essentially due to an increase in the weight of the depreciation of basic equipment and spending on research and development, which took the form of strategic investments by the Novabase Group in updating its information systems.

The **Financial Results** for 2002 were minus EUR 588 thousand, higher than in 2001 (EUR 208 thousand), essentially because of exchange rate differences (EUR 300 thousand) and the increase in the use of factoring (EUR 200 thousand), as a result of the general deterioration in the average debt collection time in the Portuguese economy in general. For this purpose we used our portfolio of low-risk institutional customers thus ensuring solid, comfortable levels of liquidity at a very low funding cost.

The use of this type of financial facility with only our portfolio of very low-risk institutional customers, on the basis that their invoices were perfectly negotiable, made it possible to meet the basic need for working capital in the Novabase Group's activities.

Os **Resultados Antes de Impostos** de 2002, no valor de 10.1 M , foram fortemente penalizados face ao período homólogo (12.4 M ), essencialmente devido à implementação do plano de reestruturação do seu universo empresarial, de modo a aumentar a qualidade dos serviços prestados aos seus clientes e a optimizar os níveis de eficiência internos.

Em consequência, o Conselho de Administração deliberou implementar um plano de restruturação empresarial que permitisse dotar o Grupo de uma plataforma operacional e comercial por forma a continuar a aumentar a sua quota de mercado de forma sustentada e sólida. Neste contexto, a Novabase identificou como necessário reorganizar-se para 2003 com três objectivos:

**_ Optimizar a eficiência operacional**

**_ Aumentar a orientação para o cliente**

**_ Acelerar a introdução de inovações tecnológicas no mercado**

A implementação deste plano estratégico com claros e evidentes benefícios a curto, médio e longo prazo, teve impacto nos **Resultados Extraordinários**, onde se encontram reflectidos os seguintes custos não recorrentes:

_ Restruturação do quadro de pessoal (comercial e funcional) no valor de 1.8 M .

_ Aceleração do período de amortização de alguns imobilizados incorpóreos no valor de 0.5 M .

_ Aceleração da totalidade da amortização do goodwill sobre a SAF no valor de 0.4 M .

O volume de **Capitais Próprios** elevou-se de 63.4 M , em 2001, para 69.4 M , em 31 de Dezembro de 2002, reflectindo um crescimento de 9.5%.

Os **Earnings Per Share** (Resultados Por Acção) cresceram 6.3%, passando de 0.315 para 0.335 euros por acção.

The **Pre-Tax Results** in 2002, were 10.1 M , considerably less than in 2001 (12.4 M ), essentially due to the implementation of the corporate restructuring plan to improve the quality of the services provided to the company's customers and optimise internal efficiency.

As a result, the Board of Directors decided to implement a corporate restructuring plan to provide the Group with a commercial and operating platform that would enable it to maintain a solid and sustained increase in market share. In this context, Novabase decided that a reorganisation was necessary in 2003, with three goals:

**_ Optimising operating efficiency**

**_ Increasing orientation towards the customer**

**_ Accelerating the introduction of technological innovations in the market**

The implementation of this strategic plan with clear short, medium and long-term advantages, had an impact on the **Extraordinary Results** where the following non-recurring costs are reflected:

_The restructuring of personnel (commercial and administrative) to a total of 1.8 M .

_Acceleration of the depreciation period for some intangible fixed assets to a total of 0.5 M .

_Acceleration of the total depreciation of goodwill on SAF to a total of 0.4 M .

**Equity** went from 63.4 M in 2001 to 69.4 M on 31 December 2002, representing an increase of 9.5%.

**Earnings Per Share** grew 6.3%, going from EUR 0.315 to EUR 0.335 per share.

Em 31 de Dezembro de 2002, o Balanço manteve uma situação líquida de tesouraria ("net-cash") muito positiva de 19.2 M . Apesar de reflectir um decréscimo de 17% face aos 23.1 M do período homólogo, se expurgado o impacto da aquisição da ATX e do Contrato Programa com o Grupo BES no valor de 8.5 M , o "net-cash" ajustado sobe para 27.7 M , mais 20% que em 2001.

As **Existências** passaram de 7.8 para 9.4 M , de 2001 para 2002, respectivamente, mantendo-se a cobertura sobre as vendas de produtos nos 23%.

Em 31 de Dezembro de 2002, os **Clientes C/Corrente** cifraram-se em 32.0 M , ligeiramente superior ao valor de 31 de Dezembro de 2001 (30.2 M ). Assim sendo, o Prazo Médio de Recebimento apresentou um decréscimo assinalável, passando de 98 dias para os 86 dias.

On 31 December 2002 the Balance Sheet showed a highly positive net-cash situation of 19.2 M . In spite of the fact that this represents a decrease of 17% compared to the 23.1 M in 2001, if we discount the impact of the acquisition of ATX and the programme contract with the BES Group worth 8.5 M , adjusted net-cash goes up to 27.7 M , 20% more than in 2001.

**Inventory** went from 7.8 M in 2001 to 9.4 M in 2002, and coverage of product sales remained at 23%.

On 31 December 2002, **Customers' Current Accounts** were 32.0 M , which was slightly more than on 31 December 2001 (30.2 M ). As a result, the average collection period went down considerably from 98 to 86 days.

A Força só por si é cega, nada significa, nada alcança,
há que saber dizer-lhe para onde ir e o que procurar.

*Strength alone is blind, without meaning, without goals,
one has to know where to go and what to look for.*



## Investimento

O investimento líquido total da Novabase ascendeu, em 2002, a cerca de 16.4 M , dos quais 11.3 M ¤constitui investimento não recorrente em Goodwill, Trespasses e Direitos (situações referentes a aquisições de partes de capital) e ainda em projectos de melhoria interna na Novabase. Os restantes 5.1 M constituem a componente de investimento recorrente.

O **Imobilizado em Curso** passou de 3.4 M em 2001 para 4.0 M em 2002, o que corresponde a um investimento líquido de cerca de 0.6 M . Esta variação resulta da transferência para imobilizado firme de 3.3 M e do investimento novo no período de 3.9 M .

Destes 3.9 M , 1.0 M são projectos não recorrentes relativos ao desenvolvimento interno do SAP e os restantes 2.9 M são projectos recorrentes de desenvolvimento de produtos e serviços.

A transferência para imobilizado firme, para a rubrica de I&D, no valor total de 3.3 M , refere-se a 2.3 M de projectos recorrentes de desenvolvimento de produtos e serviços e a 1.0 M de projectos não recorrentes de melhoria interna na Novabase, realizados na sua maioria pela Novabase Serviços e que respeitam a investimentos em tecnologias de informação, entre os quais projectos internos em SAP, Chasm, Meta4 e Controlo de Acessos.

O **Imobilizado Incorpóreo**, excluindo o imobilizado em curso, passou de 20.0 M em 2001 para 34.5 M em 2002, o que representa um investimento líquido em 2002 de 14.5 M . Deste valor, apenas 2.5 M são investimento recorrente em projectos de I&D e 12.0 M constituem o investimento não recorrente. Na componente não recorrente, cerca de 11.0 M respeitam a investimento em partes de capital (5.6 M são relativos a Direitos previstos no contrato de outsourcing com o Grupo BES, 2.6 M de Trespasses relativos a aquisição da ATX, 1.7 M de Trespasses relativos à aquisição da área de Cedência de Recursos da Mercabolsa e 1.1 M referentes a outras aquisições) e cerca de 1.0 M respeitam a projectos internos na Novabase transferidos do imobilizado em curso, atrás referidos.

## Capital Expenditure

In 2002, Novabase's net capital expenditure totalled approximately 16.4 M¤ of which 11.3 M¤ were non-recurrent capital expenditure on goodwill, lease transfers and rights (referring to the acquisition of shareholdings) and on internal improvements to Novabase. The remaining 5.1 M represent recurrent capital expenditure.

**Current Fixed** Assets went from 3.4 M in 2001 to 4.0 M in 2002, which corresponds to a net capital expenditure of around 0.6 M . This variation is the result of the transfer to firm fixed assets of 3.3 M and of new investments of 3.9 M during the period.

Of these 3.9 M , 1.0 M were non-recurrent projects for internal SAP development and the remaining 2.9 M for recurrent product and service development projects.

The transfer of 3.3 M to R&D under firm fixed assets corresponds to 2.3 M in recurrent projects for the development of products and services and to 1.0 M in non-recurrent projects for internal improvements at Novabase, carried out mainly by Novabase Serviços and represented by investments in information technology, which included internal SAP, Chasm, Meta4 and access control projects.

**Intangible Assets**, excluding current fixed assets, went from 20 M in 2001 to 34.5 M in 2002, which represents a net capital expenditure in 2002 of 14.5 M . Of this amount, only 2.5 M represented recurrent capital expenditure in R&D projects while 12 M were non-recurrent capital expenditure. Of this non-recurrent capital expenditure, about 11 M correspond to capital expenditure on equity stakes (5.6 M represent rights from the outsourcing contract with the BES Group, 2.6 M represent business property rights from the acquisition of ATX, 1.7 M represent business property rights from the acquisition of the human resources outsourcing unit of Mercabolsa and 1.1 M represent other acquisitions) and roughly 1.0 M refer to internal Novabase projects transferred from current fixed assets, as mentioned above.

**O Imobilizado Corpóreo** passou de 11.9 M em 2001 para 14.2 M em 2002, o que representa um investimento líquido de 2.3 M , dos quais a componente não recorrente apenas representa cerca de 0.4 M .

**O Investimento Financeiro** passou de 2.1 M em 2001 para 1.1 M em 2002, o que corresponde a um desinvestimento líquido de cerca de 1.0 M . Este montante corresponde na sua maioria ao saldo das alienações e aquisições efectuadas pela Novabase Capital de participações minoritárias no capital de diversas empresas. Destas operações, a mais relevante foi a alienação dos 25.1% da Infordesporto no valor de 1.3 M .

**Tangible Fixed Assets** went from 11.9 M in 2001 to 14.2 M in 2002, which represents a net capital expenditure of 2.3 M , of which only about 0.4 M were for non-recurrent investments.

**Financial Investments** went from 2.1 M in 2001 to 1.1M in 2002, which corresponds to a net disinvestment of approximately 1.0 M . Most of this amount corresponds to the sale and acquisition by Novabase Capital of minority shareholdings in several companies. The most important of these operations was the sale of the 25.1% held in Infordesporto for 1.3 M .

## Investimento *Capital Expenditure*

| | Não Recorrente *Non-recurrent* | Recorrente *Recurrent* | Total *Total* |
|---|---|---|---|
| **Imobilizado em curso** ***Work in Progress*** | | | |
| Imobilizado em curso *Work in Progress* | 1.026 | 2.916 | 3.942 |
| Transferência p/ Imob. Firme *Transfer to Fixed Assets* | -951 | -2.346 | -3.297 |
| **Sub-total (1)** | 75 | 570 | 645 |
| **Imobilizado Incorpóreo** *Intangible Assets* | | | |
| I&D *R&D* | 951 | 2.542 | 3.493 |
| Propriedade Industrial e Outros Direitos *Industrial Property and Other Rights* | 5.599 | | 5.599 |
| Goodwill *Goodwill* | 385 | | 385 |
| Trespasses *Business Property Rights* | 5.009 | | 5.009 |
| **Sub-total (2)** | 11.944 | 2.542 | 14.486 |
| **Imobilizado Corpóreo** ***Tangible Assets*** | | | |
| Eq. Transporte / Leasing / AOV *Vehicles/Leasing/OR* | -558 | | -558 |
| Outros *Other* | 912 | 1.942 | 2.854 |
| **Sub-total (3)** | 354 | 1.942 | 2.296 |
| **Imobilizado Financeiro** ***Financial Fixed Assets*** | | | |
| Empresas Associadas *Associate Companies* | -1.037 | | -1.037 |
| **Sub-total (4)** | -1.037 | 0 | -1.037 |
| **Total** | 11.336 | 5.054 | 16.390 |



**Balanço e Demonstração dos Resultados Pró-Forma Consolidados da Novabase, preparados de acordo com as Normas Internacionais de Contabilidade (IAS)**

Ainda que obrigatória apenas a partir de 2005, inclusive, a apresentação de demonstrações financeiras consolidadas preparadas de acordo com as Normas Internacionais de Contabilidade (NIC's "IAS") para empresas cotadas em Bolsa, o Conselho de Administração da Novabase entendeu divulgar, desde já, simultaneamente alguns indicadores pró-forma consolidados, a reconciliação de resultados líquidos pró-forma consolidados e dos capitais próprios pró-forma consolidados, apurados por referência aos Princípios Contabilísticos geralmente aceites em Portugal e às Normas Internacionais de Contabilidade.

A informação divulgada, para fins informativos, inclui os principais ajustamentos identificados como de maior impacto à luz das Normas Internacionais de Contabilidade.

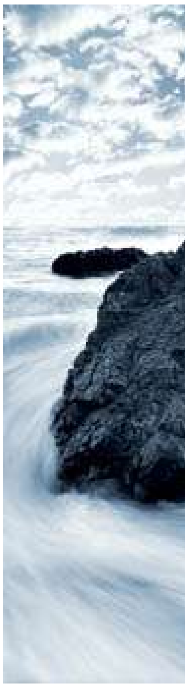
**Consolidated Pro-Forma Balance Sheet and Profit and Loss Account of Novabase prepared according to the International Accounting Standards (IAS)**

Although the submission of consolidated financial statements prepared according to the International Accounting Standards (IAS) will only become compulsory in 2005 for listed companies, the Board of Directors of Novabase decided to announce at the same time some of the consolidated pro-forma indicators and the reconciliation of the net consolidated pro-forma results and consolidated pro-forma equity calculated by reference to the generally accepted accounting principles in Portugal and the International Accounting Standards.

The data supplied for information purposes includes the main adjustments identified as having had the greatest impact in light of the International Accounting Standards.

Sinteticamente, os **Resultados Pró-Forma Consolidados - IAS** são analisados como se segue:

The **Consolidated Pro-Forma Results - IAS** have been analysed as follows:



| | 2002 | 2001 |
|---|---|---|
| | Euro '000 | Euro '000 |
| Resultados Consolidados - POC<br>*Consolidated Net Profit - Portuguese GAAP* | 9.459 | 8.886 |
| **Ajustamentos para IAS:**<br>*Adjustments for IAS:* | | |
| 1. Despesas de Instalação e Constituição<br>*Start-up Costs* | 114 | 198 |
| 2. Despesas com Campanhas Publicitárias<br>*Advertising Expenses* | 158 | (187) |
| 3. Despesas em Projectos de Investigação e Desenvolvimento<br>*Research & Development Expenses* | (234) | (401) |
| 4. Bonus / Gratificações a Colaboradores<br>*Bonus to Employees* | (956) | (923) |
| 5. Impostos Diferidos<br>*Deferred Income Taxes* | (37) | 176 |
| **Resultados Líquidos Consolidados - IAS PRÓ-FORMA**<br>*Consolidated Net Profit - IAS PRO-FORMA* | 8.504 | 7.749 |



Os **Capitais Próprios Pró-Forma Consolidados** são analisados sumariamente como se segue:

The **Consolidated Pro-Forma Equity** has been analysed as follows:

| | 2002 | 2001 |
|---|---|---|
| | Euro '000 | Euro '000 |
| Capitais Próprios Consolidados - POC<br>*Consolidated Shareholders' Equity - Portuguese GAAP* | 69.434 | 63.381 |
| **Ajustamentos para IAS:**<br>*Adjustments for IAS* | | |
| 1. Despesas de Instalação e Constituição<br>*Start-up Costs* | (490) | (444) |
| 2. Despesas com Campanhas Publicitárias<br>*Advertising Expenses* | - | (318) |
| 3. Despesas em Projectos de Investigação e Desenvolvimento<br>*Research & Development Expenses* | (1.096) | (862) |
| 4. Bonus / Gratificações a colaboradores<br>*Bonus to Employees* | (956) | (923) |
| 5. Impostos Diferidos<br>*Deferred Income Taxes* | 599 | 601 |
| 6. "Fair-value" dos títulos de investimento<br>*Fair-value of Investment Account Securities* | (77) | 26 |
| **Capitais Próprios Consolidados - IAS PRÓ-FORMA**<br>*Consolidated Shareholders' Equity - IAS PRO-FORMA* | 67.414 | 61.461 |

## 10 . Comportamento Bolsista

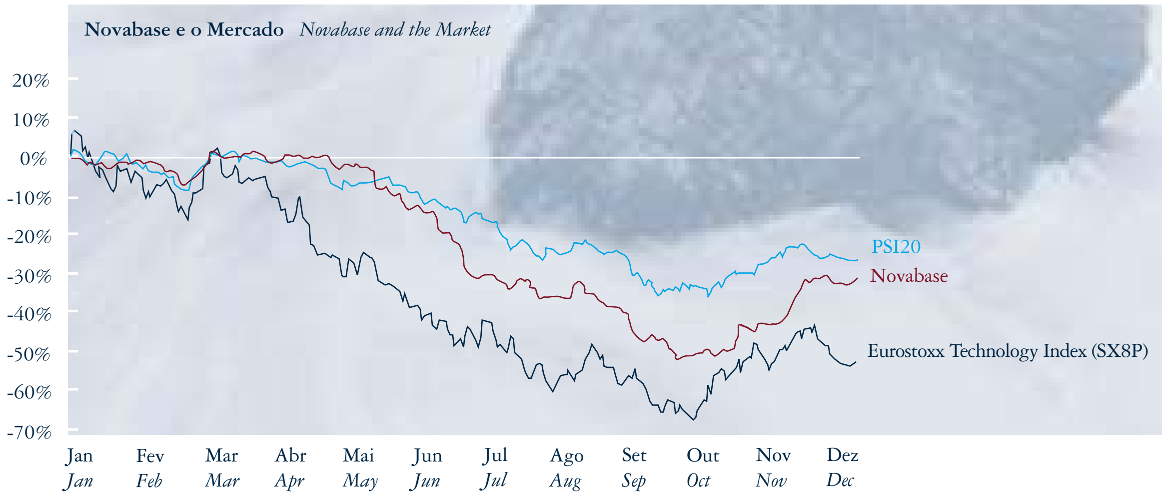
O ano 2002 caracterizou-se por uma baixa simultânea do ciclo económico das principais economias mundiais, agravado, a nível macroeconómico por conflitos militares e tensões político-económicas e a nível microeconómico pela falta de fiabilidade nas contas reportadas por algumas empresas. A perda de confiança e o aumento significativo de aversão ao risco determinaram uma retracção de consumo e investimento e o adiamento da retoma económica.

Como consequência, os mercados accionistas sofreram depreciações substanciais nos primeiros nove meses de 2002. A acção Novabase terminou o ano a perder 30%, acima da queda do índice PSI20, que caiu 25.3%, mas substancialmente menos que o índice EuroStoxx Technology, que perdeu 56.1%.

## 10 . Stock Performance

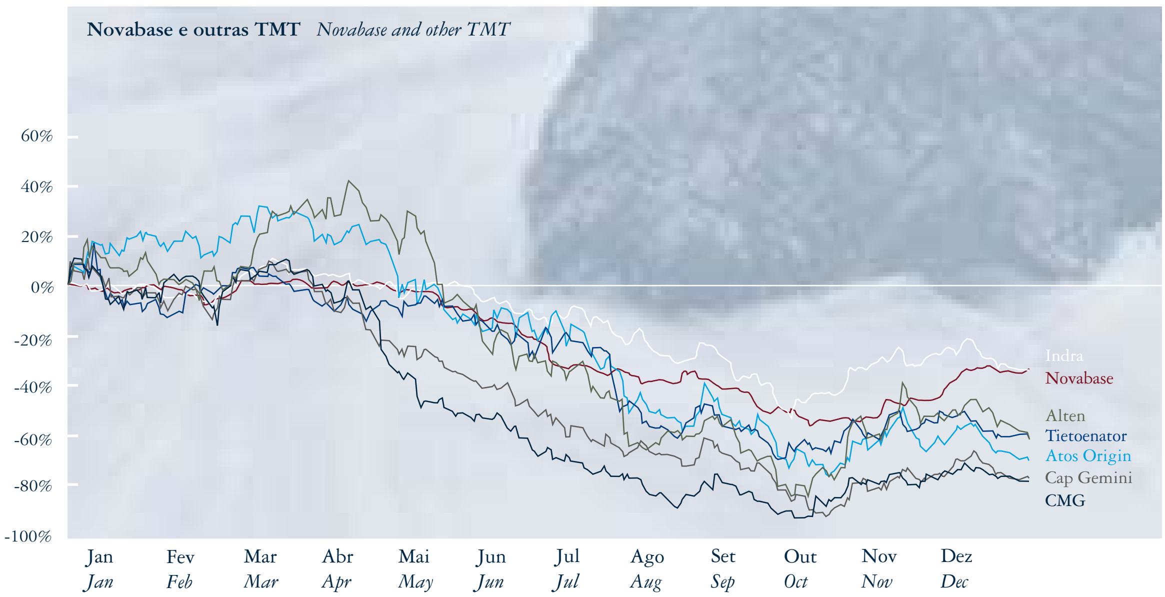
2002 was a year of synchronised decline in the economic cycles of the main world economies, aggravated at a macroeconomic level by military conflicts and politico-economic tension and at a microeconomic level by the unreliability of the accounts published by some companies. The loss of confidence and the significant increase in the aversion to risk resulted in a reduction in consumption and investment and the postponement of the economic revival.

As a result, the stock markets suffered a substantial drop in the first nine months of 2002. Novabase's shares ended the year 30% down, which was more than the fall in the PSI20, which went down 25.3%, but substantially less than the EuroStoxx Technology Index, which fell by 56.1%.




Ao comparar a cotação da Novabase com as de outras empresas do sector das TI na Europa, confirmamos que a Novabase foi das acções que melhor desempenho teve em 2002, tendo sido das empresas que menos desvalorizou.

If we compare the price of Novabase's shares with that of other companies in the IT sector in Europe, we confirm that Novabase was among the stocks with the best performances in 2002, and was one of the companies that went down least.



A cotação média, ponderada pela quantidade, do título Novabase em 2002, cifrou-se em 6.32 euros por acção. Foram transaccionadas cerca de 7 milhões de acções nas 247 sessões de bolsa de 2002, correspondentes a um valor de transacção de 44.3 M . O número médio diário de acções transaccionadas fixou-se em cerca de 28.4 mil títulos, correspondentes a um valor médio diário de cerca de 0.18 M .

Em termos de liquidez, a rotação em 2002 representou cerca de 82.7% do free float e corresponde a cerca de 25% do capital total da Novabase.

A cotação no último dia de bolsa de 2002, dia 31 de Dezembro de 2002, fixou-se nos 5.80 euros, o que representa uma desvalorização de cerca de 30% face aos 8.39 euros com que a Novabase se fixou no final de 2001 (cotação de 28 Dezembro de 2001).

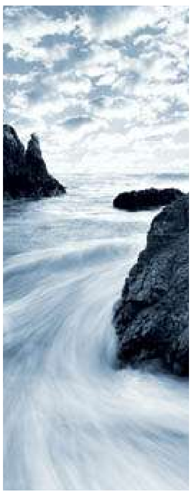
A cotação de fecho máxima registada em 2002 ocorreu no 1º trimestre, em que a acção fechou a 8.45 euros, enquanto que o valor mínimo registado fixou-se nos 4.06 euros e ocorreu no 4º trimestre de 2002. A capitalização bolsista no final de 2002 fixou-se em 163.9 M .

The average Novabase share price weighted by quantity in 2002 was EUR 6.32 per share. About 7 million shares were traded at all the 247 stock exchange sessions in 2002, corresponding to a trading value of 44.3 M . The daily average number of shares traded was about 28.4 thousand shares, corresponding to a daily average value of about 0.18 M .

In terms of liquidity, the Turnover in 2002 represented about 82.7% of the free float and corresponded to about 25% of Novabase's total capital.

The share price on the last day of trading, 31 December 2002, was EUR 5.80, which represents a devaluation of about 30% compared to the EUR 8.39 of Novabase shares at the end of 2001 (price on 28 December 2001).

The highest closing price in 2002 occurred in the first quarter, when they closed at EUR 8.45, while their minimum value was EUR 4.06, which occurred in the fourth quarter of 2002. Market capitalisation at the end of 2002 was 163.9 M .



| Resumo<br>*Summary* | 4Q2002 | 3Q2002 | 2Q2002 | 1Q2002 |
|---|---|---|---|---|
| Cotação mínima (valor euros)<br>*Minimum price (EUR)* | 4.06 | 4.45 | 6.59 | 7.75 |
| Cotação máxima (valor euros)<br>*Maximum price (EUR)* | 5.84 | 6.49 | 8.39 | 8.45 |
| Cotação média ponderada pela quantidade<br>*Average price weighted by quantity* | 5.30 | 5.47 | 7.80 | 8.18 |
| Nº de títulos transaccionados<br>*Nº of shares traded* | 2.833.093 | 1.622.460 | 1.043.747 | 1.510.371 |
| Capitaliz. bolsista no último dia do período (M )<br>*Market capitalisation on last day of period (M )* | 163.9 | 127.7 | 186.2 | 238.8 |

## 11 . Proposta de Aplicação de Resultados

O resultado líquido apurado no exercício de 2002 foi de 9.459.990,75 , que se propõe tenha a seguinte aplicação:

| | |
|---|---|
| Reserva Legal : | Euros: 472. 999,54 |
| Resultados Transitados: | Euros: 8.986.991,21 |

## 11 . Proposal for Allocation of Profits

The net profit for the financial year of 2002 was 9.459.990,75 , and we propose that it should be allocated as follows:

| | |
|---|---|
| Statutory Reserve: | EUR: 472.999,54 |
| Retained Earnings: | EUR: 8.986.991,21 |

## 12 . Perspectivas para 2003

### 12.1 Principais Objectivos

Inicia-se agora o exercício de 2003. Os mercados continuam a dar sinais de inquietação. A situação geopolítica assim o determina. Portugal entrou na chamada recessão técnica. Continuaremos a procurar resistir da melhor forma às dificuldades, procurando actuar num novo quadro estratégico resultante das alterações da estrutura de mercado e da progressiva integração entre os dois mercados ibéricos.

Assim, é necessário promover e expandir a nossa oferta de Outsourcing, a área onde se espera maior crescimento nos próximos anos no mercado de TI. Esta área deverá, no próximo exercício, registar um crescimento orgânico, mas procuraremos também encontrar formas de crescer por aquisição, se for possível encontrar activos interessantes para juntar aos nossos.

A divisão Novabase Consulting, terminada a sua reestruturação, procurará responder às actuais dificuldades do negócio de consultoria no mercado em geral, procurando crescer e sobretudo manter/melhorar a sua rentabilidade no mercado nacional. Procurará consolidar a posição de break-even operacional atingida no Brasil em Dezembro de 2002 e avaliará novas hipóteses de crescimento em Espanha.

## 12 . Outlook for 2003

### 12.1 Main Goals

The financial year of 2003 has now begun. The markets are still showing signs of unrest, driven by the geopolitical situation. Portugal has fallen into a so-called technical recession. We will continue to do our best to face the difficulties we have ahead, endeavouring to operate in the new strategic framework created by the changes in the market structure and the progressive integration of the two Iberian markets.

It is therefore necessary to expand and promote our range of outsourcing, an area of the IT market in which we can expect more growth in the next few years. Our own outsourcing activities are expected to increase next year, though we will also try to find ways of growing by means of acquisitions, if we are able to find interesting assets to add to our own.

After its reconstruction is completed, the Novabase Consulting division will endeavour to respond to the difficulties currently being experienced in the consulting business in general, seeking to grow and, especially, to maintain or even improve its profitability in the Portuguese market. It will also seek to consolidate the break-even point that it achieved in its operations in Brazil in December 2002 and assess new growth opportunities in Spain.

A divisão Novabase Engineering Solutions tirará partido da nova oferta de Infraestruturas e Networking e Enterprise Computing. Dada a elevada quota de mercado atingida em Portugal em alguns dos seus negócios, nomeadamente de TV Digital, procurará uma forma de crescer internacionalmente.

### 12.2 Estrutura da Novabase

A Novabase empreendeu uma reestruturação durante 2002, cujos efeitos se tornarão mais visíveis em 2003, com vista a melhor se adaptar à evolução do mercado e à sua condição de grande player nacional que hoje é. Esta reestruturação surge na sequência da constatação que a estrutura existente e que permitiu à Novabase crescimentos até aqui significativos, não é, muito menos nas actuais condições de mercado, a estrutura ideal para ser grande.

Esta reestruturação foi particularmente significativa na divisão Novabase Consulting, pois foi aqui que se desenvolveu a "rede de empresas" que constituiu o nosso modelo de crescimento na segunda metade dos anos 90. Paralelamente, nas restantes divisões, foram surgindo novas iniciativas e até aquisições mas não foi necessário empreender um processo de reestruturação da mesma dimensão do operado na Novabase Consulting, pois o número de empresas era menor.

O processo acima descrito está praticamente concluído, ficando a faltar apenas alguns aspectos de natureza formal (fusão formal de empresas, modificação de contratos de trabalho com os colaboradores, etc.) que estão neste momento em curso.

Assim, para 2003 a estrutura da Novabase é a seguinte:

The Novabase Engineering Solutions division will take advantage of the new range of products and services in Infrastructure and Networking and Enterprise Computing. In view of the large market share achieved by some of its business activities in Portugal, such as digital TV, it will now try to find a way of achieving international growth.

### 12.2 Novabase Structure

Novabase was restructured in 2002 and the effects of this restructuring will become more visible in 2003, enabling it to adapt better to the developments in the market and to consolidate its position as the major player that it is in Portugal today. This restructuring was the result of the realisation that the existing structure that had enabled Novabase to achieve significant growth until then was not ideal for a larger company, especially in the current market conditions.

This restructuring was particularly significant in the Novabase Consulting division, as it was here that we developed the "company network" that constituted our growth model in the second half of the nineties. At the same time, new initiatives and even acquisitions appeared in the other divisions but it was not necessary to restructure them to the extent needed in Novabase Consulting, as there were fewer companies involved.

The above process is almost complete and only a few formalities remain (the formal mergers of companies, changes in work contracts with employees, etc.) that are currently being dealt with.

The structure of Novabase for 2003 is as follows:

Duas divisões de negócio apenas: Novabase Consulting e Novabase Engineering Solutions.

A divisão de Training deixa de existir, sendo as respectivas empresas FLAG e DELTAFOR enquadradas na Novabase Capital e estando em estudo a passagem da SAF para a Novabase Consulting. Esta decisão implica a nossa assunção de que o negócio de formação propriamente dito é ainda embrionário (e portanto fica em incubação na Novabase Capital) e o negócio da SAF mais próximo da venda de soluções (neste caso de e-learning), portanto mais próximo do Consulting.

A Novabase Consulting mantém a sua estrutura recentemente aprovada e já atrás descrita.

No que respeita à divisão Novabase Engineering Solutions, não há alterações ao elenco de empresas que figuravam na divisão em 2002 e inclui-se de novo a Novabase Infraestruturas e Integração de Sistemas Informáticos (ex GE Capital ITS Portugal), à excepção das competências de workflow e document management que foram integradas na Novabase Consulting. Por seu turno, as equipas de Infraestruturas e Networking que existiam na Novabase Consulting passaram para a Novabase IIS.

Além das Divisões de Negócio, continuamos a contar com a Novabase Capital (nossa unidade de fusões e aquisições e gestão de participadas não integradas nas divisões).

Ao nível da Novabase SGPS, mantemos naturalmente as áreas funcionais centrais, designadamente direcção financeira e relação com investidores, direcção de comunicação e marketing institucional, direcção jurídica, direcção de informática, direcção de logística e qualidade e direcção administrativa de RH (excluindo a gestão de talento que é divisional).

Vamos continuar o esforço de integração de procedimentos e sistemas em toda a empresa. Em funcionamento pleno estão já os sistemas SAP (para as áreas financeira, logística, gestão de projecto, compras e vendas) e META 4 (recursos humanos).

Only two business divisions: Novabase Consulting and Novabase Engineering Solutions

The Training division has ceased to exist and its companies FLAG and DELTAFOR have been incorporated into Novabase Capital, while the transfer of SAF to Novabase Consulting is currently being studied. This decision is based on our assumption that the training business itself is still embryonic (and will be incubated at Novabase Capital) and that SAF's business is closer to the sale of solutions (of e-learning in this case), and is therefore closer to Novabase Consulting.

Novabase Consulting will maintain its recently approved structure, as previously described.

Where the Novabase Engineering Solutions division is concerned, there have been no changes in the existing companies in the division in 2002. There was a newcomer - Novabase Infraestruturas e Integração de Sistemas Informáticos (formerly GE Capital ITS Portugal), with the exception of the workflow and document management areas, which have been incorporated into Novabase Consulting. In turn, the infrastructures and networking teams in Novabase Consulting have been transferred to Novabase IIS.

In addition to the business divisions, we will continue to count on Novabase Capital, our unit for mergers and acquisitions and the management of subsidiaries not belonging to the divisions.

With regard to Novabase SGPS, we have naturally maintained the central functional areas, namely the financial and investor relations department, the communication and institutional marketing department, the legal department, the information systems department, the logistics and quality department and the human resources department (excluding talent management, which is a divisional structure).

We will continue our efforts towards the integration of procedures and systems throughout the company. The SAP system (for the financial, logistics, project management, buying and sales areas) and the META 4 system (for human resources) are both already up and running.



# 13 . Informações Complementares

## 13.1 Acções Próprias

Em conformidade com a legislação em vigor, por deliberação em Assembleia Geral de 29 de Abril de 2002, a aquisição de acções próprias por parte da Novabase S.G.P.S. é permitida até ao limite máximo de 10% do seu capital social.

A 31 de Dezembro de 2001 a Novabase S.G.P.S. detinha em carteira 87.258 acções próprias representativas de 0.3% do seu capital social.

Durante o exercício de 2002 a empresa adquiriu em bolsa 800.107 acções próprias a um preço líquido médio de 7.12 euros, e alienou 602.399 acções próprias a um preço médio de 7.50 euros.

O acréscimo na carteira de acções próprias da empresa resultante das transacções acima referidas no total de 197.708 acções permitiu-lhe efectuar a cedência de 260.000 acções, em transacção realizada fora de bolsa. As 260.000 acções foram avaliadas em 5.65 euros por acção, e destinaram-se à liquidação de parte do valor acordado para a aquisição das acções da empresa ATX Software S.A, no âmbito do contrato de prestação de serviços na àrea das tecnologias de informação, em regime de Outsourcing com o Grupo BES.

A 31 de Dezembro de 2002 a Novabase S.G.P.S. detinha em carteira 24.966 acções próprias representativas de 0.1% do seu capital social.

# 13 . Additional Information

## 13.1 Treasury Shares

In keeping with prevailing legislation, in the Annual General Meeting of April 29 2002, Novabase SGPS was approved a proposed resolution allowing the company to buy in treasury shares up to a maximum of 10% of its share capital.

On 31 December 2001 Novabase S.G.P.S. held a total of 87.258 treasury shares in its portfolio, representing 0.3 % of its share capital.

During 2002 the company purchased on the stock market 800.107 treasury shares at the average price of EUR 7.12 , and sold 602.399 treasury shares at the average price of EUR 7.50.

The net increase in Novabase S.G.P.S portfolio of 197.708 treasury shares allowed the company to trade out of the stock market 260.000 treasury shares.
The 260.000 treasury shares were valued at the average price of EUR 5.65, and delivered as payment of part of the agreed value for ATX Software S.A. shares purchase. This transaction is closely connected with the Outsourcing Information Technology services contract, signed with the financial Portuguese group BES.

On 31 December 2002 Novabase S.G.P.S. held a total of 24.966 treasury shares in its portfolio, representing 0.1 % of its share capital.

## 13.2 Negócios Efectuados com Accionistas de Referência

A Novabase manteve as seguintes relações com o Grupo BES:

_ No início de 2002 o Grupo BES detinha cerca de 5% do capital social da Novabase.

_Durante 2002 o volume de vendas e prestação de serviços da Novabase ao Grupo BES elevou-se a cerca de 4.5 M (cerca de 3.9% da facturação global do exercício).

_ Em Dezembro de 2002 a Novabase fechou com o Grupo BES um acordo que inclui: (1) um contrato de outsourcing no valor mínimo anual de 6 M por um período de cinco anos e renovável por outros cinco anos, (2) a aquisição de 51% da empresa ATX Software, especializada em sistemas de informação centrais para a banca e mercado financeiro com uma oferta de produtos de software inovadores na área de integração de sistemas, (3) a compra pelo BES de 5% do capital da Novabase aos seus gestores. A Novabase pagou 8.5 M pelo contrato de outsourcing e pela aquisição de 51% da ATX, dos quais 2.5 M foram pagos em acções da Novabase avaliadas a 5.65 euros por acção com um período de um ano de imobilização. Os restantes 6 M foram pagos em dinheiro. O Grupo BES pagou pelos 5% do capital que adquiriu aos gestores da Novabase um preço por acção de 5.65 euros.

_No final de 2002 a posição do Grupo BES no capital da Novabase passou para cerca de 10%.

_ Durante 2002 o Grupo BES não teve qualquer representante nos orgãos sociais da Novabase.

## 13.2 Business with Key Shareholders

Novabase's business relationship with the BES Group was as follows:

_At the beginning of 2002 the BES Group held about 5% of Novabase's share capital.

_In 2002, the value of the products and services provided to the BES Group by Novabase was about 4.5 M (roughly 3.9% of the overall turnover in 2002).

_In December 2002, Novabase closed a deal with the BES Group which included: (1) a five-year outsourcing contract to a minimum annual value of 6 M renewable for another five years, (2) the acquisition of 51% of ATX Software, a company specialising in mainframe information systems for the banking and financial markets with a range of innovative software products in the area of systems integration, and (3) the purchase by the BES Group of 5% of Novabase's shares from its directors. Novabase paid 8.5 M for the outsourcing contract and the acquisition of 51% of ATX, 2.5 M of which was paid in Novabase shares valued at EUR 5.65 per share immobilised for one year. The remaining 6 M was paid in cash. The BES Group paid EUR 5.65 for each share of the 5% bought from the directors of Novabase.

_At the end of 2002, the BES Group's shareholding in Novabase's capital went up to about 10%.

_ In 2002 the BES Group had no representatives on the corporate boards at Novabase.

### 13.3 Menções Obrigatórias

Durante o exercício, não foram concedidas, nem solicitadas, autorizações para a concretização de negócios entre os Administradores e a Sociedade.

A Empresa não tem débitos em mora à Administração Fiscal nem ao Centro Regional de Segurança Social.

### 13.3 Compulsory Statements

No authorisations for business dealings between the Directors and the Company were either requested or granted during the year.

The company has no outstanding debts to the tax authorities or to the regional social security centre.

## Agradecimentos

O Conselho de Administração, ao terminar o seu relatório relativo ao exercício de 2002, deseja expressar o seu reconhecimento a todos quantos se empenharam activamente no desenvolvimento da Novabase, na construção contínua da sua visão, no estabelecimento de objectivos concretos, na sua persecução e nas pequenas tarefas árduas do dia a dia, permitindo-se destacar em especial:

_ Os nossos **Clientes**, pela preferência com que nos distinguiram, pelos desafios colocados, pela confiança demonstrada, pelas críticas e sugestões, pela relação de trabalho criada com a nossa Empresa.

_ Os nossos **Colaboradores**, pela competência colocada ao serviço de uma missão comum, pelo esforço, pelo empenhamento, pelo entusiasmo e pelas críticas, por quererem partilhar connosco o seu projecto profissional de vida.

_ Os nossos **Accionistas**, pela confiança demonstrada e pelo apoio, colaboração e interesse com que têm acompanhado a actividade da Empresa.

_ Os nossos **Parceiros**, pela contribuição para o aumento das nossa capacidades, num mundo em que ninguém realiza nada sozinho.

_ O **Conselho Fiscal e Auditores Externos**, que acompanharam de forma rigorosa, esforçada e construtiva todos os aspectos de relevo na Sociedade.

## Acknowledgements

On completing its report on the financial year of 2002, the Board of Directors would like to express its thanks to all who committed themselves actively to the development of Novabase, to the ongoing construction of its vision, to setting concrete goals, to pursuing these goals and to undertaking the small, laborious day-to-day tasks. Our gratitude goes particularly to:

_ Our **Customers** for honouring us with their preference, for the challenges they have laid before us, for their trust, for their criticisms and suggestions and for the working relationship created with our company.

_ Our **Employees** for the competence placed at the disposal of a common mission, for their efforts and commitment, for their enthusiasm and criticisms, and for being willing to share their careers with us.

_ Our **Shareholders** for their trust and support and for the collaboration and interest they have shown in the company's business.

_ Our **Partners** for helping to improve our capacities in a world where no one can achieve anything alone.

_ The **Board of Auditors and the External Auditors**, who scrupulously, dedicatedly and constructively monitored all the relevant aspects of the company.

Lisboa, 28 de Fevereiro de 2003
*Lisbon, 28 February 2003*

O Conselho de Administração
*The Board of Directors*

Rogério dos Santos Carapuça (Presidente *Chairman*)

José Afonso Oom Ferreira de Sousa

Pedro Miguel Quinteiro Marques de Carvalho

Álvaro José da Silva Ferreira

João Nuno da Silva Bento

Luís Paulo Cardoso Salvado

Paulo Jorge Freire Andrez

João Vasco Tavares da Mota Ranito

João Filipe Santos Teixeira Neto

José Carlos de Almeida Pedro de Jesus

Nuno Miguel Isidoro Duarte

Todos fazemos parte do mesmo todo.
Todos lutamos pelos mesmos Objectivos.
Talvez por isso só poderemos ser cada vez melhores.

*We're all part of the same whole.*
*Fighting for the same Purposes.*
*That's why we can only be better.*

# Relatório sobre as Práticas de Governo
## *Governance Practices Report*

| Accionistas<br>*Shareholders* | Nº de Acções<br>*Nº of Shares* | % Capital<br>*% Capital* | % Direito Voto<br>*% Voting Rights* |
|---|---|---|---|
| José Afonso Oom Ferreira de Sousa | 3.137.936 | 11.11% | 11.12% |
| Pedro Miguel Quinteiro Marques de Carvalho | 3.137.756 | 11.10% | 11.11% |
| Rogério dos Santos Carapuça | 2.352.195 | 8.32% | 8.33% |
| Luís Paulo Cardoso Salvado | 2.239.846 | 7.93% | 7.93% |
| João Nuno da Silva Bento | 2.239.746 | 7.93% | 7.93% |
| Paulo Jorge Ferreira Andrez | 1.020.501 | 3.61% | 3.61% |
| Álvaro José da Silva Ferreira | 1.010.676 | 3.58% | 3.58% |
| João Filipe dos Santos Teixeira Neto | 618.621 | 2.19% | 2.19% |
| João Vasco Tavares da Mota Ranito | 618.621 | 2.19% | 2.19% |
| José Carlos de Almeida Pedro de Jesus | 460.353 | 1.63% | 1.63% |
| Nuno Miguel Isidoro Duarte | 258.947 | 0.92% | 0.92% |
| Total | 17.095.198 | 60.50% | 60.55% |

Publicidade de Participações dos Membros de Orgãos de Administração (nº 5 do Art.º 447 CSC)
*Publication of Shareholdings of Members of the Corporate Boards (point 5 of Article 447 of the Company Code)*

| Accionistas *Shareholders* | Nº de Acções *Nº of Shares* | % Capital *% Capital* | % Direito Voto *% Voting Rights* |
|---|---|---|---|
| José Afonso Oom  Ferreira de Sousa | 3.137.936 | 11.11% | 11.12% |
| Pedro Miguel Quinteiro Marques de Carvalho | 3.137.756 | 11.10% | 11.11% |
| Banco Espírito Santo, SA | 3.037.954 | 10.75% | 10.76% |
| Rogério dos Santos Carapuça | 2.352.195 | 8.32% | 8.33% |
| Luís Paulo Cardoso Salvado | 2.239.846 | 7.93% | 7.93% |
| João Nuno da Silva Bento | 2.239.746 | 7.93% | 7.93% |
| Paulo Jorge Ferreira Andrez | 1.020.501 | 3.61% | 3.61% |
| Álvaro José da Silva Ferreira | 1.010.676 | 3.58% | 3.58% |
| Fernando Eduardo Ribeiro Marques | 861.340 | 3.05% | 3.05% |
| João Filipe dos Santos Teixeira Neto | 618.621 | 2.19% | 2.19% |
| João Vasco Tavares da Mota Ranito | 618.621 | 2.19% | 2.19% |
| AF Investimentos - F.I.M. AF PPA Grupo BCP | 565.361 | 2.00% | 2.00% |
| José Carlos de Almeida Pedro de Jesus | 460.353 | 1.63% | 1.63% |
| Nuno Miguel Isidoro Duarte | 258.947 | 0.92% | 0.92% |
| Manuel Saldanha Fortes Tavares Festas | 93.993 | 0.33% | 0.33% |
| Total | 21.653.846 | 76.63% | 76.70% |

Publicidade de Participações de Accionistas (nº 4 do Art.º 448 CSC)
*Publication of Shareholdings (point 4 of Article 448 of the Company Code)*



| Membros do CA *Members of the Board* | Posição 31/12/01 *Position 31/12/01* | Aquisições *Acquisitions* | Alienações (*) *Block Sales* | Posição 31/12/02 *Position 31/12/02* |
|---|---|---|---|---|
| José Afonso Oom Ferreira de Sousa | 3.383.670 | 0 | 245.734 | 3.137.936 |
| Pedro Miguel Quinteiro Marques de Carvalho | 3.383.490 | 0 | 245.734 | 3.137.756 |
| Rogério dos Santos Carapuça | 2.536.406 | 0 | 184.211 | 2.352.195 |
| Luís Paulo Cardoso Salvado | 2.415.248 | 0 | 175.402 | 2.239.846 |
| João Nuno da Silva Bento | 2.415.148 | 0 | 175.402 | 2.239.746 |
| Paulo Jorge Ferreira Andrez | 1.099.641 | 0 | 79.140 | 1.020.501 |
| Álvaro José da Silva Ferreira | 1.089.816 | 0 | 79.140 | 1.010.676 |
| João Filipe dos Santos Teixeira Neto | 667.068 | 0 | 48.447 | 618.621 |
| João Vasco Tavares da Mota Ranito | 667.068 | 0 | 48.447 | 618.621 |
| José Carlos de Almeida Pedro de Jesus | 496.405 | 0 | 36.052 | 460.353 |
| Nuno Miguel Isidoro Duarte | 279.226 | 0 | 20.279 | 258.947 |
| | | 0 | | |
| Total | 18.433.186 | 0 | 1.337.988 | 17.095.198 |

Publicidade de Aquisição/Alienação de Acções pelos Membros do CA
*Publication of Aquisitions/Sales of Shareholdings of Members of the Board*

(*) Alienação proporcional em bloco efectuada pelos membros do CA no âmbito do contrato de Outsourcing e de aquisição da ATX ao Grupo BES
*(*) Proportional block sale by members of the Board of Directors as part of the outsourcing contract and the acquisition of ATX from the BES Group*

## Introdução

A Novabase optou por incluir, em separado, um Anexo ao Relatório de 2002 totalmente dedicado ao Governo de Sociedade Cotada, em conformidade com o Regulamento da CMVM N.º 07/2001 e com as Recomendações da CMVM sobre o Governo das Sociedades Cotadas.

Este documento contém informação que respeita às exigências do artigo 7º do Código dos Valores Mobiliários e apenas contém remissões para o relatório anual de gestão da sociedade, do qual faz parte integrante como Anexo.

## Introduction

Novabase has chosen to attach a separate annex to the Annual Report 2002, devoted entirely to the management of the listed company, as required by CMVM Regulation 07/2001 and in compliance with the CMVM Recommendations on the Management of Listed Companies.

It contains information complying with the requirements of Article 7 of the Securities Code and refers only to the company's annual report, of which it is an integral part as an annex.

## Capítulo I . Divulgação de Informação

### 1. Repartição de competências entre os vários órgãos e departamentos da sociedade no quadro do processo de decisão empresarial

O Relatório do Conselho de Administração de 2002 no seu capítulo 4, divulga informação detalhada sobre a Estrutura, o Organigrama e o Modelo de Governo da Novabase, detalhando os seus órgãos de Coordenação. Assim, são referidas naquele capítulo as competências, o funcionamento e a composição dos seguintes Órgãos Estatutários: Assembleia Geral, Conselho Fiscal e Conselho de Administração. A informação divulgada detalha ainda as funções de cada um dos seus membros em particular. Para além dos Órgãos Estatutários, o referido capítulo divulga ainda a composição e as competências de outro Órgão da Novabase: a Comissão Executiva.

No capítulo 5 do Relatório é detalhada a actividade da Novabase pelas Divisões de Negócio em que se encontrou estruturada no exercício de 2002.

### 2. Descrição da evolução da cotação das acções da Novabase

O Relatório de 2002, no seu capítulo 10, contém uma descrição detalhada da evolução da acção Novabase no Mercado de Cotações Oficiais da Euronext Lisboa.

Os factos relevantes divulgados pela Novabase, também referidos no capítulo 8 do Relatório de 2002, podem ser visualizados no seguinte gráfico de cotações:

## Chapter I . Information Provided

### 1. Division of powers between the company's boards and departments in corporate decision making

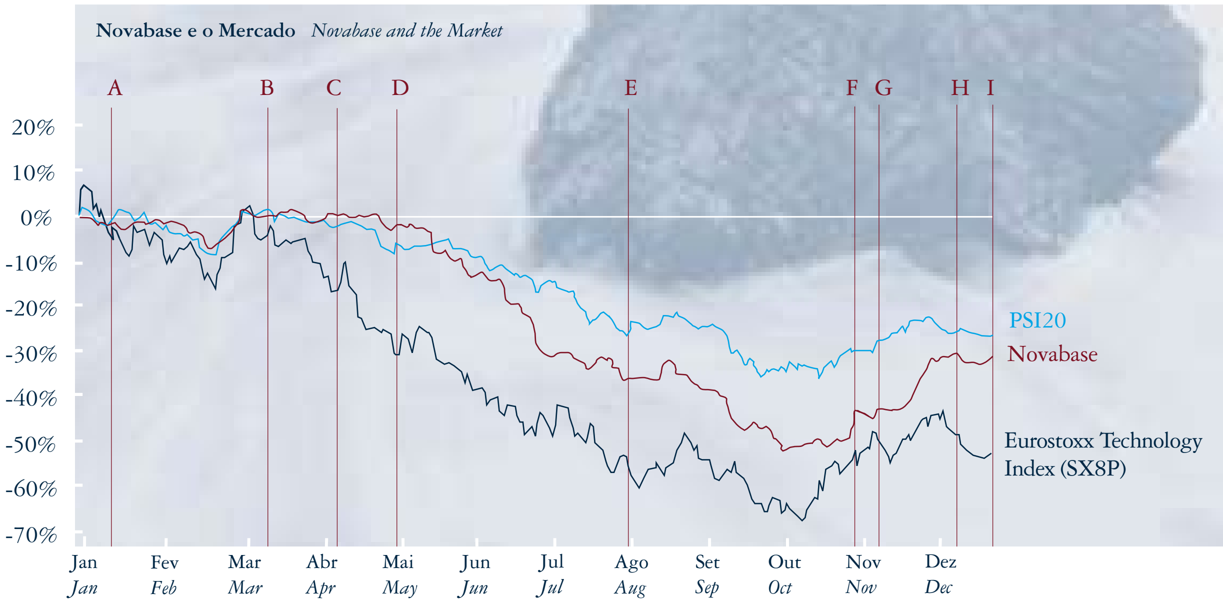
Chapter 4 of the Board of Directors' Annual Report for 2002 contains detailed information on Novabase's structure, organisation chart, management and coordinating boards. The chapter describes the powers, operation and composition of the following statutory bodies: the General Meeting of Shareholders, the Board of Auditors and the Board of Directors. The information provided also lists the functions of each of their members. In addition to the statutory boards, this chapter also describes the composition and powers of another board at Novabase, the Executive Committee.

Chapter 5 of the Annual Report describes the activities of the business divisions in which Novabase was structured in 2002.

### 2. Changes in Novabase's share prices

Chapter 10 of the Annual Report 2002 gives a detailed description of the changes in Novabase's share prices on the Euronext Lisboa Official Stock Exchange.

The relevant occurrences announced by Novabase in Chapter 8 of the 2002 Annual Report are shown below in a graph of share prices:




A - Contrato com Otrum para fornecimento de soluções para Televisão Interactiva na Europa
*Contract with Otrum to supply iDTV solutions in Europe*

B - Resultados do Exercício de 2001: Volume de Negócios cresce 82%
*2001 Earnings: Turnover increases 82%*

C - Contrato com Carris para fornecimento de solução de Bilhética
*Contract with Carris to supply Ticketing solution*

D - Resultados do 1º Trimestre de 2002: Volume de Negócios cresce 22%
*2002 1st Quarter Results: Turnover increases 22%*

E - Resultados do 1º Semestre de 2002: Volume de Negócios cresce 23%
*2002 1st Half Results: Turnover increases 23%*

F - Resultados do 3º Trimestre de 2002: Volume de Negócios cresce 21%
*2002 3rd Quarter Results: Turnover increases 21%*

G - Contrato com Rodoviária de Lisboa e Transportes Sul do Tejo para fornecimento de solução de Bilhética
*Contract with Rodoviária de Lisboa e Transportes Sul do Tejo to supply Ticketing solution*

H - Aquisição de 83% da GE Capital IT Solutions Portugal
*Acquisition of 83% of GE Capital IT Solutions Portugal*

I - Contrato de Outsourcing com BES. Aquisição de 51% da ATX Software SA. BES reforça para 10% participação no capital da Novabase
*Contract with BES to supply Outsourcing services. Acquisition of 51% of ATX Software SA. BES reaches 10% stake in Novabase*

Em 2001, a Novabase, na sequência do Plano de Opção de Compra de Acções em vigor na empresa descrito no Ponto 4 do presente Anexo, procedeu ao aumento do capital social, por entradas em dinheiro, de 14.100.000 euros para 14.127.982 euros. O aumento de capital foi efectuado mediante a emissão de 55.964 acções, com o valor nominal de 0.5 euros cada uma. Estas acções foram subscritas e realizadas ao preço de 8.5 euros ou 10.4 euros, consoante o preço de exercício das opções que estiveram na base da subscrição das acções. O registo comercial deste aumento de capital foi obtido no dia 1 de Junho de 2001.

Em 2002, pelo comportamento dos mercados bolsistas em geral e em particular pelo caso Português, não se efectuou qualquer aumento de capital.

In 2001, as part of the company's Stock Option Plan described in Point 4 of this Annex, Novabase increased it share capital, with cash payments, from EUR 14.100.000 to EUR 14.127.982. The increase in capital involved the issue of 55.964 shares with a face value of EUR 0.50 each. These shares were subscribed and paid up at a price of EUR 8.50 or EUR 10.40, depending on the take-up price of the options on which the subscription of the shares was based. The increase in share capital was registered on June 1st 2001.

As a result of the performance of the stock markets in general and of the Portuguese stock market in particular, there was no increase in share capital in 2002.

## 3 . Política de Distribuição de Dividendos adoptada pela Novabase

**Dividendos relativos aos Exercícios de 2000 e de 2001 -** O Conselho de Administração propôs nas Assembleias Gerais de accionistas de 22 de Maio de 2001 e de 29 de Abril de 2002 que os resultados dos exercícios de 2000 e de 2001 continuassem a ser investidos na própria empresa com vista a privilegiar investimentos de natureza estruturante, com impacto decisivo no crescimento e na rentabilidade da empresa. No prospecto de oferta pública de venda e de admissão à negociação no Mercado de Cotações Oficiais da BVLP das acções da Novabase, já tinha sido anunciada a intenção de não proceder à distribuição de dividendos a accionistas nos três anos subsequentes à referida admissão à negociação. Assim, as respectivas Assembleias Gerais deliberaram, por unanimidade, não distribuir dividendos aos accionistas relativamente aos exercícios findos em 31 de Dezembro de 2000 e 2001.

**Dividendos relativos ao Exercício de 2002 -** Também na sequência do previsto no referido prospecto de admissão, o Conselho de Administração da Novabase não irá propor em Assembleia Geral a distribuição de dividendos aos accionistas relativos ao exercício findo em 31 de Dezembro de 2002, de forma a poder capitalizar a própria Sociedade para fazer face ao crescimento esperado das suas actividades, acrescentando valor aos seus accionistas.

## 4 . Planos de Atribuição de Opções de Subscrição e/ou Aquisição de Acções da Novabase

A Novabase tem em vigor um Plano de Opção de Compra de Acções, o qual abrange todos os trabalhadores e membros do Conselho de Administração da Novabase e das restantes sociedades do grupo (considerando-se para o efeito sociedade do grupo aquela em que a Novabase detenha ou venha a deter, directa ou indirectamente, uma participação dominante no capital ou uma participação inferior a 50% no capital, juntamente com o controlo de gestão). Na decisão de implementação

## 3 . Novabase's Dividend Policy

**Dividends for 2000 and 2001 -** The Board of Directors proposed at the General Meetings of Shareholders on May 22nd 2001 and April 29th 2002 that the profits made in the financial years of 2000 and 2001 should continue to be invested in the company to enable it to give priority to structural investments with a decisive impact on the company's growth and profitability. The prospectus of the public offer for sale and of admission to official trading of Novabase's shares on the Lisbon and Oporto Stock Exchanges had already announced the company's intention not to distribute dividend to the shareholders in the three years following its admission to trading. The General Meeting of Shareholders therefore decided unanimously not to distribute dividend to the shareholders for the financial years ending on December 31st 2000 and 2001.

**Dividends for 2002 -** Also as a result of the decision announced in the above mentioned prospectus, the Board of Directors of Novabase will not propose to the General Meeting of Shareholders any distribution of dividends to shareholders for the financial year ending on December 31st 2002, so that it can capitalise the company in readiness for the expected growth in its business activities, thus adding value for its shareholders.

## 4 . Plan for Options to Subscribe and/or Purchase Novabase Stock

Novabase currently has a Stock Option Plan for all employees and members of the Board of Directors of Novabase and the other companies in the group (any companies in which Novabase directly or indirectly holds or acquires a majority holding in the share capital, or holds less than 50% of the capital but has management control are considered to be group companies for this purpose). The idea behind the decision to implement this plan was for Novabase to create employee loyalty by allowing them to share in its success and to align the interests with the shareholders through the incentive to employees provided by their direct investment in the

do referido plano, a Novabase teve em conta a intenção de fidelização dos seus colaboradores, através da partilha do sucesso da empresa, bem como o alinhamento de interesses com os accionistas, através do incentivo decorrente da participação directa de tais colaboradores na performance das acções da empresa. Na adopção do referido esquema de participação no capital da sociedade pelos trabalhadores a Novabase teve igualmente em vista motivar e recompensar o desempenho individual, através da atribuição de opções no âmbito de uma das componentes do plano: a componente de desempenho.

O Plano de Opção de Compra de Acções prevê a atribuição de opções de compra ou subscrição (consoante o seu exercício seja efectuado através da compra de acções próprias à Novabase, ou através da subscrição de aumento do capital da sociedade) em dois tipos de componentes (complementares), permitindo o alinhamento com sistemas de retribuição e recompensa:

a) Componente base de vinculação - atribuída uma única vez a cada colaborador do Grupo Novabase, ou administrador de qualquer empresa do Grupo Novabase, com excepção da Novabase SGPS, equivalente a uma percentagem do salário anual líquido, fixada individualmente.

b) Componentes anuais de desempenho individual - atribuídas anualmente em 2001, 2002 e 2003, correspondentes aos desempenhos verificados nos anos 2000, 2001 e 2002, respectivamente, através da especialização de uma parte da gratificação ou remuneração variável dos colaboradores ou administradores de qualquer empresa do Grupo Novabase.

As opções atribuídas no âmbito das respectivas componentes até 31 de Dezembro de cada ano podem ser exercidas faseadamente em quatro momentos, ocorrendo o primeiro momento no dia 25 de Maio do ano imediatamente seguinte ao da atribuição da primeira Componente Anual de Desempenho e os restantes em igual dia (ou no dia útil imediatamente seguinte, se esse não o for) nos meses de Maio dos três anos seguintes, e em lotes correspondentes a 25% do número de Opções atribuídas.

performance of the company's shares. When adopting this employee investment scheme, Novabase also intended to encourage and reward individual performance by offering stock options as one of the components of the plan: the performance component.

The Stock Option Plan purchase or subscription options (which depend on whether they are exercised by buying shares from Novabase or by subscribing new shares in an increase in the company's share capital) are attributed in two types of complementary components making it possible to align it with payment and reward systems:

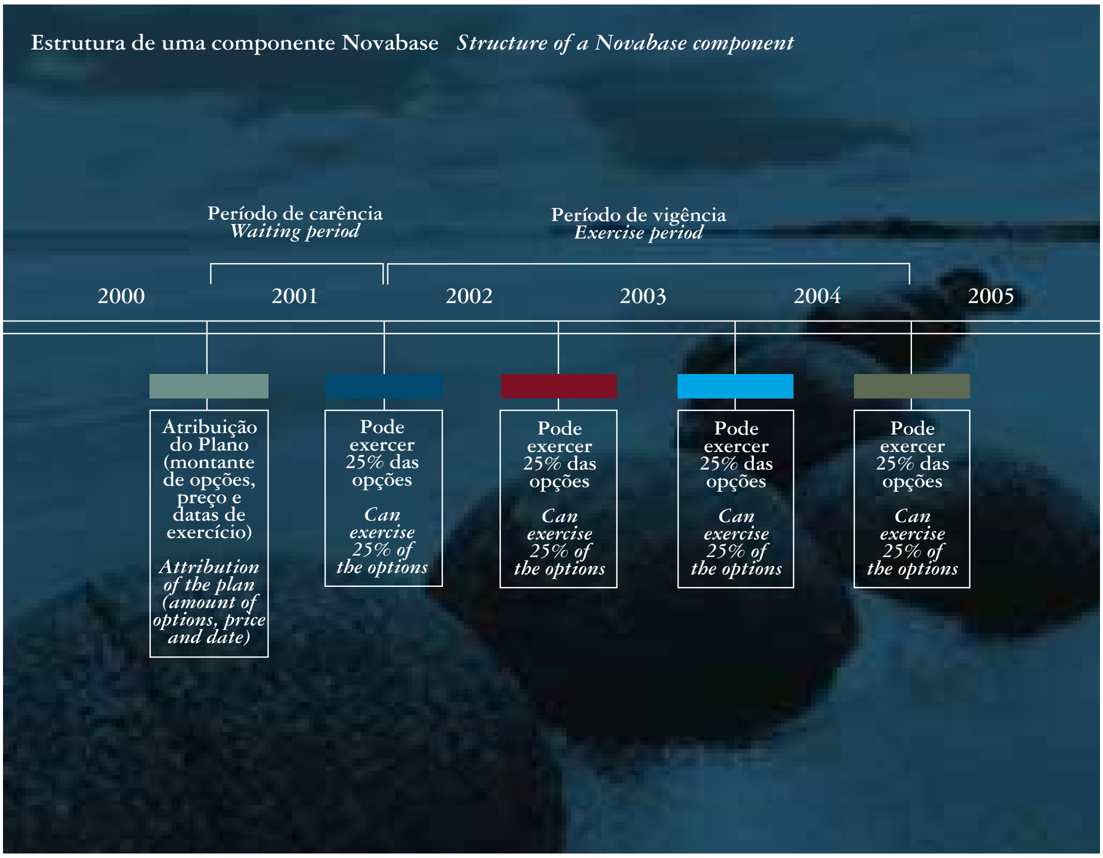
a) Basic admission component - attributed once only to each employee of the Novabase Group or director of any company in the Novabase Group, with the exception of Novabase SGPS, equivalent to a percentage of their annual net salary, to be fixed individually.

b) Annual individual performance components - attributed annually in 2001, 2002 and 2003 for performance in 2000, 2001 and 2002, respectively, by setting aside part of the bonus or variable remuneration of the employees or directors of any company in the Novabase Group.

The options attributed in the different components by December 31st of each year can be exercised in four stages. The first can be exercised on May 25th of the year following that in which the first annual performance component is attributed and the other three on the same day (or on the first subsequent working day) in the following months of May and in blocks corresponding to 25% of the number of options attributed.

Cada componente tem uma estrutura idêntica de exercício com a duração total de 4 anos, conforme exemplificado na ilustração que se segue:

The exercise structure of each component is the same and lasts for four years, as shown below:



As duas modalidades de componentes – de vinculação (CV) e de desempenho (CD) – poderão sobrepor-se, conforme exemplo que se segue:

The two types of component – admission (AC) and performance (PC) – may overlap, as shown below:

**Cronograma das componentes Novabase** *Calendar of Novabase components*

| 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|
| Direito CV *AC Option* | Até 25% de CV *Up to 25% of AC* | Até 50% de CV *Up to 50% of AC* | Até 75% de CV *Up to 75% of AC* | Até 100% de CV *Up to 100% of AC* | |
| | Direito CD2000 *PC option 2000* | Até 25% de CD2000 *UP to 25% of PC2000* | Até 50% de CD2000 *Up to 50% of PC2000* | Até 75% de CD2000 *Up to 75% of PC2000* | Até 100% de CD2000 *Up to 100% of PC2000* |
| | | Direito CD2001 *PC option 2001* | Até 25% de CD2001 *Up to 25% of PC2001* | Até 50% de CD2001 *Up to 50% of PC2001* | Até 75% de CD2001 *Up to 75% of PC2001* |
| | | | Direito CD2002 *PC option 2002* | Até 25% de CD2002 *Up to 25% of PC2002* | Até 50% de CD2002 *Up to 50% of PC2002* |

O preço de subscrição e/ou aquisição das acções objecto das opções atribuídas em cada componente no âmbito do Plano é definido em momento anterior à data de atribuição, devendo corresponder, em regra, ao que resultar da média aritmética dos preços, ponderada pelos respectivos volumes, das transacções das acções da Novabase ocorridas na Euronext Lisboa, nas sessões de Bolsa que tenham lugar entre 1 de Outubro e 31 de Dezembro do ano anterior àquele a que se refere a implementação das componentes, eventualmente corrigido nos termos previstos no Plano de Opção de Compra de Acções aprovado em Assembleia Geral de 22 de Maio de 2001.

The subscription and/or purchase price of the shares in the options attributed in each component under the plan is defined before the date of attribution. It should, as a rule, be the arithmetical average of the prices of transactions of Novabase shares at sessions of the Euronext Lisboa market between October 1st and December 31st of the year before that in which the components will be implemented, weighted by their volumes and possibly corrected according to the Stock Option Plan approved at the General Meeting held on May 22nd 2001.

Os preços atribuídos às várias componentes até esta data foram os seguintes (valores em euros):

The prices attributed to the different components to date were as follows (in EUR):

| | 2000 | 2001 | 2002 |
|---|---|---|---|
| Vinculação *Admission* | 10.4/ 8.5* | 10.4 | 8.23 |
| Desempenho *Performance* | 8.5 | 8.23 | 4.96 |

* Para colaboradores na Novabase antes do ano 2000
** For Novabase employees prior to 2000*

As Acções correspondentes às Opções atribuídas mas ainda não exercidas ao abrigo do Plano, adicionadas às acções correspondentes às Opções já exercidas, não deverão exceder, a qualquer momento, e em relação ao volume total das acções representativas do capital social da Novabase nesse momento, o limite máximo total de 12.5%.

É ao Conselho de Administração da Novabase que compete a atribuição efectiva da qualidade de participante do Plano, sendo igualmente responsável pela atribuição das opções no âmbito das diversas componentes.

Durante o ano de 2001, teve lugar a primeira fase de implementação do Plano de Opção de Compra de Acções em vigor, tendo sido exercidas, em 25 de Maio de 2001, 55.964 opções de subscrição de acções da Novabase, correspondentes a 47.6% das opções atribuídas em condições de serem exercidas naquela data. O referido exercício concretizou-se através de um aumento de capital deliberado para o efeito, que teve lugar em 1 de Junho de 2001. Das 55.964 acções subscritas, 45.043 foram subscritas ao preço de 8.50 euros, tendo as restantes 10.921 sido subscritas a 10.40 Euros.

Em 2002, e devido aos comportamentos dos mercados de capitais, não foram exercidas quaisquer opções previstas no Plano de Opção de Compra de Acções.

The shares corresponding to the options attributed but not yet exercised under the plan plus the shares corresponding to options already exercised should not at any time exceed 12.5% of the total volume of shares representing Novabase's share capital.

The Board of Directors is responsible for selecting participants in the plan and for attributing options in the different components.

In 2001 the first phase of the current Share Purchase Option Plan was implemented and by May 25th 2001 55,964 subscription options for Novabase shares had been exercised, which corresponded to 47.6% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose on June 1st 2001. Of the 55,964 shares subscribed, 45,043 were subscribed at EUR 8.50 and the remaining 10,921 at EUR 10.40.

In 2002, due to the performance of the capital markets, none of the options provided for in the Stock Option Plan were exercised.

## 5 . Utilização de novas tecnologias na divulgação de informação financeira e de outra informação preparatória das reuniões das assembleias gerais

A Novabase iniciou em 2001 o desenvolvimento de um novo Site Institucional na Internet, que entrou em funcionamento no início de 2002.

Este Site, com o endereço www.novabase.pt, inclui um espaço de inscrição do utilizador por perfil. Existe um perfil dedicado exclusivamente ao investidor.

Dispõe o Investidor de diversos links de interesse contendo a informação relevante atribuída ao seu perfil. A nível de informação financeira, tem acesso a Relatórios & Contas de períodos anteriores; ao Calendário Financeiro; à Informação relevante sobre o sector que apoia a previsibilidade das receitas; aos Factos Relevantes; à informação sobre a composição e competências dos Órgãos Sociais; à indicação dos Analistas que cobrem o título, incluindo os contactos electrónicos dos mesmos, bem como o consenso de mercado para as vendas a três anos e margens de Ebitda; ao desempenho bolsista das acções da Novabase; à estrutura accionista da Novabase; a um espaço reservado a Assembleias Gerais, no qual serão divulgadas convocatórias e informação preparatória disponibilizada aos accionistas para as reuniões da Assembleia Geral, bem como o modelo de voto por correspondência; a um espaço de "Corporate Governance" no qual a Novabase reproduziu o presente relatório; e ao contacto do Gabinete de Apoio aos Accionistas da Novabase.

## 6. Gabinete de Apoio ao Investidor

A Novabase assegura um apoio permanente ao mercado de capitais. O Gabinete de Relações com Investidores tem a responsabilidade de representar a Novabase junto da CMVM e dos investidores, promovendo o contacto com os investidores, particulares e institucionais, nacionais e estrangeiros.

## 5 . The use of new technologies in publicising financial and other information in preparation for the general meetings of shareholders

In 2002, Novabase set up a new company website at www.novabase.pt, which includes a profile-based user sign-on space. Investors have their own dedicated profile.

Investors have access to a number of links containing information of interest to their profile. In terms of financial information, they will have access to Annual Reports and Accounts for previous years, the Financial Calendar, Information about the sector supporting the predictability of earnings, Relevant Occurences, information on the composition and powers of the company's Corporate Boards, the names and e-mail addresses of the analysts covering the security, the market consensus on three-year sales and EBITDA margins, the market performance of Novabase's shares, Novabase's shareholders, a space reserved for the AGMs for summoning meetings and posting preparatory information for AGMs and the form for postal votes, a Corporate Governance space in which Novabase will publish this report and the contacts of Novabase's Investor Relations Office.

## 6 . Investor Relations Office

Novabase provides permanent support to the capital market. The Investor Relations Office is responsible for representing Novabase in its dealings with the CMVM and investors and promoting contacts with private and institutional, foreign and Portuguese investors.

The Office provides information on its homepage, as shown above.

O Gabinete disponibiliza a informação através da sua homepage conforme indicado no ponto anterior.

O gabinete de apoio ao investidor tem os seguintes contactos:

**_ Manuel Tavares Festas**
Responsável para as Relações com o Mercado e Investidores
Telefone: +351 213 836 300
Fax: +351 213 836 301
Email: investor.relations@novabase.pt
Morada: Av. Engº. Duarte Pacheco 15F, 1099-078 Lisboa, Portugal

## Capítulo II . Exercício de Direito de Voto e Representação de Accionistas

Nos termos da Cláusula 9 dos Estatutos da Novabase, a cada 1.000 acções corresponde um voto. Os accionistas que pretendam participar na Assembleia Geral devem comprovar, até quinze dias antes da respectiva reunião, a inscrição em conta de valores mobiliários escriturais das suas acções. No caso de contitularidade de acções, só o representante comum, ou um representante deste, poderá participar nas reuniões da Assembleia Geral.

Os accionistas com direito a voto poderão, de harmonia com o artigo 22º do Código dos Valores Mobiliários, exercê-lo por correspondência, encontrando-se referidas nas convocatórias para as reuniões da Assembleia Geral as regras a que deve obedecer tal modalidade de exercício do direito de voto, designadamente a exigência da sua apresentação em mão na sede da sociedade ou da recepção, através de correio registado, até ao terceiro dia útil anterior à realização da Assembleia Geral. Na declaração de voto assinada pelo accionista deve ser manifestado, de forma inequívoca, o sentido do seu voto em relação a cada um dos pontos da ordem de trabalhos da assembleia. A declaração de voto deve ser acompanhada de fotocópia legível do Bilhete de Identidade do accionista; no caso de accionista que seja pessoa colectiva, a declaração de voto deverá ser assinada por quem a represente, com a assinatura reconhecida notarialmente nessa qualidade.

The investor support office can be contacted as follows:

**_ Manuel Tavares Festas**
Market and Investor Relations
Telephone: +351 213 836 300
Fax: +351 213 836 301
Email: investor.relations@novabase.pt
Address: Av. Engº. Duarte Pacheco 15F, 1099-078 Lisboa Portugal

## Chapter II . Voting Rights and Representation of Shareholders

Under clause 9 of Novabase's articles of association, 1.000 shares correspond to one vote. Shareholders wishing to participate in the Annual General Meeting should, up to two weeks before the meeting, prove that their shares have been registered in an account as book entry shares. If the shares are jointly owned, only a common representative or his or her representative may participate in the Annual General Meetings.

Shareholders with voting rights may, according to article 22 of the Securities Code, exercise them by post and the invitations to the meetings of the Annual General Meetings contain the rules for postal votes, i.e. the requirement that they should be handed in personally at the company's registered office or sent by registered post to be received up to the third working day prior to the Annual General Meeting. The voting form should be signed by the shareholder and should clearly indicate his or her vote on each point on the meeting's agenda. The voting form should be accompanied by a legible photocopy of the shareholders' identity card. If the shareholder is a legal person, the voting form should be signed by one of its representatives and his or her signature should be notarised in that capacity.

Novabase provides the postal voting form for the Annual General Meetings at the company's website, www.novabase.pt. Last year, it was made available at the website on April 29th 2002.

A Novabase disponibiliza, através do site institucional www.novabase.pt, o modelo para o exercício do direito de voto por correspondência nas Assembleia Gerais de Accionistas. Tal aconteceu já na de 29 de Abril de 2002.

A Novabase tem incentivado a participação e exercício do direito de voto nas Assembleias Gerais, nomeadamente, através de representação que se encontra expressamente prevista e regulada nos estatutos da empresa. Com efeito, os accionistas poderão fazer-se representar nas reuniões das Assembleias Gerais pelo cônjuge, ascendente ou descendente, ou por outro accionista ou ainda por um membro do Conselho de Administração. A representação do accionista poderá ser feita através de carta dirigida por este último ao Presidente da Mesa, com a antecedência mínima de três dias relativamente à data designada para a reunião da Assembleia Geral.

Existe um espaço próprio dedicado a "Assembleias Gerais" no site www.novabase.pt., no qual a Novabase disponibiliza a convocatória e a informação preparatória da próxima Assembleia Geral anual de accionistas, procurando assim incentivar o voto por correspondência ou através de representante.

## Capítulo III. Regras Societárias

### Regulamentos Internos e de Conduta em Matéria de Sigilo

A Novabase compromete-se a garantir a confidencialidade sobre os dados disponibilizados pelos Clientes ou por terceiros envolvidos em cada projecto, não os disponibilizando a quaisquer outras entidades, salvo autorização expressa do cliente.

A Novabase assume, igualmente, o compromisso de remover e destruir, no final de cada projecto, todo e qualquer tipo de registo relacionado com os dados analisados que não venha a ser necessário para projectos subsequentes e que o Cliente considere como de acesso privilegiado.

Novabase has encouraged shareholders to participate and exercise their voting rights at Annual General Meetings, and representation of shareholders at the meetings has been duly provided for and regulated in the company's articles of association. Shareholders can be represented at Annual General Meetings by their spouses, parents or offspring, by another shareholder or by a member of the Board of Directors. Shareholders requiring representation may send a letter addressed to the chairperson of the AGM at least three days before the date set for the meeting.

A special page devoted to Annual General Meetings has been created at the www.novabase.pt site, where Novabase posts the invitation and preparatory information for the follwing AGM, in an effort to encourage postal or proxy votes.

## Chapter III . Company Rules

### Internal Rules and Confidentiality

Novabase undertakes to guarantee the confidentiality of the information provided by customers or third parties involved in each project and will not make them available to any other entities, unless expressly authorised to do so by the customer.

Novabase also undertakes, at the end of each project, to remove and destroy all and any records of the data analysed that are not needed for subsequent projects and that the customer considers confidential.

Without prejudice to the above, the standardisation and identification processes defined during a project can be used in any extensions to it in the future. The information to be saved consists of reference and parameter files for the tools used and there is no need to save any data contained in the databases processed.

Sem prejuízo do disposto acima, será conveniente que a definição dos processos de normalização e de identificação definidos durante um projecto, sejam salvaguardados por forma a poderem ser utilizados em eventuais extensões a esse projecto. A informação a salvaguardar consiste num conjunto de ficheiros de referência e de parametrização das ferramentas utilizadas, não havendo a necessidade de salvaguardar quaisquer dados existentes nas bases de dados processadas.

## Conflitos de Interesses

Não obstante considerar-se recomendável o estabelecimento, em geral, ao nível da organização interna da sociedade, de regras destinadas a regular situações de conflito de interesses entre os membros do órgão de administração e a sociedade cotada, bem como as principais obrigações resultantes da diligência, lealdade e confidencialidade dos membros do órgão de administração, a Novabase entende não se justificar, nas circunstâncias actuais, a adopção de medidas de tal natureza, uma vez que tais situações de conflito de interesses não se têm verificado.

No entanto, a Novabase não exclui a possibilidade de virem a ser criadas comissões de controlo interno, na medida em que tal venha a tornar-se necessário.

## Controlo do Risco na Actividade da Novabase

A Novabase dispõe recentemente de uma equipa de Auditoria Interna que tem como função a realização de auditorias na área financeira a empresas participadas pela Novabase. A equipa de Auditoria Interna responde directamente perante o CFO da Novabase. Apesar de focada em grandes Clientes, a Novabase dispõe de uma análise de risco de crédito de Clientes desenvolvida internamente, sempre que solicitada pelo gestor de projecto.

## Conflicts of Interest

Although it is advisable to establish internal rules governing conflicts of interest between members of the Board of Directors and the listed company and the directors' main obligations to show due diligence, loyalty and confidentiality, Novabase is of the opinion that there is no need, in the present circumstances, to adopt measures of this nature as there have been no such conflicts of interest.

Novabase does not, however, rule out the possibility of creating internal control committees should they prove necessary.

## Risk Control in Novabase's Business Activities

Novabase now has an internal auditing team whose job is to conduct audits of the financial departments of Novabase's subsidiaries. The internal auditing team answers directly to Novabase's CFO. Although it focuses on large customers, Novabase can conduct an internal Customer credit analysis whenever a project manager requests one.

Where project risk management is concerned, Novabase has project qualification technology to analyse certain parameters. Once the risk of the project has been ascertained, it is assigned to a project manager with the appropriate seniority. Several qualifying training courses for project managers were held in 2002. A system of ceilings has been implemented by which authorisation of proposals must be validated by a supervisor and the maximum ceiling requires authorisation by the Board itself. There is a procedure for centrally validating, sending and filing proposals, which is revised by Novabase's legal department for each contract. This department must issue its opinion before a proposal can be sent to a customer.



Na área da gestão de risco de projecto, a Novabase dispõe de uma tecnologia de qualificação de projectos, mediante a análise de determinados parâmetros. Uma vez qualificado o risco do projecto, será ao mesmo atribuído um gestor de projecto com a senioridade equivalente. Em 2002 foram efectuadas diversas acções de formação a gestores de projectos, de forma a aumentar a sua qualificação. Ao nível da proposta, foi instituído um sistema de plafonds em função do qual a autorização da proposta necessita da validação da hierarquia correspondente, que no plafond máximo depende da própria administração. Existe um procedimento de validação, envio e arquivo central de propostas, que ao nível contratual, é revisto pelo departamento jurídico da Novabase. Este departamento emite o seu parecer, sem o qual a proposta não será enviada ao cliente.

Desenvolvendo a Novabase a sua actividade na área das Tecnologias da Informação, existe para si o risco de (i) as soluções desenvolvidas se tornarem obsoletas num espaço de tempo relativamente curto; (ii) a aposta no desenvolvimento de uma determinada solução não se revelar adequada; e (iii) o timing do desenvolvimento e proposta de novas soluções ser menos ajustado em relação às exigências do mercado. Tendo em conta os referidos riscos, a Novabase constituiu uma área de Gestão de Oferta, que procede à avaliação da indústria, com os objectivos de detectar as tendências que se formam e de promover o desenvolvimento de competências dentro da Novabase para endereçar as mesmas. Administradores de várias participadas da Novabase dedicam-se especialmente à área das tecnologias, mantendo uma relação privilegiada e atenta com os analistas independentes sobre o mercado das tecnologias da informação.

## Limites ao Exercício de Direito de Voto, Direitos Especiais e Acordos Parassociais

Não existem limites estatutários ao direito de voto, não existindo igualmente acções que confiram direitos especiais.

As Novabase's business is information technology, it runs the risk of (i) the solutions it develops becoming obsolete relatively fast, (ii) the proposed solutions proving not to be suitable and (iii) the timing of the development and proposal of new solutions not being right for the market. With these risks in mind, Novabase has set up an Offer Management Unit, which scans the industry in order to detect current trends and promote the development of skills within Novabase to address these trends. Directors of Novabase's subsidiaries focus especially on the technology area, maintaining a special ongoing relationship with independent analysts of the information technology market.

## Limits to Voting Rights, Special Rights and Shareholders' Agreements

There are no statutory limits to voting rights and there are no shares with special rights.

Em 14 de Junho de 2000, foi celebrado um acordo parassocial entre os seguintes accionistas da Novabase:

On June 14th 2000 a shareholders' agreement was signed by the following Novabase shareholders:

_ Rogério Santos Carapuça

_ José Afonso Sousa

_ Pedro Marques Carvalho

_ Luís Paulo Salvado

_ João Nuno Bento

_ Álvaro Silva Ferreira

_ Paulo Jorge Andrez

_ João Vasco Ranito

_ João Filipe Neto

_ José Carlos Jesus

_ Nuno Miguel Duarte

_ Manuel Tavares Festas

_ Fernando Ribeiro Marques

O Acordo tem um período de validade de três anos e foi, nas suas partes essenciais, transcrito no prospecto de admissão à negociação submetido à Comissão do Mercado de Valores Mobiliários e os principais factos que dele resultam são os seguintes:

1. Obrigações relativamente à composição dos Órgãos Sociais e à eleição dos respectivos membros.

2. Obrigação e compromisso de não alienar as respectivas acções excepto nas condições e termos autorizados por uma maioria igual ou superior a 2/3 das acções detidas pelos signatários do Acordo.

3. Obrigação dos signatários de permanecerem na Novabase em funções de gestão em regime de exclusividade.

The main points of the agreement were published in the prospectus for admission to trading submitted to the CMVM and they are as follows:

1. Obligations regarding the composition of the Corporate Boards and the election of their members.

2. The obligation and undertaking not to sell shares except on the terms and conditions authorized by a majority of at least two-thirds of the shares held by the signatories to the agreement.

3. The obligation of the signatories to hold management positions at Novabase exclusively.

Para além do acordo parassocial acima descrito, e de um entendimento com sete quadros seniores da Novabase referente a 96.000 acções por estes detidas (resultantes do mecanismo de alinhamento de interesses referido no Relatório de Gestão do ano transacto), a Novabase não tem conhecimento da existência de quaisquer outros acordos parassociais sobre as acções representativas do seu capital social.

## Capítulo IV . Órgãos de Administração

O Conselho de Administração da Novabase é actualmente composto por 11 membros. Nos termos do artigo 14º dos estatutos, o Conselho de Administração pode delegar num administrador determinadas funções específicas de administração, devendo para o efeito exarar em acta os poderes delegados, podendo igualmente delegar numa comissão executiva, constituída por cinco administradores, a gestão corrente da sociedade.

Caso venha a ser constituída, o Conselho de Administração fixará as atribuições da comissão executiva na gestão corrente da sociedade, delegando nela, quando necessário, todas as competências cuja inclusão não está vedada pelo artigo quatrocentos e sete do Código das Sociedades Comerciais.

Os membros do Conselho de Administração em exercício foram eleitos por unanimidade dos accionistas ao tempo da sua eleição. Desde a dispersão do capital social da Novabase, através da admissão à negociação em Bolsa das suas acções, não houve ainda qualquer eleição para os órgãos sociais, pelo que todos os actuais administradores da Novabase são accionistas, não revestindo qualquer um deles o carácter de independente, no sentido de não disporem de uma participação no capital social da empresa.

Para além das funções de administração da Novabase, os membros do Conselho de Administração que exercem igualmente funções de administração noutras sociedades do Grupo são:

Apart from the shareholders' agreement described above and an understanding with seven senior managers at Novabase regarding 96.000 shares that they hold (resulting from the alignment of interests mentioned in last year's Annual Report), Novabase has no knowledge of the existence of any other sharewolders'agreements regarding its shares.

## Chapter IV . Managing Boards

Novabase's Board of Directors currently consists of 11 members. Under the terms of article 14 of the articles of association, the Board of Directors may delegate specific management powers to a particular director. These powers must be recorded in the minutes. It may also delegate the everyday running of the company to an executive committee consisting of five directors.

Should this committee be set up, the Board of Directors shall establish the executive committee's powers in the everyday running of the company, delegating to it, when necessary, all the powers that are not forbidden by article four hundred and seven of the Company Code.

The members of the Board of Directors were elected unanimously by the shareholders at the time of their election. Since the dispersal of Novabase's shares on their admission to the Stock Exchange, there has not yet been an election for any of the corporate bodies and so all Novabase's present directors are shareholders. None of them is independent, meaning that they all hold company shares.

In addition to their management of Novabase, the members of the Board of Directors who also manage other companies in the Novabase Group are as follows:

| Administrador<br>*Director* | Sociedades do Grupo Novabase<br>*Companies in the Novabase Group* |
|---|---|
| Rogério Santos Carapuça | - Novabase Sistemas de Informação, S.A.<br>- Novabase Saúde, S.A. |
| José Afonso Sousa | - Novabase Capital, S.A.<br>- Novabase Serviços, S.A.<br>- OctalTV, S.A.<br>- TVLab, S.A.<br>- Superemprego, S.A. |
| Pedro Marques Carvalho | - Novabase Sistemas de Informação, S.A.<br>- Novabase Serviços, S.A. |
| Luís Paulo Salvado | - Cfocus, S.A.<br>- Novabase Serviços, S.A.<br>- Novabase Data Quality, S.A.<br>- Novabase Geoinformação, S.A.<br>- Novabase Outsourcing, S.A.<br>- Celfocus, S.A.<br>- Novabase Gestão de Activos , S.A. |
| João Nuno Bento | - Novabase Suporte à Decisão, S.A.<br>- Novabase Sistemas de Informação, S.A.<br>- Cfocus, S.A.<br>- Novabase Desenvolvimento à Medida, S.A.<br>- Novabase Data Quality, S.A.<br>- Novabase Gestão Empresarial, S.A.<br>- Novabase Outsourcing, S.A.<br>- Celfocus, S.A.<br>- Novabase Gestão de Activos , S.A.<br>- Mentor IT, S.A. |
| Álvaro Silva Ferreira | - NBO, S.A.<br>- Novabase Sistemas de Informação, S.A.<br>- Novabase Serviços, S.A.<br>- Deltafor, S.A.<br>- Mentor IT, S.A.<br>- Flag, S.A.<br>- Flag Beat, Lda |

| | |
|---|---|
| Paulo Jorge Andrez | - Deltafor, S.A.<br>- Superemprego, S.A.<br>- SAF, S.A.<br>- Flag, S.A.<br>- Flag Beat, Lda<br>- NBO, S.A. |
| João Vasco Ranito | - Novabase Porto, S.A.<br>- Novabase Desenvolvimento à Medida, S.A.<br>- Novabase Saúde, S.A.<br>- Novabase Gestão Empresarial, S.A. |
| João Filipe Neto | - Novabase Porto, S.A.<br>- Novabase Sistemas de Informação, S.A.<br>- Novabase Saúde, S.A. |
| José Carlos Jesus | - TVLAb, S.A.<br>- Octal, S.A.<br>- OctalTV, S.A. |
| Nuno Miguel Duarte | - TVLAb, S.A.<br>- OnTV, S.A.<br>- Octal, S.A.<br>- OctalTV, S.A. |

Nos termos dos estatutos sociais, o Conselho de Administração reunirá sempre que for convocado pelo seu presidente ou por outros dois administradores, devendo reunir pelo menos uma vez por mês. Durante o exercício de 2002 o Conselho de Administração da Novabase efectivamente reuniu regularmente, no mínimo uma vez por mês, garantindo o controlo efectivo da gestão da sociedade.

A remuneração dos membros do Conselho de Administração não se encontra dependente dos resultados da sociedade nem da evolução da cotação das acções da Novabase na Euronext Lisboa.

Durante o exercício de 2002 os membros do Conselho de Administração auferiram remunerações no montante global de 1.3 M . Não foram até esta data atribuídas quaisquer Opções de Subscrição e/ou Aquisição de Acções da Novabase aos membros do Conselho de Administração.

Under the terms of the articles of association, the Board of Directors shall meet whenever it is summoned by its chairperson or by two other directors. It must meet at least once a month. In 2002, Novabase's Board of Directors met regularly at least once a month, thus ensuring effective control of the company's management.

The remuneration of the members of the Board of Directors does not depend on the company's results or on the price of Novabase's shares at Euronext Lisboa.

In 2002, the members of the Board of Directors received salaries to a total of 1.3 M . The members of the Board of Directors have not until now, been given any share subscription and/or purchase options.

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Novabase

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Unidade de Comunicação
e Marketing Institucional - Novabase

Design e Produção *Designed and Produced by* :
Proteína

Nº de exemplares *Nº of copies*: 1 500

Novabase

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*2002 ACCOUNTS*

# NOVABASE S.G.P.S., S.A.

**Financial Statements**

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# NOVABASE S.G.P.S., S.A.
**Financial Statements**

## PRESENTATION BASIS FOR REPORT ON 2002 ACCOUNTS

Novabase S.G.P.S. Annual Report - Accounts 2002 presents simultâneously the Consolidated and Individual Accounts.

In keeping with prevailing legislation, this Report is presented according with the Portuguese Accounting Standards legislation. For a higher quality standard in the disclosure of the economic and financial status of Novabase Group, the Board of Directors defined this moment as adequate to restructure this new report and present the all relevant financial information in accordance with the International Best Practices, Rules and Standards, despite being mandatory only as of 2005 for all Euronext quoted corporations.

Consequently, this new Report on 2002 Accounts is presented in 4 parts, identified bellow (see Index on page 3):

### I. Accounting Elements Required by the Portuguese Accounting Standards

This chapter includes the Accounting Elements Required by the Portuguese Accounting Standards, and the correspondent mandatory annexes to the referred accounting statements.

### II. Financial Statements - 2002 e 2001

Under this chapter, it is presented a complete set of the Consolidated and Individual Financial Statements, Balance Sheets, Income Statements by nature and function, Cash Flow Statements and Shareholders' Equity Changes, as well as all the corresponding explaining notes.

All the Consolidate and Individual economic and financial information disclosure were prepared in accordance with both (i) International Best Practices and (ii) with major IAS disclosure requirements.

### III. Financial Statements - Pro forma IAS - 2002 e 2001

Despite for being only mandatory, starting in 2005, disclosing the Consolidated Accounts prepared in accordance with the International Accounting Standards (IAS) for a company listed in the Euronext Stock Exchange, the Board of Directors of Novabase decided to anticipate the disclosure of the IAS Consolidated Pro forma Balance Sheet and Income Statement as well as the reconciliation between the IAS and Portuguese GAAP in respect to the Consolidated Pro Forma Net Profit and Shareholders’ Equity.

### IV. Board of Auditors, Auditor registered in the Portuguese Stock Exchange Authority and External Auditors Documents

***Regarding the Financial Statements prepared in accordance with the Portuguese Accounting Standards.***

Includes the complete Report Set, Opinion and Legal Certification for the Consolidate and Individual Accounts, related to Chapters I and II of this Annual Report - 2002 Accounts.

***Regarding the Pro Forma - IAS Financial Statements***

Includes an External Audit Report on the Pro Forma Consolidate Balance Sheet and Profit and Loss Account, prepared in accordance with International Accounting Standards, related to Chapter III of this Annual Report - 2002 Accounts.

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# 2002 ACCOUNTS

## INDEX

(i) This Financial Statements required by the Portuguese Official Plan of Accounts are presented in chapter II of this Index

# I. ACCOUNTING ELEMENTS REQUIRED BY THE PORTUGUESE ACCOUNTING STANDARDS

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# NOVABASE S.G.P.S., S.A.

## Consolidated Balance Sheet
## as at 31 December, 2002 and 2001

(Amounts expressed in thousands of Euros)

| | 2002 | | | 2001 |
|---|---|---|---|---|
| | Total Assets | Depreciations and Provisions | Net Assets | Net Assets |
| ***ASSETS*** | | | | |
| **FIXED ASSETS** | | | | |
| **Intangible Fixed Assets** | | | | |
| Establishment costs | 2 009 | 1 480 | 529 | 843 |
| Research and development costs | 7 131 | 3 043 | 4 088 | 1 826 |
| Industrial property and other rights | 5 844 | 229 | 5 615 | 148 |
| Business property rights | 6 415 | 481 | 5 934 | 1 299 |
| Work in progress | 4 022 | - | 4 022 | 3 377 |
| Goodwill arising on consolidation | 13 111 | 3 634 | 9 477 | 10 293 |
| | **38 532** | **8 867** | **29 665** | **17 786** |
| **Tangible Fixed Assets** | | | | |
| Buildings and other constructions | 994 | 443 | 551 | 250 |
| Basic equipment | 7 877 | 4 348 | 3 529 | 2 595 |
| Transport equipment | 3 801 | 2 320 | 1 481 | 2 044 |
| Tools and utensils | 125 | 42 | 83 | 114 |
| Fixtures and fittings | 1 418 | 750 | 668 | 675 |
| Other tangible fixed assets | 12 | 6 | 6 | 6 |
| | **14 227** | **7 909** | **6 318** | **5 684** |
| **Financial Investments** | | | | |
| Investments in associated companies | 1 049 | - | 1 049 | 2 101 |
| Loans to associated companies | - | - | - | - |
| Investments in other companies | 18 | - | 18 | 3 |
| Loans to other companies | - | - | - | - |
| Bonds and shares | 8 | - | 8 | 8 |
| Other financial investments | - | - | - | - |
| | **1 075** | **-** | **1 075** | **2 112** |
| ***CURRENT ASSETS*** | | | | |
| **Inventories** | | | | |
| Raw materials, subsidiary goods and consumables | 6 638 | - | 6 638 | 5 069 |
| Semi-finished products and work | 184 | 30 | 154 | 184 |
| Finished products | 2 427 | - | 2 427 | 1 947 |
| Merchandise | 152 | - | 152 | 561 |
| | **9 401** | **30** | **9 371** | **7 761** |
| **Debtors - Short Term** | | | | |
| Customers current accounts | 31 902 | - | 31 902 | 30 242 |
| Customers accounts - trade bills | 109 | - | 109 | - |
| Doubtful debts | 1 870 | 1 870 | - | 71 |
| Associated companies | 274 | - | 274 | - |
| Other shareholders | 308 | - | 308 | 42 |
| Advances to suppliers | 1 112 | - | 1 112 | 165 |
| Advances to fixed assets suppliers | - | - | - | - |
| State and other public entities | 2 972 | - | 2 972 | 649 |
| Other debtors | 5 036 | 197 | 4 839 | 13 043 |
| | **43 583** | **2 067** | **41 516** | **44 212** |
| **Marketable Securities** | | | | |
| Marketable securities | 622 | - | 622 | 612 |
| Other treasury investments | 8 225 | - | 8 225 | 16 924 |
| | **8 847** | **-** | **8 847** | **17 536** |
| **Bank Deposits and Cash** | | | | |
| Bank deposits | 20 401 | - | 20 401 | 9 231 |
| Cash in hand | 144 | - | 144 | 38 |
| | **20 545** | **-** | **20 545** | **9 269** |
| **Accruals and Deferrals** | | | | |
| Accrued income | 2 077 | - | 2 077 | 1 930 |
| Deferred costs | 4 284 | - | 4 284 | 1 718 |
| | **6 361** | **-** | **6 361** | **3 648** |
| **Total Depreciation** | | **16 776** | | |
| **Total Provisions** | | **2 097** | | |
| **TOTAL** | **142 571** | **18 873** | **123 698** | **108 008** |

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

## Consolidated Balance Sheet
## as at 31 December, 2002 and 2001

(Amounts expressed in thousands of Euros)

| | 2002 | 2001 |
|---|---|---|
| ***SHAREHOLDERS' EQUITY*** | | |
| Share capital | 14 128 | 14 128 |
| Treasury stock | ( 12) | ( 44) |
| Share premium | 35 153 | 35 162 |
| Goodwill arising on consolidation | 84 | 86 |
| Reserves arising on consolidation | 11 472 | ( 81) |
| Reserves: | - | - |
| - Statutory reserves | 752 | 563 |
| - Free reserves | 942 | 4 667 |
| - Other reserves | - | - |
| Exchange differences arising on consolidation | ( 2 544) | 185 |
| Retained earnings | - | ( 171) |
| | 59 975 | 54 495 |
| Consolidated net profit for the year | 9 459 | 8 886 |
| **Total Equity** | **69 434** | **63 381** |
| Net profit attributable to minority interests | 738 | 1 002 |
| Reserves attributable to minority interests | 4 269 | 2 675 |
| **Total Minority Interests** | **5 007** | **3 677** |
| ***LIABILITIES*** | | |
| **Medium and Long Term Liabilities:** | | |
| Credit institutions | 6 000 | 1 983 |
| Fixed assets suppliers | 505 | 1 009 |
| | **6 505** | **2 992** |
| **Short Term Liabilities:** | | |
| Credit institutions | 4 235 | 1 753 |
| Advances from customers | - | - |
| Suppliers | 15 888 | 14 857 |
| Fixed assets suppliers | 1 732 | 1 580 |
| Associated companies | - | 93 |
| Other shareholders in group companies | 77 | 17 |
| State and other public entities | 7 929 | 8 120 |
| Other creditors | 3 403 | 1 998 |
| | **33 264** | **28 418** |
| **Accruals and Deferrals** | | |
| Accrued costs | 6 515 | 5 628 |
| Deferred income | 2 973 | 3 912 |
| | **9 488** | **9 540** |
| **Total Liabilities** | **49 257** | **40 950** |
| **Total Equity and Minority Interests** | **74 441** | **67 058** |
| **TOTAL** | **123 698** | **108 008** |

**THE CHARTERED ACCOUNTANT** **THE BOARD OF DIRECTORS**

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

## Consolidated Income Statement by Nature
## for the Years Ended 31 December, 2002 and 2001

(Amounts expressed in thousands of Euros)

| | | 2002 | | 2001 | |
|---|---|---|---|---|---|
| ***EXPENSES*** | | | | | |
| Cost of goods sold and consumed | | | 30 455 | | 25 232 |
| External supplies and services | | | 36 383 | | 28 330 |
| Personnel Expenses | | | | | |
| Salaries | | 24 765 | | 24 096 | |
| Social security charges | | 5 104 | | 4 546 | |
| Other | | 487 | 30 356 | 1 011 | 29 653 |
| | | | **97 194** | | **83 215** |
| Depreciation and amortisation | | 6 439 | | 4 621 | |
| Provisions | | 590 | 7 029 | 363 | 4 984 |
| | | | **104 223** | | **88 199** |
| Taxes | | 95 | | 65 | |
| Other operating costs | | 19 | 114 | 12 | 77 |
| **(A)** | | | **104 337** | | **88 276** |
| Interest and similar expenses | | | 1 501 | | 1 303 |
| **(C)** | | | **105 838** | | **89 579** |
| Extraordinary expenses | | | 3 453 | | 303 |
| **(E)** | | | **109 291** | | **89 882** |
| Income tax | | | ( 111) | | 2 487 |
| **(G)** | | | **109 180** | | **92 369** |
| Minority interests | | | 738 | | 1 002 |
| Consolidated net profit for the year | | | 9 459 | | 8 886 |
| | | | **119 377** | | **102 257** |
| ***INCOME*** | | | | | |
| Sales | | 40 474 | | 33 397 | |
| Services rendered | | 73 589 | 114 063 | 63 069 | 96 466 |
| On work | | 1 672 | | 2 937 | |
| Supplementary earnings | | 238 | | 244 | |
| Subsidies for operations | | 551 | | 283 | |
| Other operating income | | 218 | 2 679 | 12 | 3 476 |
| **(B)** | | | **116 742** | | **99 942** |
| Other interest and similar income | | | 913 | | 1 095 |
| **(D)** | | | **117 655** | | **101 037** |
| Extraordinary income | | | 1 722 | | 1 220 |
| **(F)** | | | **119 377** | | **102 257** |
| **Operating results** | **(B) - (A)** | | **12 405** | | **11 666** |
| **Financial results** | **(D - B) - (C - A)** | | **(588)** | | **(208)** |
| **Current results** | **(D) - (C)** | | **11 817** | | **11 458** |
| **Profit before income tax** | **(F) - (E)** | | **10 086** | | **12 375** |
| **Net profit with minority interests** | **(F) - (G)** | | **10 197** | | **9 888** |

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

## Individual Balance Sheet
## as at 31 December, 2002 and 2001

(Amounts expressed in thousands of Euros)

| | 2002 Gross Assets | 2002 Depreciations and Provisions | 2002 Net Assets | 2001 Net Assets |
|---|---|---|---|---|
| ***ASSETS*** | | | | |
| **FIXED ASSETS** | | | | |
| **Intangible Fixed Assets** | | | | |
| Establishment costs | 258 | 257 | 1 | 74 |
| Research and development costs | 3 | 1 | 2 | 3 |
| Industrial property and other rights | - | - | - | - |
| Equity consolidation differences (Business property rights) | 11 430 | 3 299 | 8 131 | 9 524 |
| Work in progress | - | - | - | - |
| | **11 691** | **3 557** | **8 134** | **9 601** |
| **Tangible Fixed Assets** | | | | |
| Buildings and other constructions | 544 | 322 | 222 | 230 |
| Basic equipment | 46 | 36 | 10 | 11 |
| Transport equipment | 21 | 21 | - | - |
| Tools and utensils | - | - | - | 1 |
| Fixtures and fittings | - | - | - | - |
| Other tangible fixed assets | - | - | - | - |
| | **611** | **379** | **232** | **242** |
| **Financial Investments** | | | | |
| Investments in group companies | 38 416 | - | 38 416 | 30 780 |
| Loans to group companies | 9 197 | - | 9 197 | - |
| Investments in associated companies | - | - | - | 1 310 |
| Loans to associated companies | - | - | - | - |
| Bonds and other financial investments | - | - | - | - |
| Other loans | 2 | - | 2 | 2 |
| | **47 615** | **-** | **47 615** | **32 092** |
| ***CURRENT ASSETS*** | | | | |
| **Inventories** | | | | |
| Raw materials, subsidiary goods and consumables | - | - | - | - |
| Semi-finished products and work | - | - | - | - |
| Finished products | - | - | - | - |
| Merchandise | - | - | - | - |
| | **-** | **-** | **-** | **-** |
| **Debtors - Short Term** | | | | |
| Customers current accounts | 6 794 | - | 6 794 | 4 310 |
| Doubtful debts | 434 | 434 | - | 5 |
| Group companies | 23 | - | 23 | - |
| Other companies | - | - | - | - |
| Other shareholders | - | - | - | - |
| Advances to suppliers | 921 | - | 921 | 32 |
| Advances to fixed assets suppliers | - | - | - | - |
| State and other public entities | 277 | - | 277 | 69 |
| Other debtors | 19 339 | - | 19 339 | 17 091 |
| Subscribers of share capital | - | - | - | - |
| | **27 788** | **434** | **27 354** | **21 507** |
| **Marketable Securities** | | | | |
| Marketable securities | 612 | - | 612 | 612 |
| Other treasury investments | 8 225 | - | 8 225 | 16 233 |
| | **8 837** | **-** | **8 837** | **16 845** |
| **Bank Deposits and Cash** | | | | |
| Bank deposits | 565 | - | 565 | 67 |
| Cash in hand | 1 | - | 1 | 1 |
| | **566** | **-** | **566** | **68** |
| **Accruals and Deferrals** | | | | |
| Accrued income | 1 639 | - | 1 639 | 23 |
| Deferred costs | 26 | - | 26 | 16 |
| | **1 665** | **-** | **1 665** | **39** |
| **Total Depreciation** | | **3 936** | | |
| **Total Provisions** | | **434** | | |
| **TOTAL** | **98 773** | **4 370** | **94 403** | **80 394** |

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

## Individual Balance Sheet
## as at 31 December, 2002 and 2001

(Amounts expressed in thousands of Euros)

| | 2002 | 2001 |
|---|---|---|
| ***SHAREHOLDERS' EQUITY*** | | |
| Share capital | 14 128 | 14 128 |
| Treasury stock | ( 12) | ( 44) |
| Share premium | 35 153 | 35 153 |
| Goodwill arising on the equity consolidation | - | - |
| Reserves arising on the equity consolidation | 11 556 | 6 528 |
| Reserves: | - | - |
| - Statutory reserves | 752 | 319 |
| - Free reserves | 942 | 901 |
| Exchange differences arising on the equity consolidation | ( 2 544) | 185 |
| Retained earnings | - | 717 |
| | 59 975 | 57 887 |
| Consolidated net profit for the year | 9 459 | 8 678 |
| **Total Equity** | **69 434** | **66 565** |
| ***LIABILITIES*** | | |
| **Medium and Long Term Liabilities:** | | |
| Credit institutions | 6 000 | - |
| Fixed assets suppliers | 62 | - |
| | **6 062** | **-** |
| **Short Term Liabilities:** | | |
| Credit institutions | 78 | 31 |
| Advances from customers | - | - |
| Suppliers | 1 075 | 1 259 |
| Fixed assets suppliers | - | - |
| Group companies | 1 081 | - |
| Other companies | - | - |
| Other shareholders | - | - |
| State and other public entities | 436 | 124 |
| Other creditors | 15 931 | 12 182 |
| | **18 601** | **13 596** |
| **Accruals and Deferrals** | | |
| Accrued costs | 256 | 202 |
| Deferred income | 50 | 31 |
| | **306** | **233** |
| **Total Liabilities** | **24 969** | **13 829** |
| **Total Equity and Liabilities** | **94 403** | **80 394** |

**THE CHARTERED ACCOUNTANT** **THE BOARD OF DIRECTORS**

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

## Individual Statement of Income by Nature
## for the Years Ended 31 December, 2002 and 2001

(Amounts expressed in thousands of Euros)

| | | 2002 | | 2001 | |
|---|---|---|---|---|---|
| ***EXPENSES*** | | | | | |
| Cost of goods sold and consumed | | | - | | - |
| External supplies and services | | | 726 | | 1 467 |
| Personnel Expenses | | | | | |
| Salaries | | 1 324 | | 1 328 | |
| Social security charges | | 146 | | 132 | |
| Other | | 11 | 1 481 | 18 | 1 478 |
| | | | **2 207** | | **2 945** |
| Depreciation and amortisation | | 1 242 | | 945 | |
| Provisions | | - | 1 242 | 73 | 1 018 |
| | | | **3 449** | | **3 963** |
| Taxes | | - | | 1 | |
| Other operating costs | | 4 | 4 | 3 | 4 |
| **(A)** | | | **3 453** | | **3 967** |
| Interest and similar expenses | | | 3 380 | | 698 |
| **(C)** | | | **6 833** | | **4 665** |
| Extraordinary expenses | | | 424 | | 228 |
| **(E)** | | | **7 257** | | **4 893** |
| Income tax | | | 128 | | 245 |
| **(G)** | | | **7 385** | | **5 138** |
| Net Profit for the year | | | 9 459 | | 8 678 |
| | | | **16 844** | | **13 816** |
| ***INCOME*** | | | | | |
| Sales | | - | | - | |
| Services rendered | | 4 829 | 4 829 | 2 340 | 2 340 |
| On work | | - | | - | |
| Supplementary earnings | | 97 | | 16 | |
| Subsidies for operations | | 31 | | - | |
| Other operating income | | - | 128 | - | 16 |
| **(B)** | | | **4 957** | | **2 356** |
| Other interest and similar income | | | 10 492 | | 11 043 |
| **(D)** | | | **15 449** | | **13 399** |
| Extraordinary income | | | 1 395 | | 417 |
| **(D)** | | | **16 844** | | **13 816** |
| **Operating results** | **(B) - (A)** | | **1 504** | | **(1 611)** |
| **Financial results** | **(D - B) - (C - A)** | | **7 112** | | **10 345** |
| **Current results** | **(D) - (C)** | | **8 616** | | **8 734** |
| **Profit before income tax** | **(F) - (E)** | | **9 587** | | **8 923** |
| **Net profit for the year** | **(F) - (G)** | | **9 459** | | **8 678** |

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

## Annex to the Consolidated Balance Sheet and Income Statement by Nature
## Years ended 31 December, 2002 and 2001

The following information is numbered sequentially as prescribed by the Portuguese Official Plan of Accounts for the compulsory disclosure of consolidated financial information.

1 ) The information on the companies included in the consolidation, their designation, head offices and percentage of capital held, as referred in no.1 of Article 1º from DL nº 238/91of 2 July, are detailed in Notes 1, 4 and 5 to the Financial Statements.

2 ) Information on subsidiary companies excluded from consolidation is presented in Note 5 to the Financial Statements.

3 ) The information regarding designation, head office, and percentage of capital held of associated companies consolidated by the equity method is presented in Note 5 to the Financial Statements.

4 ) Information on associate companies excluded from consolidation is presented in Note 5 to the Financial Statements.

5 ) The information regarding designation, head office, and percentage of capital held of the companies consolidated by the proportional method, as well as the facts concerning the jointly control is presented in Note 5 to the Financial Statements.

6 ) The information regarding designation, head office, and percentage of capital held of companies held at least 10% by companies included in the consolidation and mentioned in Notes 1 and 2 is presented in Note 5 to the Financial Statements.

7 ) The average personnel number in the companies accounted by the proportional and full consolidation method are broken down in Note 21 to the Financial Statements.

8 ) In our opinion, the rules and procedures applied as prescribed by DL nº 238/91 of 2 July are sufficient and adequate to present a true and fair view of the financial position and results of the companies included in the consolidation.

9 ) The consolidation rules prescribed in DL nº 238/91 of 2 July, were fully applied.

10 ) The heading Consolidation Differences, calculation methods used and yearly changes are detailed in Note 4 to the Financial Statements.

11 ) All the consolidation procedures applied in 2002 were fully consistent with previous year.

12 ) The Consolidated Financial Statements include the assets, liabilities and shareholders' equity of all the companies accounted by the proportional and full consolidation method.

13 ) Both consolidated financial statements as the individual financial statements refer to the same period.

14 ) Changes in the consolidation perimeter are described in Note 5 to the Financial Statements.

15 ) The valuation criteria used in the consolidated financial statements and in the consolidated companies are presented in Note 1 to the Financial Statements - Accounting Policies.

16 ) No exceptional adjustments have been made to the value of assets exclusively for tax purposes that have not been eliminated from the consolidation.

17 ) Goodwill is depreciated on a straight-line method over a period of ten years, which is considered to be the period of time necessary to recover the investment.

18 ) The accounting criteria used to register financial investments by the consolidated companies are explained in Note 1 to the Financial Statements.

19 ) Associate companies accounted by its acquisition costs are identified in Note 5 to the Financial Statements.

20 ) The accounting policies used in each company individually are the same established for consolidation purposes.

21 ) Financial commitments not reflected in the consolidated balance sheet, are detailed by company in Notes 2 and 28, to the Financial Statements, and concern leasing charges and bank guarantees granted to third parties, respectively.

22 ) Note 28 to the Financial Statements details the responsibilities of the consolidated companies by nature, regarding guarantees given and identifies real guarantees.

23 ) Note 1 to the Financial Statements details the valuation criteria used in the consolidated Financial Statements, as well as the value adjustments calculation methods, namely amortisations and provisions.

# NOVABASE S.G.P.S., S.A.

**Annex to the Consolidated Balance Sheet and Income Statement by Nature**
**Years ended 31 December, 2002 and 2001**

24 ) The amounts in foreign currencies included in the consolidated Financial Statements were translated to euros, according to the accounting rules described in Note 1 to the Financial Statements.

25 ) Establishment and Research & Development costs are detailed in Note 3 to the Financial Statements.

26 ) Business property rights are depreciated over a period of time between 3 and 10 years (see Note 3 to the Financial Statements).

27 ) Notes 2 and 3 to the Financial Statements, present the movements under fixed assets heading as well as respective provisions and depreciations.

28 ) No interest expense was capitalised during the year on loans to finance the acquisition of fixed assets.

29 ) There have been no adjustments made exclusively for tax purposes, of assets subject to amortisation, depreciation or extraordinary provisions.

30 ) There are no material differences between the book value and the market value of current assets.

31 ) All current assets items are shown at its fair value.

32 ) No stable decreases are expected for any item of current assets value.

33 ) There are no outstanding debts from customers with a maturity date over five years.

34 ) There are no liabilities included in the consolidated balance sheet that are secured by assets of the group.

35 ) There are no differences between amounts payable and the related amounts received.

36 ) Breakdown of net consolidated turnover, by geographic market and class is analysed in Note 19 to the Financial Statements.

37 ) No accounting policies were used that are not included in the Portuguese Official Chart of Accounts and no depreciation or extraordinary provisions were recorded exclusively for tax purposes.

38 ) The differences between taxes charged to the consolidated income statement for the year and previous years and the taxes paid or payable for these years are detailed in Note 27 to the Financial Statements.

39 ) The remuneration paid to the members of the Board of Directors and Statutory Auditor of Novabase S.G.P.S. and the group companies is described in Note 21 to the Financial Statements.

40 ) During the year, no loans, advances or guarantees were made by Novabase S.G.P.S., S.A. or its subsidiaries to the members of their statutory boards.

41 ) There were no asset revaluations or financial investments revaluations in the companies included in the consolidation, so there was no need to apply any legal rule to these operations.

42 ) There are no revaluation in fixed assets to be detailed.

43 ) All consolidated Balance sheet and Income statement accounts are comparable with previous year accounts.

44 ) Financial results breakdown is presented in Note 24 to the Financial Statements.

45 ) Extraordinary Results breakdown is presented in Note 25 to the Financial Statements.

46 ) The movements under accumulated provisions are detailed in Notes 7, 8 and 9 to the Financial Statements.

47 ) Tangible assets with leasing contracts and its accounting value are described in Note 2 to the Financial Statements.

48 ) There are no securitised liabilities by balance sheet caption that are not disclosed in the balance sheet.

49 ) There is no further information required by legislation for disclosure.

50 ) Other relevant information for the understanding of the Financial Statements and companies results included in the consolidated accounts can be found in the Notes to the Financial Statements.

# NOVABASE S.G.P.S., S.A.

### Annex to The Individual Balance Sheet and Income Statement by Nature
### Years ended 31 December, 2002 and 2001

Novabase's activities as a holding company are regulated by Decree-Law no. 495/88 of 30 December, with the changes made by Decree-Law no. 318/94 of 24 December and by Decree-Law no. 378/98 of 27 November, by the Commercial Company Code, by its articles of association and other applicable legislation.

1 ) The financial statements for the periods, were, in all material aspects, prepared in keeping with the Official Plan of Accounts.

2 ) No changes occurred in the accounting principles, so the figures included in the financial statements for the year ended 31 December, 2002 are comparable in all significant aspects with those from 2001.

3 ) Accounting principles and valuation criteria are presented in Note 1 to the Financial Statements.

4 ) Exchange rate used to translate assets and liabilities debts are in accordance with Portuguese accounting standards, and described in Note 1 of the Financial Statements.

5 ) Current year results were not affected in order to obtain fiscal gains.

6 ) Income Tax provision and future effects on this heading are analysed in Note 27 to the Financial Statements.

7 ) The average number of Novabase S.G.P.S., S.A. employees is referred in Note 21 to the Financial Statements.

8 ) Establishment and Research & Development costs are detailed in Note 3 to the Financial Statements.

9 ) Goodwill is depreciated on a straight-line method over a period of ten years, which is considered to be the period of time necessary to recover the investment.

10 ) Movements occurred under the heading fixed assets are detailed in Notes 2 and 3 to the Financial Statements.

11 ) No interest expense was capitalised during the year on loans to finance the acquisition of fixed assets.

12 ) There were no asset revaluations or financial investments revaluations in the companies included in the consolidation, so there was no need to apply any legal rule to these operations.

13 ) There was no revaluation in fixed assets to be detailed.

14 ) Detail on the heading fixed assets and work in progress, as well as financial expenses incurred and accounted are analysed in Note 2 and 3 the Financial Statements.

15 ) Tangible assets with leasing contracts and its accounting value are described in Note 2 to the Financial Statements.

16 ) Information regarding designation, head office, and percentage of capital held of Group companies, associated and subsidiaries is presented in Note 5 to the Financial Statements.

17 ) The accounted value under the heading "Marketable Securities", regarding financial investments on other companies doesn't exceed 5% of the company current assets.

18 ) Novabase S.G.P.S., S.A. doesn't held any Fund.

19 ) There are no material differences between the book value and the market value of current assets.

20 ) All Current Assets items are shown at its fair value.

21 ) Based on a reasonable commercial review, no extraordinary provisions have been recorded for stable decreases in the value of current assets.

22 ) There are no inventory items out of the company.

23 ) The amount of doubtful debts corresponds to the amounts shown in the balance sheet.

24 ) During the year, no loans, advances or guarantees were made by Novabase S.G.P.S., S.A. to the members of the statutory boards.

25 ) Transactions with employees, assets and liabilities, are summarized in Note 9 to the Financial Statements.

26 ) There are no securitised liabilities by balance sheet caption that are not disclosed in the balance sheet.

27 ) No bonds, participating securities or other similar rights were issued during the fiscal year.

28 ) The company has no outstanding debts to the State or other public entities.

29 ) There are no outstanding debts from customers with a maturity date over five years.

30 ) Third parties debts secured by assets of the company are detailed by nature, and balance sheet heading in Note 28 to the Financial Statements.

31 ) All the financial commitments not reflected in the balance sheet, are detailed by company in Note 28.

32 ) Note 28 to the Financial Statements details the responsibilities of the company by nature, regarding guarantees given and identifies real guarantees.

33 ) There are no differences between amounts payable and the related amounts received.

34 ) The movements under accumulated provisions are detailed in Notes 7, 8 and 9 to the Financial Statements.

35 ) During the fiscal year, no increase or reduction of share capital occurred, and at the end of 2002 Novabase S.G.P.S., S.A. share capital was fully subscribed and paid up.

36 ) Share capital detail, classification, number of shares and nominal value is detailed in Note 12 to the Financial Statements.

37 ) Total subscribed capital is not held by any individual company above 20%.

38 ) No shares were subscribed during the fiscal year.

39 ) There were no movements in revaluation reserves during the fiscal period.

40 ) Movements individual breakdown of equity headings are analysed as follows:

(Amounts expressed in thousands of Euros)

| | | Opening Balance | Increases | Reductions | Closing Balance |
|---|---|---|---|---|---|
| Share capital | | 14 128 | - | - | 14 128 |
| Treasury stock | | (44) | 32 | - | (12) |
| Share premium | | 35 153 | - | - | 35 153 |
| Reserves arising on the equity consolidation | | 6 713 | 5 028 | (2 729) | 9 012 |
| Legal reserves | | 319 | 433 | - | 752 |
| Other reserves | | 901 | 41 | - | 942 |
| Retained earnings | | 717 | - | (717) | - |
| Net profit for the year | 2001 | 8 678 | - | (8 678) | - |
| | 2002 | - | 9 459 | - | 9 459 |
| | | **66 565** | **14 993** | **(12 124)** | **69 434** |

41 ) During the fiscal year, no movements occured under the inventories heading.

42 ) There were no increases / decreases between years in ending balance of inventories.

43 ) The remuneration paid to the members of the Board of Directors and Statutory Auditor of Novabase S.G.P.S is described in Note 21 to the Financial Statements.

44 ) Breakdown of net turnover, by geographic market and class is analysed in Note 19 to the Financial Statements.

45 ) Financial Results are detailed in Note 24 to the Financial Statements.

46 ) Extraordinary Results can be analysed in Note 25 to the Financial Statements.

47 ) Under the terms of point 1 of article 21 of DL no. 411/91 of 17 October, we declare that the company has no outstanding debts to Social Security.

48 ) Other relevant information for the understanding of the Financial Statements and companies included in the consolidated accounts can be found in the Notes to the Financial Statements.

# NOVABASE S.G.P.S., S.A.

## Annex to the Consolidated and Individual Statement of Cash Flows
## Years ended 31 December, 2002 and 2001

The following information is numbered sequentially as prescribed by the Portuguese Plan of Accounts and Accounting Directive no. 14 and corresponds to the Consolidated and Individual Cash Flow Statements.

1 ) Information regarding acquisitions and disposals of subsidiaries and other company activities are included in Notes 5 to the Financial Statements.

2 ) Cash Items and Cash Equivalents are broken down in Note 11 to the Financial Statements.

3 ) No financial activities non monetary were registered during the fiscal period.

4 ) The segmentation of the Group's business activities in terms of cash flow is not applicable in view of the fact that the consolidated financial statements were not segmented.

5 ) No other information was consider relevant for the Consolidated Cash flow statement interpretation.

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## II. FINANCIAL STATEMENTS
## 31 December, 2002 and 2001

# NOVABASE S.G.P.S., S.A.

**Consolidated Balance Sheet**
**as at 31 December, 2002 and 2001**

| | Notes | 2002 | 2001 |
|---|---|---|---|
| | | (Thousands of Euros) | |
| ***Assets*** | | | |
| Tangible fixed assets | 2 | 6 318 | 5 684 |
| Intangible fixed assets | 3 | 20 188 | 7 493 |
| Goodwill arising on consolidation | 4 | 9 477 | 10 293 |
| Financial investments | 5 | 1 075 | 2 112 |
| Deferred tax assets | 6 | 3 465 | 763 |
| Total non Current Assets | | 40 523 | 26 345 |
| Inventories | 7 | 9 371 | 7 761 |
| Customers | 8 | 32 011 | 30 313 |
| Other debtors | 9 | 9 505 | 13 899 |
| Accrual and deferral assets | 10 | 2 896 | 2 885 |
| Marketable securities | 11 | 8 847 | 17 536 |
| Cash and deposits in banks | 11 | 20 545 | 9 269 |
| Total Current Assets | | 83 175 | 81 663 |
| | | 123 698 | 108 008 |
| ***Shareholders' Equity*** | | | |
| Share capital | 12 | 14 128 | 14 128 |
| Treasury stock | 14 | (12) | (44) |
| Share premium | | 35 153 | 35 162 |
| Reserves and retained earnings | 15 | 10 706 | 5 249 |
| Consolidated net profit for the year | 15 | 9 459 | 8 886 |
| Total Equity | | 69 434 | 63 381 |
| Minority interests | 16 | 5 007 | 3 677 |
| ***Liabilities*** | | | |
| Credit institutions | 17 | 6 000 | 1 983 |
| Fixed assets suppliers | 18 | 505 | 1 009 |
| Deferred tax liabilities | 6 | 50 | - |
| Total non Current Liabilities | | 6 555 | 2 992 |
| Credit institutions | 17 | 4 235 | 1 753 |
| Fixed assets suppliers | 18 | 1 732 | 1 580 |
| Suppliers | | 15 888 | 14 857 |
| Other creditors | 9 | 11 409 | 10 228 |
| Accrual and deferral liabilities | 10 | 9 438 | 9 540 |
| Total Current Liabilities | | 42 702 | 37 958 |
| Total Liabilities | | 49 257 | 40 950 |
| | | 123 698 | 108 008 |

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

## Consolidated Income Statement
## for the Years Ended 31 December, 2002 and 2001

| | Notes | 2002 | 2001 |
|---|---|---|---|
| | | (Thousands of Euros) | |
| Sales | 19 | 40 474 | 33 397 |
| Cost of goods sold | 19 | 30 455 | 25 232 |
| ***Gross Margin*** | | 10 019 | 8 165 |
| *Other operating Earnings* | | | |
| Services rendered | 19 | 73 589 | 63 069 |
| Own works | | 1 672 | 2 937 |
| Supplementary income and subsidies for operations | | 789 | 527 |
| Other operating income | | 218 | 12 |
| | | 76 268 | 66 545 |
| | | 86 287 | 74 710 |
| *Other operating Costs* | | | |
| External supplies and services | 20 | 36 383 | 28 330 |
| Employee expenses | 21 | 30 356 | 29 653 |
| Provisions | 22 | 590 | 363 |
| Other operating costs | | 114 | 77 |
| | | 67 443 | 58 423 |
| Gross Operating Results (EBITDA) | | 18 844 | 16 287 |
| Asset depreciation / amortisation | 23 | 4 777 | 3 506 |
| Financial investments amortisation | 23 | 1 662 | 1 115 |
| Operating Results (EBIT) | | 12 405 | 11 666 |
| Financial Gains / (Losses) | 24 | (588) | (208) |
| Current Results | | 11 817 | 11 458 |
| Extraordinary Gains / (Losses) | 25 | 101 | 917 |
| Restructuring costs | 25 | (1 832) | - |
| Results Before Taxes | | 10 086 | 12 375 |
| Income tax provision | 27 | 2 194 | 3 273 |
| Deferred tax provision | 27 | (2 305) | (786) |
| Net profit for the year | | 10 197 | 9 888 |
| Minority interests | | 738 | 1 002 |
| **Attributable Net Profit for the year** | | **9 459** | **8 886** |
| **Net Profit per Share - Average - Euros** | 12 | **0.33 euros** | **0.31 euros** |

See accompanying notes to the financial statements

## NOVABASE S.G.P.S., S.A.

**Individual Balance Sheet**
**as at 31 December, 2002 and 2001**

| | Notes | 2002 | 2001 |
|---|---|---|---|
| | | (Thousands of Euros) | |
| ***Assets*** | | | |
| Tangible fixed assets | 2 | 232 | 242 |
| Intangible fixed assets | 3 | 3 | 77 |
| Goodwill arising on equity consolidation | 4 | 8 131 | 9 524 |
| Financial investments | 5 | 47 615 | 32 092 |
| Total non Current Assets | | 55 981 | 41 935 |
| Customers | 8 | 6 794 | 4 315 |
| Other debtors | 9 | 20 560 | 17 192 |
| Accrual and deferral assets | 10 | 1 665 | 39 |
| Marketable securities | 11 | 8 837 | 16 845 |
| Cash and deposits in banks | 11 | 566 | 68 |
| Total Current Assets | | 38 422 | 38 459 |
| | | 94 403 | 80 394 |
| ***Shareholders' Equity*** | | | |
| Share capital | 12 | 14 128 | 14 128 |
| Treasury stock | 14 | (12) | (44) |
| Share premium | | 35 153 | 35 153 |
| Reserves and retained earnings | 15 | 10 706 | 8 650 |
| Net Profit for the year | 15 | 9 459 | 8 678 |
| Total Equity | | 69 434 | 66 565 |
| ***Liabilities*** | | | |
| Credit institutions | 17 | 6 000 | - |
| Fixed assets suppliers | 18 | 62 | - |
| Deferred tax liabilities | 6 | 50 | - |
| Total non Current Liabilities | | 6 112 | - |
| Credit institutions | 17 | 78 | 31 |
| Suppliers | | 1 075 | 1 259 |
| Other creditors | 9 | 17 448 | 12 306 |
| Accrual and deferral liabilities | 10 | 256 | 233 |
| Total Current Liabilities | | 18 857 | 13 829 |
| Total Liabilities | | 24 969 | 13 829 |
| | | 94 403 | 80 394 |

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

**Individual Income Statement**
**for the Years Ended 31 December, 2002 and 2001**

| | Notes | 2002 | 2001 |
|---|---|---|---|
| | | (Thousands of Euros) | |
| Sales | | - | - |
| Cost of goods sold | | - | - |
| Gross Margin | | - | - |
| *Other operating Earnings* | | | |
| Services rendered | 19 | 4 829 | 2 340 |
| Supplementary income and subsidies for operations | | 128 | 16 |
| | | 4 957 | 2 356 |
| | | 4 957 | 2 356 |
| *Other operating Costs* | | | |
| External supplies and services | 20 | 726 | 1 467 |
| Employee expenses | 21 | 1 481 | 1 478 |
| Provisions | 22 | - | 73 |
| Other operating costs | | 4 | 4 |
| | | 2 211 | 3 022 |
| Gross Operating Results (EBITDA) | | 2 746 | (666) |
| Asset depreciation / amortisation | 23 | 99 | 122 |
| Financial investments amortisation | 23 | 1 143 | 823 |
| Operating Results (EBIT) | | 1 504 | (1 611) |
| Financial Gains / (Losses) | 24 | 7 112 | 10 345 |
| Current Results | | 8 616 | 8 734 |
| Extraordinary Gains / (Losses) | 25 | 971 | 189 |
| Results Before Taxes | | 9 587 | 8 923 |
| Income tax provision | 27 | 128 | 245 |
| **Net profit for the year** | | **9 459** | **8 678** |
| **Net profit per share - Average - Euros** | 12 | **0.33 euros** | **0.31 euros** |

See accompanying notes to the financial statements

## NOVABASE S.G.P.S., S.A.

**Consolidated and Individual Income Statement by Function**
**for the Years Ended 31 December, 2002 and 2001**

(Amounts expressed in thousands of Euros)

| | Consolidated | | Invividual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| Sales and services rendered | 114 063 | 96 466 | 4 829 | 2 340 |
| Cost of sales and services rendered | (83 553) | (71 239) | (103) | (2 336) |
| **Gross Profit** | **30 510** | **25 227** | **4 726** | **4** |
| Other operating income | 3 347 | 4 320 | 275 | 208 |
| Distribution costs | (760) | (1 731) | (8) | (17) |
| Administrative costs | (5 364) | (3 578) | (1 606) | - |
| Other operating costs | (17 076) | (11 140) | (1 022) | (799) |
| **Operating Results** | **10 657** | **13 098** | **2 365** | **(604)** |
| Net finance cost | (460) | (655) | 228 | (180) |
| Gains / (losses) in subsidiaries and associate companies | (1 648) | (1 303) | 5 598 | 8 328 |
| Gains / (losses) from other investments | 1 537 | 1 235 | 1 396 | 1 379 |
| **Current Results** | **10 086** | **12 375** | **9 587** | **8 923** |
| Income tax before extraordinary items | 111 | (2 487) | (128) | (245) |
| **Current Results after Income Tax** | **10 197** | **9 888** | **9 459** | **8 678** |
| Minority Interests | (738) | (1 002) | - | - |
| **Consolidated Net Profit for the year** | **9 459** | **8 886** | **9 459** | **8 678** |
| **Net Profit per share - Average - Euros** | **0.33 euros** | **0.31 euros** | **0.33 euros** | **0.31 euros** |

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

## Consolidated and Individual Statement of Cash Flows
## for the Years Ended 31 December, 2002 and 2001

(Amounts expressed in thousands of Euros)

| | Consolidated | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| ***Cash flows arising from operating activities*** | | | | |
| Amounts received from customers | 110 949 | 94 359 | 242 | 4 535 |
| Payments to suppliers | (68 995) | (45 772) | (1 395) | (1 527) |
| Payments to employees | (30 711) | (28 940) | (1 568) | (1 478) |
| Cash Flow Generated by Operations | 11 243 | 19 647 | (2 721) | 1 530 |
| Income tax reimbursed / (paid) | (2 177) | (5 687) | (274) | (153) |
| Other operating proceeds / (payments) | (30) | (7 996) | (269) | (867) |
| | (2 207) | (13 683) | (543) | (1 020) |
| Cash Flow generated before extraordinary items | 9 036 | 5 964 | (3 264) | 510 |
| Proceeds related to extraordinary items | 170 | 175 | 14 | - |
| Payments related to extraordinary items | (2 455) | (44) | (18) | (18) |
| | (2 285) | 131 | (4) | (18) |
| **Cash Flow generated by operating activities** | **6 751** | **6 095** | **(3 268)** | **492** |
| ***Cash flows arising from investment activities*** | | | | |
| Proceeds: | | | | |
| Financial investments | 1 746 | - | 1 346 | 678 |
| State subsidies to investments | 972 | 309 | - | - |
| Interests and similar earnings | 931 | - | 281 | 100 |
| Dividends | - | 2 | 79 | - |
| | 3 649 | 311 | 1 706 | 778 |
| Payments: | | | | |
| Financial investments | (500) | (288) | (10 798) | (9 613) |
| Tangible fixed assets | (1 506) | (874) | - | - |
| Intangible fixed assets | (5 500) | (6 041) | - | - |
| | (7 506) | (7 203) | (10 798) | (9 613) |
| **Cash Flow generated by investment activities** | **(3 857)** | **(6 892)** | **(9 092)** | **(8 835)** |
| ***Cash flows arising from financing activities*** | | | | |
| Proceeds: | | | | |
| Loans | 8 350 | 978 | 8 350 | 1 372 |
| Share capital increases and share premium | - | 1 064 | - | 497 |
| Own shares disposal | 4 517 | - | 4 517 | - |
| | 12 867 | 2 042 | 12 867 | 1 869 |
| Payments: | | | | |
| Loans | (6 269) | (202) | (2 350) | - |
| Rents and leasing | (954) | (788) | - | (122) |
| Interests and similar costs | (1 455) | (871) | (16) | (229) |
| Bonus to employees | (923) | (484) | - | - |
| Own shares acquisitions | (5 698) | (44) | (5 698) | (770) |
| | (15 299) | (2 389) | (8 064) | (1 121) |
| **Cash Flow generated by financing activities** | **(2 432)** | **(347)** | **4 803** | **748** |
| **Cash and equivalents variation** | **462** | **(1 144)** | **(7 557)** | **(7 595)** |
| **Cash and equivalents at the beginning of the year** | **25 080** | **26 224** | **16 882** | **24 477** |
| **Cash and equivalents at the end of the year** | **25 542** | **25 080** | **9 325** | **16 882** |

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

**Consolidated Statement of Changes in Shareholders' Equity**
**for the Years Ended 31 December, 2002 and 2001**

(Amounts expressed in thousands of Euros)

| | Total Equity | Equity | Share premium | Legal reserves | Other Reserves and retained earnings | Own shares |
|---|---|---|---|---|---|---|
| **Balance at 31 December 2000** | **55 125** | **14 100** | **34 684** | **-** | **6 341** | **-** |
| Transfer to reserves: | | | | | | |
| Legal reserve | - | - | - | 319 | (319) | - |
| Employee bonus | (484) | - | - | - | (484) | - |
| Capital increase | 497 | 28 | 469 | - | - | - |
| Own shares movements | (945) | - | - | - | (901) | (44) |
| Consolidated net profit for the year | 8 886 | - | - | - | 8 886 | - |
| Consolidation exchange differences | 323 | - | - | - | 323 | - |
| Other consolidation reserves | (21) | - | - | - | (21) | - |
| **Balance at 31 December 2001** | **63 381** | **14 128** | **35 153** | **319** | **13 825** | **(44)** |
| Transfer to reserves: | | | | | | |
| Legal reserve | - | - | - | 433 | (433) | - |
| Employee bonus | (923) | - | - | - | (923) | - |
| Own shares movements | 32 | - | - | - | - | 32 |
| Consolidated net profit for the year | 9 459 | - | - | - | 9 459 | - |
| Consolidation exchange differences | (2 729) | - | - | - | (2 729) | - |
| Other consolidation reserves | 214 | - | - | - | 214 | - |
| **Balance at 31 December 2002** | **69 434** | **14 128** | **35 153** | **752** | **19 413** | **(12)** |

See accompanying notes to the financial statements

# NOVABASE S.G.P.S., S.A.

**Notes to Financial Statments**

**31 December, 2002 and 2001**

## 1. Accounting Policies

*a) Basis of Preparation*

Novabase, S.G.P.S., SA (hereunder referred to as Novabase or the company), originally set up under the name Novabase – Sistemas de Informação e Base de Dados, Lda., is the oldest company in the Novabase Group, and as the Group's Holding Company holds and manages the shares in all Group companies. It was set up on 11 May 1989 and its main activity until 1999 was the development and marketing information technology solutions.

On 23 December 1999, the company changed its name and purpose and was converted into a holding company with the object of managing shareholdings in other companies as an indirect way of doing business.

The consolidated financial statements of Novabase, SGPS were prepared according to Decree-Law no. 238/91 of 2 July, which lays down the rules for the consolidation of accounts in Portugal. Novabase as the parent company of Novabase Group holds shares in subsidiaries and associated companies. Subsidiaries are those that constitute long-term investments and in which Novabase directly or indirectly holds 50% or more of the shares or where, although it holds less than 50%, Novabase has control. Associated companies are those constituting a long-term investment in which Novabase holds between 20% and 50% of the shares but does not exercise control and which are merely complementary to Novabase's business.

The notes to the financial statements detailed in section II "Financial Statements" are numbered sequentially as prescribed by the Portuguese Official Plan of Accounts. All the individual and consolidated financial information established by the Portuguese Official Plan of Accounts and described in section I "Notes to the Financial Statements", is fully presented and detailed.

*b) Basis of Consolidation*

*Reference Dates*

The consolidated financial statements include all the assets, liabilities and results from Novabase S.G.P.S., S.A. and its subsidiaries, as referred in notes 4 and 5, as well as the proportion of results in the associated companies, in respect to the years ended 31 December 2002 and 2001.

*Investments in Subsidiaries*

Subsidiaries are those that constitute long-term investments and in which Novabase directly or indirectly holds 50% or more of the shares or where, although it holds less than 50%, Novabase has control. These companies are fully consolidated. The inter-company transactions and balances have been eliminated in the consolidation process. The minority interests in these investment are presented in consolidated balance sheet as detailed in note 16.

*Investments in Associated Companies*

Associated companies are those enterprises in which Novabase holds between 20% and 50% of the shares, does not exercise control, but has significant influence. These companies are consolidated by the equity method, and the consolidated financial statements include the Group's share in the net profit and equity. For jointly controlled entities was used the proportional consolidation method, where the consolidated financial statements include the Group's proportion of the enterprises' assets, liabilities, revenue and expenses on a line by line basis.

*Goodwill arising on consolidation*

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired. According to Portuguese Official Plan of Accounts policies, Goodwill is shown on the balance sheet as an intangible asset, and amortised by the period necessary to recover the investment made, not exceeding 10 years.

*Investments in Foreign Subsidiaries*

In the consolidation process, all the assets and liabilities from subsidiaries in foreign currencies have been converted to Euros at the exchange rates on the dates of the balance sheets. The results of these subsidiaries have been converted to euros at the average exchange rate for the year. Foreign exchange differences arising on translation of equity at the beginning of the year and results are recognized directly in reserves.

*Criteria for accounting the shareholdings, in Individual basis, of Subsidiares and Associated Companies*

The financial investments in associated companies and subsidiaries in an individual basis are accounted by the equity method as prescribed in Accounting Directive no.9. The difference between purchase price and proportional value in Equity at acquisition date is accounted under the heading 'Reserves Arising on the Equity Consolidation' when negative, and Goodwill or positive difference are accounted under Intangible Assets. Net results on other companies are accounted as of acquisition date in Profit and Loss statement.

*Other Investments*

Investments in other companies with a percentage of capital held less than 20%, and without management control by the Group have been recorded at purchase price, and the earnings recognized when received.

c) *Accruals and Deferrals*

Revenues and expenses have been recorded in accordance with the accrual concept, regardless of the time at which they are received or paid. Differences between amounts received and paid and the corresponding receivements and expenses generated are recorded under accruals and deferrals headings.

Revenues from consulting projects, classified as “time and materials” are recognized when with services rendered.

Revenues from consulting projects, classified as “turn key” (or “closed contract”) are recognized according with Accounting Directive no. 3 through the conclusion percentage method, a ratio between costs incurred, contracted billing, and calculation of costs to incur until the end of the project. This method allows to adjust the accrual and deferrals headings in order to reflect the real result of each project at the end of the financial period.

d) *Accounts receivable*

Accounts receivable have been entered at their net value, which is determined taking into account the necessary provisions for doubtful debts. These provisions are based on the assessment of estimated losses resulting from uncollected debts at the end of each year.

e) *Amounts owed for holidays and holiday subsidies*

The amount of this liability, as well as the employer’s social security contributions pertaining thereto, are reflected in the consolidated financial statements under the heading Accrued Expenses and the related costs recognised in the statement of profit and loss for the year.

f) *Marketable Securities*

Marketable securities have been recorded at its purchase price.

g) *Assets and Liabilities in Foreign Currency*

All the assets and liabilities in foreign currencies have been converted to Euros at the exchange rates on the dates of the balance sheets.

The favourable and unfavourable exchange differences between the exchange rates on the dates of the transactions and those of the date of collection, payment or balance sheet have been recorded as gains or losses in the profit and loss account for the year.

*h) Tangible Fixed Assets*

Tangible fixed assets are recorded at purchase price plus the cost of putting them into operation. The cost of improving assets in order to prolong their working life is capitalised, and maintenance, conservation and repair costs are considered expenses in the time they are incurred.

Depreciation is calculated from the date on which an asset goes into operation or its use begins, using the straight-line method according to its estimated useful life, which is not significantly different from the maximum annual rates allowed for tax purposes, as shown below:

| | Years |
|---|---|
| • Buildings and other constructions | 20 a 50 |
| • Basic equipment | 3 a 4 |
| • Tools and utensils | 4 |
| • Transport equipment | 4 |
| • Fixtures and fittings | 3 a 10 |

The costs of repairs and maintenance recurring over several years have been recognised on an accrual basis. The part corresponding to each financial year has been entered in the profit and loss account.

*i) Intangible Fixed Assets and Consolidation Differences - Goodwill*

Intangible fixed assets include the goodwill mentioned below, incorporation expenses, research and development costs and the costs of intellectual property and other rights. These headings are depreciated on a straight-line method over a period of three years, with the exception of goodwill, which is depreciated over a period of ten years.

*j) Work in Progress*

Current fixed assets refer to the ongoing internal development of software products and are valued on the basis of the cost of the hours spent by the employees involved, the costs directly associated thereto and outsourcing costs. As soon as the project or product is placed on the market, these values are transferred to the research and development costs heading.

*k) Consolidation Differences - Goodwill*

Goodwill (consolidation differences) is recorded under intangible assets and amortised by the period necessary to recover the investment made. The period in question is 10 years.

The Goodwill shown on the balance sheet as an intangible asset and is revised annually and adjusted according to permanent losses in value whenever necessary.

*l) Leasing and Other Rentals*

Leasing contracts for tangible assets have been recorded in fixed assets accounts whenever the Group assumes all the benefits and risks associated with ownership of the assets in question. The value at which these acquisitions are capitalised is the present value of future rents. The liability to third parties for the principal sum of outstanding lease instalments is shown under liabilities; the lease assets are depreciated over their estimated useful lives (see note h) above) and the interest component of the lease payment is expensed in the period to which it relates.

As this valuation principle is not used in the individual accounts, the financial statements consolidated after 31 December 1998 have been adjusted to show a true and fair view of the financial situation and results of the companies included in the consolidation, as laid down in Accounting Directive no. 25. Adjustment detail is shown in note 2.

*m) Inventories*

The stocks of goods, raw and subsidiary materials have been recorded at cost price plus purchase expenses, which is lower than the market value.

In the case of finished and semi-finished products, the production cost includes, in addition to direct costs, general manufacturing expenses determined on the basis of the respective percentage of completion.

The amounts needed to reduce the value of stocks to their net realisable value, whenever a fall in value is estimated, are shown in the provision for inventory depreciation.

*n) Capitalised costs*

The companies in the Group currently being launched generally capitalise most of the costs of their projects and recognise only their operating expenses in the profit and loss account.

*o) Subsidies granted to finance fixed assets*

Non-repayable subsidies granted to finance fixed assets have been recorded on the balance sheet under the heading of deferred income for subsequent recognition in the statement of profit and loss of each fiscal year, in proportion to the depreciation of the subsidised assets. The part of the subsidy recognised as income is included in the consolidated extraordinary income of the year.

*p) Income Tax*

The Income tax charge for the year is determined in accordance with the Portuguese Corporate Tax Code (IRC), at a 30% income tax rate, and a 10% local tax. The Group records deferred taxes in accordance with Accounting Directive no. 18.

The company's foreign subsidiaries are taxed according to the local laws.

*q) Comparative figures*

The consolidated financial statements are consistent with those of last year and there are no cases in which it is necessary to implement, alter or discontinue the accounting principles or policies applied.

## 2. Tangible Fixed Assets

The detail of **Tangible fixed assets** is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| Buildings and other constructions | 994 | 599 | 544 | 544 |
| Basic equipment | 7.877 | 5.596 | 46 | 33 |
| Transport equipment | 3.801 | 4.359 | 21 | 21 |
| Tools and utensils | 125 | 154 | - | 1 |
| Fixtures and fittings | 1.418 | 1.210 | - | - |
| Other tangible fixed assets | 12 | 13 | - | - |
| | 14.227 | 11.931 | 611 | 599 |
| *Accumulated Depreciation* | | | | |
| Amortisation of the year | (3.021) | (2.434) | (23) | (37) |
| Previous years amortisation | (4.888) | (3.813) | (356) | (320) |
| | (7.909) | (6.247) | (379) | (357) |
| | 6.318 | 5.684 | 232 | 242 |

On 2002, the movements for the Group under the headings Tangible fixed assets were as follows:

| | Opening Balance Euro'000 | Acquisitions / Charges Euro'000 | Disposals Euro'000 | Transfers Euro'000 | Variations in perimeter Euro'000 | Closing Balance Euro'000 |
|---|---|---|---|---|---|---|
| *Cost :* | | | | | | |
| Buildings and other constructions | 599 | 395 | - | - | - | 994 |
| Basic equipment | 5.596 | 2.392 | (504) | 393 | - | 7.877 |
| Transport equipment | 4.359 | 588 | (1.146) | - | - | 3.801 |
| Tools and utensils | 154 | - | (29) | - | - | 125 |
| Fixtures and fittings | 1.210 | 208 | - | - | - | 1.418 |
| Other tangible fixed assets | 13 | - | (1) | - | - | 12 |
| | 11.931 | 3.583 | (1.680) | 393 | - | 14.227 |

| | Opening Balance Euro'000 | Acquisitions / Charges Euro'000 | Disposals Euro'000 | Transfers Euro'000 | Variations in perimeter Euro'000 | Closing Balance Euro'000 |
|---|---|---|---|---|---|---|
| *Accumulated Depreciation :* | | | | | | |
| Buildings and other constructions | 349 | 36 | - | - | 58 | 443 |
| Basic equipment | 3 001 | 1 864 | (504) | - | (13) | 4 348 |
| Transport equipment | 2 315 | 947 | (942) | - | - | 2 320 |
| Tools and utensils | 40 | 13 | (11) | - | - | 42 |
| Fixtures and fittings | 535 | 161 | - | - | 54 | 750 |
| Other tangible fixed assets | 7 | - | (1) | - | - | 6 |
| | 6 247 | 3 021 | (1 458) | - | 99 | 7 909 |

Leasing contracts on tangible assets, for the Group, have been recorded under Fixed assets - transport equipment, as prescribed by Accounting Directive no. 25 (see note l)). The accounting effects on the consolidated financial statements were as follows:

| | Purchase Cost Euro'000 | Accumulated depreciation Euro'000 | Depreciation for the year Euro'000 | Interests Euro'000 | Rents Euro'000 | Future Rents Euro'000 |
|---|---|---|---|---|---|---|
| *Transport equipment :* | | | | | | |
| - Fiscal Period 2002 | 2 476 | 1 489 | 643 | 211 | 954 | 1 030 |
| - Fiscal Period 2001 | 3 023 | 1 567 | 635 | 168 | 788 | 1 603 |

During 2002, the movements under the headings Tangible fixed assets and its depreciation for the Individual accounts were as follows:

| | Opening Balance Euro'000 | Acquisitions / Charges Euro'000 | Disposals Euro'000 | Transfers Euro'000 | Variations in perimeter Euro'000 | Closing Balance Euro'000 |
|---|---|---|---|---|---|---|
| *Cost :* | | | | | | |
| Buildings and other constructions | 544 | - | - | - | - | 544 |
| Basic equipment | 33 | 13 | - | - | - | 46 |
| Transport equipment | 21 | - | - | - | - | 21 |
| Tools and utensils | 1 | (1) | - | - | - | - |
| Fixtures and fittings | - | - | - | - | - | - |
| Other tangible fixed assets | - | - | - | - | - | - |
| | 599 | 12 | - | - | - | 611 |
| *Accumulated Depreciation :* | | | | | | |
| Buildings and other constructions | 314 | 8 | - | - | - | 322 |
| Basic equipment | 22 | 15 | - | (1) | - | 36 |
| Transport equipment | 21 | - | - | - | - | 21 |
| Tools and utensils | - | - | - | - | - | - |
| Fixtures and fittings | - | - | - | - | - | - |
| Other tangible fixed assets | - | - | - | - | - | - |
| | 357 | 23 | - | (1) | - | 379 |

## 3. Intangible fixed assets

**Intangible fixed assets** are analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| Establishment costs | 2 009 | 2 015 | 258 | 256 |
| Research and development costs | 7 131 | 3 638 | 3 | 3 |
| Industrial property and other rights | 5 844 | 245 | - | - |
| Business property rights | 6 415 | 1 406 | - | - |
| Work in progress | 4 022 | 3 377 | - | - |
| | 25 421 | 10 681 | 261 | 259 |
| *Accumulated Amortisation* | | | | |
| Business property rights amortisations for the year | (364) | (167) | - | - |
| Intangible assets amortisations for the year | (2 237) | (1 072) | (76) | (85) |
| Previous years amortisations | (2 632) | (1 949) | (182) | (97) |
| | (5 233) | (3 188) | (258) | (182) |
| | 20 188 | 7 493 | 3 | 77 |

The heading amortisations of 2 237 thousand euros includes an extraordinary amortisation of 479 thousand euros, accounted in the extraordinary expenses heading, according to the new accounting rules for the Impairment valuation of Intangible assets. The Board of Directors decided for a prudence reason, to increase the amortisation of some Fixed assets in the value identified above.

During 2002, movements under **Intangible fixed assets** heading and its amortisation for the Group accounts were as follows:

| | Opening Balance Euro'000 | Acquisitions / Charges Euro'000 | Disposals Euro'000 | Transfers Euro'000 | Variations in perimeter Euro'000 | Closing Balance Euro'000 |
|---|---|---|---|---|---|---|
| *Cost :* | | | | | | |
| Establishment costs | 2 015 | 356 | - | (362) | - | 2 009 |
| Research and development costs | 3 638 | 841 | (614) | 3 266 | - | 7 131 |
| Industrial property and other rights | 245 | 5 599 | - | - | - | 5 844 |
| Business property rights | 1 406 | 5 009 | - | - | - | 6 415 |
| Work in progress | 3 377 | 3 942 | - | (3 297) | - | 4 022 |
| | 10 681 | 15 747 | (614) | (393) | - | 25 421 |
| *Accumulated Amortisation :* | | | | | | |
| Establishment costs | 1 172 | 440 | - | - | (132) | 1 480 |
| Research and development costs | 1 812 | 1 745 | (614) | - | 100 | 3 043 |
| Industrial property and other rights | 97 | 52 | - | - | 80 | 229 |
| Business property rights | 107 | 364 | - | - | 10 | 481 |
| | 3 188 | 2 601 | (614) | - | 58 | 5 233 |

The increase in Establishment costs is mainly due to start up costs of Novabase Consulting Spain, accounted under this heading.

In line with its information technology investment policy, in 2001, the company acquired some business areas, namely:

- Document management system
- Interactive TV market with special emphasis on sports
- Health services through web systems

Under the headings Industrial property and other rights and Business property rights the increase in 2002 values are mainly due to the acquisition process of 51% of ATX Software and to the program - contract with BES Group (See note 32).

**Business property rights** heading is analysed as follows:

| Business | Amortization Years | Novabase Company | Investment cost Euro'000 | Accumulated amortisation Euro'000 | Net value Euro'000 |
|---|---|---|---|---|---|
| ATX Projects | 10 years | Novabase Sist. Informação | 2 678 | - | 2 678 |
| Health Web Site | 3 years | Novabase Sist. Informação | 400 | 77 | 323 |
| RH Outsourcing | 10 years | NBO Recursos em TI | 1 678 | 120 | 1 558 |
| Document Management System | 10 years | Novabase Int. Processos | 1 245 | 218 | 1 027 |
| Interactive TV | 10 years | TV Lab | 414 | 66 | 348 |
| | | | 6 415 | 481 | 5 934 |

The heading **Research and development** costs includes the cost of projects for developing internal computer systems and research projects in specific areas, sometimes with foreign partners. Some of these projects are being co-funded under strategic EU programs.

On 31 December 2002, the main projects accounting under this heading were the following:

| | Company | Investment Cost Euro'000 | Accumulated amortisation Euro'000 | Net Value Euro'000 |
|---|---|---|---|---|
| ***Services and Products Development Projects*** | | | | |
| ASP | Novabase Outsourcing | 1 144 | 289 | 855 |
| Template SAP | Novabase ERP | 149 | 29 | 120 |
| Implementation in Brazil | Novabase ERP | 220 | 43 | 177 |
| IED | Novabase Porto | 233 | 97 | 136 |
| Intercare | Novabase Porto | 153 | 64 | 89 |
| Lusa | Novabase Sist. Informação | 174 | 87 | 87 |
| Oracle | Novabase Sist. Informação | 88 | 56 | 32 |
| Interactive TV | Octal, S.A. | 495 | 495 | - |
| MAVB | Octal, S.A. | 515 | 186 | 329 |
| BILLAB | Octal, S.A. | 232 | 6 | 226 |
| SIGMA | Octal, S.A. | 315 | 315 | - |
| Eunice | Octal, S.A. | 168 | 168 | - |
| Software NB Brasil | Novabase Brasil | 465 | 186 | 279 |
| CSI | Novabase Saúde | 718 | 243 | 475 |
| Innovation and Technology | Novabase Desen. Medida | 498 | 132 | 366 |
| Others | - | 984 | 627 | 357 |
| ***Internal Improvement Projects*** | | | | |
| Arco Íris | Novabase Sist. Informação | 224 | 6 | 218 |
| Internationalisation | Novabase Sist. Informação | 332 | 9 | 323 |
| EPM | Novabase Sist. Informação | 24 | 5 | 19 |
| | | 7 131 | 3 043 | 4 088 |

Novabase ASP is the first “Quality of Service ASP” to be launched in Portugal. The main features of this type of ASP are its exclusive focus on corporate applications (e.g., ERP, CRM) and the provision of a high-quality service both in its implementation and operating phases. This package of services includes application accommodation or rental services or even making these applications available in a telecommunications network.

Internationalisation project intends to establish an organizational structure and know how, of a technical, commercial and business prospect support for the Internacionalisation project of Novabase Sistemas de Informação.

The Template SAP – AP project consists of developing the SAP template for public financial administration. This template is designed to meet the needs of public agencies with regard to the sectorial accounting plans.

The implementation project in Brazil consists of the creation of skills in Brazil in the implementation of ERPs, especially SAP.

The IED application is a software solution to be implemented simultaneously in several physical locations of the same company, or different companies with the purpose of structuring and improving the information management system. The improvement in the information sharing through several business processes reduces costs and logistics inefficiencies, and allows a higher quality information system and analysis.

MAVB was developed under the project MAVB 2000 and is a machine designed specifically to respond to several needs of the transport operators. Includes sales central managing and supplies tickets with electronic format and without contact, offering also several payment solutions.

With the BILLAB project, Octals objective was to endow the company of development means, in a real environment of all the ticketing solutions offered by the company. This solution, composed by all the product components allows the company to test and develop the behaviour of new elements and to integrate new solutions. The constant innovation with this solution enables the company to be always ready to face new requests by the transport operators.

The "CSI – Cuidados de Saúde Integrados" project offers a line of health products oriented towards the administrative and clinical areas of public and private health facilities. CSI covers the sophisticated processes of business management, scheduling, information flows, billing, fees, records, nursing and a top-management solution providing support for decision making.

Innovation and Technology projects are focused in the Quality Control area, with the development of tools for testing software and performance, and also with the development of prototypes related to emerging new technologies by creating libraries and code generators incorporated in future projects.

The two Internal improvement projects, "Arco Íris" and "EPM" concentrate efforts in the definition of new internal procedures, with the clear objective of improving the organizational structure. This will be accomplished by the development of internal competences in the Project Management process, trough the definition of templates and management tools, to be used internally in the organisation and also to commercialise this solution.

Under the heading **Work in progress / Ongoing projects** most of the detailed projects below are directly connected with Research and development costs. On 31 December 2002 the company's main ongoing projects are:

| | Company | Opening Balance Euro'000 | Increases Euro'000 | Transfers Euro'000 | Closing Balance Euro'000 |
|---|---|---|---|---|---|
| ***Services and Products Development Projects*** | | | | | |
| ASP | Novabase Outsourcing | 782 | - | (782) | - |
| EPM | Novabase Sist. Informação | 24 | - | (24) | - |
| CSI | Novabase Saúde | 649 | 69 | (718) | - |
| Innovation and Technology | Novabase Desen. Medida | 370 | 278 | (498) | 150 |
| Validoctor | Novabase Data Quality | - | 80 | - | 80 |
| Template SAP-AP | Novabase ERP | 150 | - | (150) | - |
| New Concept | Deltafor | - | 623 | - | 623 |
| Industry | MIND | - | 237 | - | 237 |
| Fatec | MIND | 125 | - | (125) | - |
| Libraries | MIND | - | 94 | - | 94 |
| Technical Training | Flag | - | 123 | - | 123 |
| Development Brazil | Novabase Brasil | - | 534 | - | 534 |
| Outsourcing project | Novabase Sist. Informação | - | 379 | - | 379 |
| Other | - | 17 | 499 | (17) | 499 |
| ***Internal Improvement Projects*** | | | | | |
| E-Trust | Novabase Sist. Informação | 32 | - | (32) | - |
| Quality | Novabase Sist. Informação | 51 | - | (51) | - |
| Meta4 | Novabase Serviços | 257 | - | (257) | - |
| CHASM | Novabase Serviços | 148 | - | (148) | - |
| SAP | Novabase Serviços | 277 | 1 026 | - | 1 303 |
| Nov@log | Novabase Serviços | 34 | - | (34) | - |
| Integration project | Novabase Serviços | 22 | - | (22) | - |
| Access control system | Novabase Serviços | 55 | - | (55) | - |
| Implementation in Brazil | Novabase ERP | 220 | - | (220) | - |
| Telecommunications | Novabase Sup. à Decisão | 73 | - | (73) | - |
| Other | - | 91 | - | (91) | - |
| | | 3 377 | 3 942 | (3 297) | 4 022 |

On going projects identified in previous page are mainly focused in tailor made development of software and products, intended to fulfill several economic activities needs :

Classified as Innovation and Technology projects we find a tailor-made development tool to achieve a greater efficiency in database management.

The project New Concept oriented to the Learning market, consists on the development of a e-learning base software, and it is in reality a new concept of learning, applied to several subjects, namely software, in a multilanguage version.

Industry - This tailor made ongoing project consists on a specific software development to be used by the shoe industry.

Under this heading we can also find other investment projects of qualification development in new business areas and models, in Outsourcing and Development Brazil projects respectively.

Under Internal improvement projects we have ongoing a development and implementation project of software platforms, that are the support to the Decision Making process of the company, with the objective of increasing the internal efficacy of the information management system.

During 2002, the movements occurred in **Intangible fixed assets** for the individual accounts were as follows:

| | Opening Balance Euro'000 | Acquisitions / Charges Euro'000 | Disposals Euro'000 | Transfers Euro'000 | Variations in perimeter Euro'000 | Closing Balance Euro'000 |
|---|---|---|---|---|---|---|
| *Cost :* | | | | | | |
| Establishment costs | 256 | 2 | - | - | - | 258 |
| Research and development costs | 3 | - | - | - | - | 3 |
| | 259 | 2 | - | - | - | 261 |
| *Accumulated Depreciation :* | | | | | | |
| Establishment costs | 182 | 75 | - | - | - | 257 |
| Research and development costs | - | 1 | - | - | - | 1 |
| | 182 | 76 | - | - | - | 258 |

## 4. Goodwill arising on consolidation

On 31 December 2002, the headging **Goodwill arising on consolidation,** resulting from the difference between the book value of shares and the value of the proportion of the equity that they represent, is analysed as follows:

| | Group | | | Individual | | |
|---|---|---|---|---|---|---|
| | **Net value Euro'000** | **Accumulated amortisation Euro'000** | **Gross differences Euro'000** | **Net value Euro'000** | **Accumulated amortisation Euro'000** | **Gross differences Euro'000** |
| ***Division Novabase Consulting :*** | | | | | | |
| Novabase Porto | 565 | (586) | 1 151 | 565 | (586) | 1 151 |
| NBO Recursos em TI | 1 276 | (602) | 1 878 | 1 276 | (602) | 1 878 |
| Novabase Desenvolvimento à Medida | 642 | (71) | 713 | 642 | (71) | 713 |
| Novabase Data Quality | 764 | (85) | 849 | 764 | (85) | 849 |
| Novabase Geoinformação | - | - | - | - | - | - |
| Novabase Saúde | - | - | - | - | - | - |
| Novabase ASP | - | - | - | - | - | - |
| Novabase Integração de Processos | - | - | - | - | - | - |
| Novabase ERP - Gestão Empresarial | 188 | (21) | 209 | 188 | (21) | 209 |
| Novabase Suporte à Decisão | 1 619 | (725) | 2 344 | 1 619 | (725) | 2 344 |
| Novabase Brasil | - | - | - | - | - | - |
| Novabase Gestão de Activos | - | - | - | - | - | - |
| CFOCUS | 659 | (73) | 732 | 659 | (73) | 732 |
| CelFOCUS | - | - | - | - | - | - |
| Mentor.it | - | - | - | - | - | - |
| Praetor II | 441 | (178) | 619 | - | - | - |
| Praetor III | 127 | (66) | 193 | - | - | - |
| | 6 281 | (2 407) | 8 688 | 5 713 | (2 163) | 7 876 |
| ***Division Engineering Solutions:*** | | | | | | |
| Octal - Engenharia de Sistemas | 312 | (154) | 466 | 312 | (154) | 466 |
| OnTV | 215 | (92) | 307 | 215 | (92) | 307 |
| | 527 | (246) | 773 | 527 | (246) | 773 |
| ***Division Novabase Training:*** | | | | | | |
| SAF | - | - | - | - | - | - |
| Flag | 712 | (66) | 778 | (2) | (2) | - |
| | 712 | (66) | 778 | (2) | (2) | - |
| ***Division Novabase Capital:*** | | | | | | |
| Novabase Capital S.G.P.S. | 821 | (429) | 1 250 | 821 | (429) | 1 250 |
| MIND | 426 | (182) | 608 | 426 | (182) | 608 |
| Sapi 2 ci | 646 | (277) | 923 | 646 | (277) | 923 |
| Manchete | 60 | (25) | 85 | - | - | - |
| Clipanúncios | 2 | (1) | 3 | - | - | - |
| Dínamo | 2 | (1) | 3 | - | - | - |
| | 1 957 | (915) | 2 872 | 1 893 | (888) | 2 781 |
| | 9 477 | (3 634) | 13 111 | 8 131 | (3 299) | 11 430 |
| *Amortisations for the year* | | (1 298) | | | (1 143) | |

Following the new IAS requirements / demandings on Impairment of Intangible fixed assets valuation, and in a prudent management position, the Board of Directors decided to account the total extraordinary amortisation of the Goodwill arising from the aquisition of SAF. This decision was made taking into account the current needs imposed by the restructuring business lines process that is taking place in Novabase Group.

The value of the extraordinary amortisation of 389 thousands of euros is registered under **Extraordinary results**, note 25.

On 31 December 2002, the return on investments made by Novabase Group (impairment review) is analysed as follows:

| | % Stake Group | Goodwill value | Accumulated amortisation | Accumulated attributable results | Net return | Coverage factor % |
|---|---|---|---|---|---|---|
| | | | (A) | (B) | | (C)=(B)/(A) |
| ***Division Novabase Consulting :*** | | | | | | |
| Novabase Porto | 100.00% | 1 151 | (586) | 684 | 98 | 117% |
| NBO Recursos em TI | 100.00% | 1 878 | (602) | 5 018 | 4 416 | 834% |
| Novabase Desenvolvimento à Medida | 94.95% | 713 | (71) | 3 650 | 3 579 | 5 141% |
| Novabase Data Quality | 96.00% | 849 | (85) | 1 869 | 1 784 | 2 199% |
| Novabase ERP - Gestão Empresarial | 100.00% | 209 | (21) | (363) | (384) | (i) |
| Novabase Suporte à Decisão | 96.52% | 2 344 | (725) | 2 657 | 1 932 | 366% |
| CFOCUS | 86.00% | 732 | (73) | 1 514 | 1 441 | 2 074% |
| Praetor II | 96.52% | 619 | (178) | 698 | 520 | 392% |
| Praetor III | 96.52% | 193 | (66) | 218 | 152 | 330% |
| ***Division Engineering Solutions:*** | | | | | | |
| Octal - Engenharia de Sistemas | 100.00% | 466 | (154) | 3 430 | 3 276 | 2 227% |
| OnTV | 51.00% | 307 | (92) | 511 | 419 | 555% |
| ***Division Novabase Training:*** | | | | | | |
| SAF | 51.00% | - | - | - | - | - |
| Flag | 100.00% | 778 | (66) | 454 | 388 | 688% |
| ***Division Novabase Capital:*** | | | | | | |
| Novabase Capital S.G.P.S. | 100.00% | 1 250 | (429) | 646 | 217 | 151% |
| MIND | 50.00% | 608 | (182) | 143 | (39) | (ii) |
| Sapi 2 ci | 50.00% | 923 | (277) | 148 | (129) | (ii) |
| Others | | 91 | (27) | - | (27) | - |
| | | 13 111 | (3 634) | 21 277 | 17 643 | |

(i) Novabase ERP - Gestão Empresarial is currently under a restructuring process, and it will be incorporated in another Group company - Cfocus.

(ii) The companies Mind and SAPi2 CI are passing through a stabilisation process of its the economic life cycle, a sustained growth is predicted for their results during the next years.

## 5. Financial investments

This heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| *Investments :* | | | | |
| Subsidiary companies | - | - | 38 416 | 30 780 |
| Associated companies | 1 049 | 2 101 | - | 1 310 |
| Other companies | 18 | 3 | - | - |
| | 1 067 | 2 104 | 38 416 | 32 090 |
| *Bonds and Shares :* | | | | |
| Subsidiary companies | - | - | - | - |
| Other companies | 8 | 8 | 2 | 2 |
| | 8 | 8 | 2 | 2 |
| *Financing Loans :* | | | | |
| Subsidiary companies | - | - | 9 197 | - |
| | - | - | 9 197 | - |
| | 1 075 | 2 112 | 47 615 | 32 092 |

The detail of the values under the heading **Investments** is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| | **Euro'000** | **Euro'000** | **Euro'000** | **Euro'000** |
| **Subsidiary Companies :** | | | | |
| ***Division 'Novabase Consulting' :*** | | | | |
| Novabase Sistemas de Informação | - | - | 2 871 | 2 940 |
| Novabase Suporte à Decisão | - | - | 1 513 | 1 701 |
| Novabase Data Quality | - | - | 2 846 | 2 368 |
| Novabase Saúde | - | - | 628 | 1 156 |
| Novabase Porto | - | - | 722 | 1 015 |
| NBO Recursos em TI | - | - | 4 359 | 2 413 |
| Novabase Integração de Processos | - | - | 293 | 294 |
| Novabase Desenvolvimento à Medida | - | - | 4 978 | 3 602 |
| Novabase Geoinformação | - | - | 145 | 61 |
| Novabase Outsourcing (ASP) | - | - | 2 390 | 2 353 |
| Novabase ERP - Gestão Empresarial | - | - | 56 | 548 |
| Novabase Brasil | - | - | - | 854 |
| Novabase Consulting Spain | - | - | 950 | - |
| Novabase Gestão de Activos | - | - | 49 | 50 |
| Mentor.it | - | - | - | 60 |
| CFOCUS | - | - | 2 099 | 714 |
| Other | - | - | 2 | - |
| ***Division 'Novabase Engineering Solutions' :*** | | | | |
| Octal - Engenharia de Sistemas | - | - | 4 700 | 4 700 |
| Octal TV | - | - | 3 568 | 775 |
| OnTV | - | - | 497 | 197 |
| TVLab | - | - | 315 | 230 |
| ***Division 'Novabase Training' :*** | | | | |
| SAF | - | - | 164 | 208 |
| ***Division 'Novabase Capital' :*** | | | | |
| Novabase Capital S.G.P.S. | - | - | 4 003 | 3 836 |
| Sapi 2 ci, Consultadoria Informáticos | - | - | 32 | 118 |
| Sapi 2 pi, Projectos Informáticos | - | - | - | - |
| MIND | - | - | 238 | 162 |
| ***Novabase Shared Services:*** | | | | |
| Novabase Serviços | - | - | 998 | 425 |
| | - | - | 38 416 | 30 780 |
| **Associated Companies and Other:** | | | | |
| Manchete | 2 | 55 | - | - |
| Infordesporto | - | 1 310 | - | 1 310 |
| ATX - Software SA | 500 | - | - | - |
| Clipanúncios | 47 | 80 | - | - |
| Dínamo | 180 | 190 | - | - |
| Net Saúde | - | 306 | - | - |
| Setcom | - | 88 | - | - |
| Novabase Gestão de activos | - | 50 | - | - |
| SAF Spain | 10 | 10 | - | - |
| WRC | 15 | - | - | - |
| Tape | 4 | 4 | - | - |
| GE IT Solutions acquisition costs (Portugal) | 289 | - | - | - |
| Intelcart | 2 | 2 | - | - |
| Other | 18 | 9 | - | - |
| | 1 067 | 2 104 | - | 1 310 |
| | 1 067 | 2 104 | 38 416 | 32 090 |

The following changes on the Novabase Group consolidated perimeter occurred during 2002:

- In 2002 the management control of TV Lab was transferred to Novabase Group, this company was consolidated by the proportional method until 2001, having started to be consolidated by the full consolidation method.
- Novabase Gestão de Activos was included in the consolidation process. This company was not consolidated in 2001, because it was considered immaterial at the time.
- Novabase Consulting Spain was set up during the 2ª semester of 2002, and was included by the full consolidation method.
- The companies Flag and Flag Beat, purchased by Deltafor in 2002 are inlcuded in the consolidation by the full consolidation method.

The companies included by the full consolidation method on December 2002 were the following:

| Holding company, Subsidiaries and Associates | Head Office and country | Share Capital Dec 2002 Euros | Equity Dec 2002 Euro'000 | Results Dec 2002 Euro'000 | Shareholding % Group | Shareholding % Individual |
|---|---|---|---|---|---|---|
| ***Parent company - Group holding :*** | | | | | | |
| Novabase S.G.P.S., S.A. | Lisbon - Portugal | € 14.127.982 | 69.434 | 9.459 | - | - |
| ***Division 'Novabase Consulting' :*** | | | | | | |
| Novabase Sistemas de Informação | Lisbon - Portugal | € 750.000 | 3.271 | 23 | 74,81% | 74,81% |
| Novabase Suporte à Decisão | Lisbon - Portugal | € 199.520 | 1.822 | 180 | 96,52% | 96,52% |
| Novabase Data Quality | Lisbon - Portugal | € 250.000 | 2.965 | 553 | 96,00% | 96,00% |
| Novabase Saúde | Lisbon - Portugal | € 2.500.000 | 1.142 | (959) | 55,00% | 55,00% |
| Novabase Porto | Oporto - Portugal | € 100.000 | 723 | (292) | 100,00% | 100,00% |
| NBO Recursos em TI | Lisbon - Portugal | € 50.000 | 4.360 | 2.135 | 100,00% | 100,00% |
| Novabase Integração de Processos | Lisbon - Portugal | € 150.000 | 326 | 64 | 90,00% | 90,00% |
| Novabase Desenvolvimento à Medida | Lisbon - Portugal | € 750.000 | 5.242 | 1.564 | 94,95% | 94,95% |
| Novabase Geoinformação | Lisbon - Portugal | € 50.000 | 145 | 63 | 100,00% | 100,00% |
| Novabase Outsourcing (ASP) | Lisbon - Portugal | € 2.500.000 | 2.583 | 40 | 92,50% | 92,50% |
| Novabase ERP - Gestão Empresarial | Lisbon - Portugal | € 450.000 | 57 | (484) | 100,00% | 100,00% |
| Novabase Brasil (i) | Sº Paulo - Brazil | € 10.150.000 | 1.556 | (1.799) | 59,84% | - |
| Novabase Consulting Spain | Madrid - Spain | € 1.000.000 | 1.000 | - | 95,00% | 95,00% |
| Novabase Gestão de Activos | Lisbon - Portugal | € 50.000 | 49 | (1) | 100,00% | 100,00% |
| CFOCUS | Lisbon - Portugal | € 150.000 | 1.965 | 1.206 | 86,00% | 86,00% |
| CelFOCUS (ii) | Lisbon - Portugal | € 100.000 | 1.421 | 942 | 47,30% | - |
| Mentor.it | Lisbon - Portugal | € 50.000 | (137) | (214) | 77,50% | 77,50% |
| Praetor II (iii) | Lisbon - Portugal | € 6.235 | 10 | (1) | 96,52% | - |
| Praetor III (iii) | Lisbon - Portugal | € 5.487 | 50 | (4) | 96,52% | - |
| ***Division 'Novabase Engineering Solutions' :*** | | | | | | |
| Octal - Engenharia de Sistemas | Lisbon - Portugal | € 2.905.190 | 6.169 | 1.569 | 100,00% | 100,00% |
| Octal Ingeniería de Sistemas (iv) | Lisbon - Portugal | € 120.202 | 107 | (14) | 75,00% | - |
| Octal TV (v) | Lisbon - Portugal | € 250.000 | 3.519 | 1.999 | 60,67% | 51,00% |
| OnTV | Lisbon - Portugal | € 100.000 | 974 | 751 | 51,00% | 51,00% |
| TVLab | Lisbon - Portugal | € 525.000 | 629 | 169 | 50,00% | 50,00% |
| ***Division 'Novabase Training' :*** | | | | | | |
| Deltafor (vi) | Lisbon - Portugal | € 200.000 | 518 | (60) | 100,00% | - |
| SAF | Lisbon - Portugal | € 325.000 | 321 | (87) | 51,00% | 51,00% |
| Flag (vii) | Lisbon - Portugal | € 240.000 | (421) | 47 | 100,00% | - |
| Flag Beat (viii) | Lisbon - Portugal | € 5.000 | 356 | 407 | 100,00% | - |
| ***Division 'Novabase Capital' :*** | | | | | | |
| Novabase Capital S.G.P.S. | Lisbon - Portugal | € 2.500.000 | 3.729 | (21) | 100,00% | 100,00% |
| Sapi 2 ci, Consultadoria Informática | Oporto - Portugal | € 60.100 | 165 | (5) | 50,00% | 50,00% |
| Sapi 2 pi, Projectos Informáticos (ix) | Oporto - Portugal | € 5.000 | 17 | 4 | 50,00% | - |

(continuation)

The companies included by the full consolidation method on December 2002 were the following:

| Holding company, Subsidiaries and Associates | Head Office and country | Share Capital Dec 2002 Euros | Equity Dec 2002 Euro'000 | Results Dec 2002 Euro'000 | Shareholding % Group | Shareholding % Individual |
|---|---|---|---|---|---|---|
| ***Novabase Shared Services:*** | | | | | | |
| Novabase Serviços | Lisbon - Portugal | € 250.000 | 998 | 641 | 100,00% | 100,00% |

(i) Novabase Brasil is held by Novabase Sistemas de Informação in 80%. Novabase Sistemas de Informação also holds, transitionally, an additional 19% stake of this company accounted under the heading 'Other Assets' to be transferred to the local management.
(ii) 55% of the shares are held by Cfocus.
(iii) The shares are held entirely by Novabase Suporte à Decisão.
(iv) 75% of the shares are held by Octal.
(v) 51% of the shares are held by Novabase SGPS and 9.67% by Octal.
(vi) The shares are held entirely by Novabase Capital.
(vii) The shares are held entirely by Deltafor.
(viii) The shares are held entirely by Flag.
(ix) The shares are held entirely by SAPi2 CI.

The following company was included in the consolidation using the proporcional method on December 31, 2002:

| Holding company, Subsidiaries and Associates | Head Office and country | Share Capital Dec 2002 Euros | Equity Dec 2002 Euro'000 | Results Dec 2002 Euro'000 | Shareholding % Group | Shareholding % Individual |
|---|---|---|---|---|---|---|
| MIND | Lisbon - Portugal | € 300.000 | 475 | 75 | 50,00% | 50,00% |

The companies consolidated using the equity method on 31 December, 2002 were as follows:

| Holding company, Subsidiaries and Associates | Head Office and country | Share Capital Dec 2002 Euros | Equity Dec 2002 Euro'000 | Results Dec 2002 Euro'000 | Shareholding % Group | Shareholding % Individual |
|---|---|---|---|---|---|---|
| Superemprego | Lisbon - Portugal | € 500.000 | (93) | (137) | 36,25% | 36,25% |
| Manchete | Lisbon - Portugal | € 150.000 | 158 | (92) | 25,00% | - |
| Clipanúncios | Lisbon - Portugal | € 450.000 | 186 | (154) | 25,00% | - |
| Dínamo | Lisbon - Portugal | € 300.000 | 450 | (28) | 40,00% | - |

The following companies have been entered at purchase cost:

| | Shareholding % Group | Shareholding % Individual |
|---|---|---|
| Tape | 1% | 0% |
| Intelcart | 10% | 0% |
| Octal GMBH (Dormant) (i) | 50% | 0% |
| Plano B (Dormant) (i) | 75% | 0% |
| SAF Spain (Dormant) (i) | 45% | 0% |
| WRC | 5% | 0% |
| ATX Software (ii) | 51% | 0% |

(i) This companies were considered not materially relevant, and therefore were not included in the consolidation.
(ii) ATX Software was excluded from consolidation and accounted at its purchase cost, by the value defined for its sales option to be exercised in January 2004, of 500 thousand euros.
ATX Projects activity included in this company related with the program contract established with BES Group (see note 32), is currently being transferred to the company Novabase Porto.
The Goodwill of this business, in a total of 2 678 thousand euros, is detailed in note 3.

Financial Investments movements occurred in 2002 are analysed as follows:

1. *Acquisitions*

During 2002, the major acquisitions are analysed as follows :

| Purchased company | % shareholding | Purchaser company |
|---|---|---|
| Flag | 100,00% | Deltafor |
| Flag Beat | 100,00% | Deltafor |
| Novabase Geoinformação | 25,00% | Novabase SGPS |
| Novabase Gestão Empresarial | 2,50% | Novabase SGPS |
| ATX Software | 51,00% | Novabase Sist. Informação |

2. *Disposals*

During 2002, the major disposals are analysed as follows :

| Sold company | % shareholding | Vendor company |
|---|---|---|
| Milenar | 75,00% | Novabase Capital |
| NetSaúde | 20,00% | Novabase Capital |
| Setcom | 11,69% | Novabase SGPS |
| Infordesporto | 25,10% | Novabase SGPS |

## 6. Deferred Tax - Assets and Liabilities

Novabase Group recognises the tax effects on timing differences that arose from the time of recognition for accounting and tax purposes, in accordance with the International Accounting Standard no.28.

**Deferred tax assets and liabilities** breakdown by company is as follows:

| | Tax Assets | | Tax Liabilities | |
|---|---|---|---|---|
| | 2002 Euro’000 | 2001 Euro’000 | 2002 Euro’000 | 2001 Euro’000 |
| Novabase SGPS | - | - | 50 | - |
| Novabase Sistemas de Informação | 118 | 38 | - | - |
| Novabase Suporte à Decisão | 123 | - | - | - |
| Novabase Data Quality | 235 | - | - | - |
| Novabase Saúde | - | 252 | - | - |
| Novabase Porto | 167 | - | - | - |
| NBO Recursos em TI | 1 | - | - | - |
| Novabase Integração de Processos | 67 | - | - | - |
| Novabase Desenvolvimento à Medida | 44 | - | - | - |
| Novabase Geoinformação | 54 | - | - | - |
| Novabase Outsourcing (ASP) | 90 | 2 | - | - |
| Novabase ERP - Gestão Empresarial | 456 | 105 | - | - |
| CFOCUS | 244 | 102 | - | - |
| Mentor.it | 129 | 26 | - | - |
| Octal - Engenharia de Sistemas | 41 | - | - | - |
| OnTV | 511 | - | - | - |
| TVLab | 191 | - | - | - |
| Deltafor | 15 | - | - | - |
| SAF | 213 | 7 | - | - |
| Flag | 68 | - | - | - |
| Novabase Capital | 96 | 30 | - | - |
| Novabase Serviços | 602 | 201 | - | - |
| | 3.465 | 763 | 50 | - |

Movements on provisions for Deferred tax assets and liabilities are analysed as follows:

| | Tax Assets | | Tax Liabilities | |
|---|---|---|---|---|
| | Grupo | Individual | Grupo | Individual |
| | Euro '000 | Euro '000 | Euro '000 | Euro '000 |
| Opening balance | 763 | - | - | - |
| *Increases due to:* | | | | |
| Fiscal losses | 412 | - | - | - |
| Fiscal benefits: | | | | |
| - Jobs (Net Creation) | 546 | - | - | - |
| - Investments in I&D | 1.209 | - | - | - |
| Provisions | 248 | - | 50 | 50 |
| Accelerated amortisations | 213 | - | - | - |
| Other | 74 | - | - | - |
| Change for the year | 2.702 | - | 50 | 50 |
| Closing balance | 3.465 | - | 50 | 50 |

**7. Inventories**

This heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | Euro'000 | Euro'000 | Euro'000 | Euro'000 |
| Merchandise | 152 | 581 | - | - |
| Finished products | 2.427 | 1.947 | - | - |
| Semi-finished products and work | 184 | 184 | - | - |
| Raw materials, subsidiary goods and consumables | 6.638 | 5.069 | - | - |
| | 9.401 | 7.781 | - | - |
| Provision for inventory depreciation | (30) | (20) | - | - |
| | 9.371 | 7.761 | - | - |

Movements in Provision for inventory depreciation are analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | Euro'000 | Euro'000 | Euro'000 | Euro'000 |
| Opening balance | 20 | 10 | - | - |
| Change for the year | 10 | 10 | - | - |
| | 30 | 20 | - | - |

**8. Accounts receivable**

On 31 December 2002 **Accounts receivable** analysis by activity sector is the following:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| | **Euro'000** | **Euro'000** | **Euro'000** | **Euro'000** |
| ***Portuguese Customers :*** | | | | |
| Public administration and public service companies | 4 145 | 4 070 | 6 | 29 |
| Hospitals and other health services | 1 358 | 1 937 | - | - |
| Banks and finance institutions | 6 225 | 1 933 | - | - |
| Insurance | 389 | 647 | - | - |
| Industry and services | 7 671 | 6 802 | 6 783 | 4 278 |
| Transport and mailing | 4 271 | 2 848 | - | - |
| Telecommunications and media | 6 245 | 7 677 | 5 | 3 |
| Other entities | 633 | 755 | - | - |
| | 30 937 | 26 669 | 6 794 | 4 310 |
| ***Foreign Customers :*** | | | | |
| Public administration and public service companies | 142 | - | - | - |
| Hospitals and other health services | - | 10 | - | - |
| Banks and finance institutions | 110 | 366 | - | - |
| Insurance | 7 | - | - | - |
| Industry and services | 635 | 1 714 | - | - |
| Transport and mailing | - | - | - | - |
| Telecommunications and media | 180 | 1 483 | - | - |
| Other entities | - | - | - | - |
| | 1 074 | 3 573 | - | - |
| | 32 011 | 30 242 | 6 794 | 4 310 |
| Doubtful debts | 1 870 | 1 244 | 434 | 468 |
| Provision for doubtful debts | (1 870) | (1 173) | (434) | (463) |
| | 32 011 | 30 313 | 6 794 | 4 315 |

The movements on **Doubtful debts provision** are analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| | **Euro'000** | **Euro'000** | **Euro'000** | **Euro'000** |
| Opening balance | 1 173 | 1 052 | 463 | 515 |
| Consolidation perimeter variations | 82 | - | - | - |
| Change for the year | 722 | 156 | 78 | 73 |
| Write offs | (107) | (35) | (107) | (125) |
| | 1 870 | 1 173 | 434 | 463 |

**9. Other debtors and Other creditors**

The value under **Other debtors** is detailed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| | **Euro'000** | **Euro'000** | **Euro'000** | **Euro'000** |
| State and other public entities | | | | |
| - Corporate income tax - IRC | 1 060 | 230 | 277 | 69 |
| - Value added tax | 1 760 | 290 | - | - |
| - Other taxes | 152 | 129 | - | - |
| Associated companies | 274 | - | 23 | - |
| Other shareholders | 308 | 42 | - | - |
| Other Debtors | | | | |
| - Advances to suppliers | 1 112 | 165 | 921 | 32 |
| - Employees | 233 | 194 | - | - |
| - Financial investments disposals | 1 505 | 2 329 | - | - |
| - Subsidies receivable | 1 066 | 372 | - | - |
| - Receiving values from full factoring operations | 488 | 7 891 | - | - |
| - Cash-pooling intra-group | - | - | 13 800 | 15 031 |
| - Other debtors and operations | 1 744 | 2 454 | 5 539 | 2 060 |
| | 9 702 | 14 096 | 20 560 | 17 192 |
| Provision for other debtors | (197) | (197) | - | - |
| | 9 505 | 13 899 | 20 560 | 17 192 |

Movements on Doubtful debts provision are analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| | **Euro'000** | **Euro'000** | **Euro'000** | **Euro'000** |
| Opening balance | 197 | - | - | - |
| Change for the year | - | 197 | - | - |
| | 197 | 197 | - | - |

The value under **Other creditors** is detailed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| | **Euro'000** | **Euro'000** | **Euro'000** | **Euro'000** |
| State and other public entities | | | | |
| - Corporate income tax - IRC | 560 | 2 018 | - | - |
| - Personal income tax - withhold at source | 1 079 | 770 | 58 | 54 |
| - Social Security contributions | 885 | 1 002 | 29 | 14 |
| - Value added tax | 5 405 | 4 299 | 349 | 55 |
| - Other taxes | - | 31 | - | 1 |
| Other shareholders in group companies | 77 | 17 | 1 081 | - |
| Other creditors | | | | |
| - Employees | 132 | 42 | - | - |
| - Cash-pooling intra-group | - | - | 12 855 | 9 688 |
| - Payable values from factoring operations | 1 020 | - | - | - |
| - Other creditors and operations | 2 251 | 2 049 | 3 076 | 2 494 |
| | 11 409 | 10 228 | 17 448 | 12 306 |

**10. Accruals and Deferrals - Assets and Liabilities**

**Accruals and deferrals - assets** are analysed as follows:

| | **Group** | | **Individual** | |
|---|---|---|---|---|
| | **2002 Euro'000** | **2001 Euro'000** | **2002 Euro'000** | **2001 Euro'000** |
| Accrued income : | | | | |
| - Receiving interests | - | 24 | 1 | 23 |
| - Ongoing projects | 1 936 | 1 765 | - | - |
| - Other accrued income | 141 | 141 | 1 638 | - |
| | 2 077 | 1 930 | 1 639 | 23 |
| Deferred costs : | | | | |
| - Software maintenance | 331 | 465 | - | - |
| - Rents | 61 | 58 | - | - |
| - Insurance | 78 | 94 | 26 | 16 |
| - Pluri-annual maintenance | 88 | 140 | - | - |
| - Other deferred costs | 261 | 198 | - | - |
| | 819 | 955 | 26 | 16 |
| | 2 896 | 2 885 | 1 665 | 39 |

The interests from financial aplications to be received in the respective liberation date were registered this year.

Software maintenance contracts have been licensed by third parties. In order to account for these services correctly, costs and profits were accrued and deferred and will be shown in the 2003 results.

**Accruals and deferrals - liabilities** are analysed as follows:

| | **Group** | | **Individual** | |
|---|---|---|---|---|
| | **2002 Euro'000** | **2001 Euro'000** | **2002 Euro'000** | **2001 Euro'000** |
| Accrued costs : | | | | |
| - Holidays and holiday subsidies and other personnel costs | 3 473 | 3 763 | 205 | 202 |
| - Interest payable | 18 | 44 | - | - |
| - Software licences | 2 646 | - | - | - |
| - Marketing campaigns | - | 1 200 | - | - |
| - Other accrued costs | 378 | 621 | 51 | - |
| | 6 515 | 5 628 | 256 | 202 |
| Deferred income : | | | | |
| - Subsidies for investment in fixed assets | 980 | 587 | - | 31 |
| - Deferred billing | 1 277 | 1 952 | - | - |
| - Software maintenance | 649 | 1 351 | - | - |
| - Other deferred income | 17 | 22 | - | - |
| | 2 923 | 3 912 | - | 31 |
| | 9 438 | 9 540 | 256 | 233 |

## 11. Cash, Deposits in Banks and Marketable Securities

**Cash and cash equivalents** heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | Euro'000 | Euro'000 | Euro'000 | Euro'000 |
| Cash Items : | | | | |
| - Cash | 144 | 38 | 1 | 1 |
| | 144 | 38 | 1 | 1 |
| Deposits in Banks : | | | | |
| - Short term bank deposits | 4 062 | 2 693 | 565 | 67 |
| - Long term bank deposits | 16 339 | 6 538 | - | - |
| - Other deposits | - | - | - | - |
| | 20 401 | 9 231 | 565 | 67 |
| | 20 545 | 9 269 | 566 | 68 |

**Marketable Securities** heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | Euro'000 | Euro'000 | Euro'000 | Euro'000 |
| Investment securities : | | | | |
| - Portugal Telecom shares | 585 | 585 | 585 | 585 |
| - PT Multimédia shares | 27 | 27 | 27 | 27 |
| - Other bonds | 10 | - | - | - |
| | 622 | 612 | 612 | 612 |
| Other Cash Investments : | | | | |
| - Finance investments in Portuguese banks | 8 225 | 16 924 | 8 225 | 16 233 |
| - Finance investments in foreign banks | - | - | - | - |
| | 8 225 | 16 924 | 8 225 | 16 233 |
| | 8 847 | 17 536 | 8 837 | 16 845 |

Regarding the consolidate and Individual Cash Flow Statements, the detail and description of **Cash items and Cash equivalents** is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | Euro'000 | Euro'000 | Euro'000 | Euro'000 |
| Cash Items : | | | | |
| - Cash | 144 | 38 | 1 | 1 |
| - Deposits in banks | 20 401 | 9 231 | 565 | 67 |
| - Investment securities | 622 | 612 | 612 | 612 |
| | 21 167 | 9 881 | 1 178 | 680 |
| Cash Equivalents : | | | | |
| - Other cash investments | 8 225 | 16 924 | 8 225 | 16 233 |
| - Overdrafts | (3 850) | (1 725) | (78) | (31) |
| | 4 375 | 15 199 | 8 147 | 16 202 |
| Cash and Cash Equivalents | 25 542 | 25 080 | 9 325 | 16 882 |

## 12. Share Capital

The Share Capital, fully subscribed, of Euro 14 127 982, is represented by 28 255 964 shares with a face value of Euro 0.5 each.

In June 2001, the company increased its Share Capital. The amount was fully subscribed and paid up to the value of EUR 27 982, by the issue of 55 964 new ordinary shares with a face value of EUR 0.50 each. Thus, on 31 December 2001, the company's share capital of EUR 14 128 thousand was represented by 28 255 964 shares with a face value of EUR 0.50 each.

Earning per share is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| Net profit for the year (in euros) | 9 459 990.75 | 8 886 185.75 | 9 459 990.75 | 8 678 420.25 |
| Average number of shares | 28 255 964 | 28 227 982 | 28 255 964 | 28 227 982 |
| Yearnings per share - average (in euros) | 0.33 euros | 0.31 euros | 0.33 euros | 0.31 euros |

## 13. Legal Reserve

Portuguese companies are obliged / required by law to transfer at least 5% of its annual net profit to legal reserves until it reaches 20% of the share capital. This reserve cannot be distributed to shareholders though it may be used to absorb losses after all other reserves have been exhausted.

## 14. Treasury Stock (Own shares)

This heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002 Euro'000** | **2001 Euro'000** | **2002 Euro'000** | **2001 Euro'000** |
| Nominal / Book value of Novabase S.G.P.S., S.A. shares | 12 | 44 | 12 | 44 |
| Number of shares | 24 966 shares | 87 258 shares | 24 966 shares | 87 258 shares |

The number of own shares held by Novabase S.G.P.S. on 31 December 2002 are under the limits established by its statutory rules and in accordance with the Commercial Company Code.

During 2002 the company purchased on the stock market 800 107 shares at the average price of 7.12 Euros, and sold 602 399 shares at the average price of 7.50 Euros.

The net increase in Novabase S.G.P.S portfolio of 197 708 shares allowed the company to trade out of the stock market 260 000 shares.

The 260 000 shares were valuated at the average price of 5.65 Euros per share, and delivered as payment of part of the agreed value for ATX Software S.A. shares purchase. This transaction is closely connected with the Outsourcing Information Technology services contract, signed with the Portuguese Financial Group BES.

## 15. Reserves, Retained Earnings and Net Profit

This heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002 Euro'000** | **2001 Euro'000** | **2002 Euro'000** | **2001 Euro'000** |
| Legal reserve | 752 | 563 | 752 | 319 |
| Other reserves and retained earnings | 942 | 4 496 | 942 | 1 618 |
| Net profit | 9 459 | 8 886 | 9 459 | 8 678 |
| Consolidation exchange differences | (2 544) | 185 | (2 544) | 185 |
| Other consolidation reserves | 11 556 | 5 | 11 556 | 6 528 |
| | 20 165 | 14 135 | 20 165 | 17 328 |

The Group includes a company located in Brazil, whose accounts are expressed in Brazilian currency. In accordance with the accounting practice described in Note 1 of Acconting Policies, these accounts were converted to the currency in which the consolidated accounts are expressed, generating a reserve for exchange conversion.

Novbase S.G.P.S., since it was founded, and although it has always shown a Consolidated Net Profit, its Shareholders General Assembly has decided not to distribute dividends to the shareholders ensuring that the company has the financial resources needed for its development.

**16. Minority interests**

This heading is analysed as follows:

| | Group | |
|---|---|---|
| | **2002** | **2001** |
| | **Euro'000** | **Euro'000** |
| Minority interests attributable to results | 738 | 1 002 |
| Minority interests attributable to reserves | 4 269 | 2 675 |
| | 5 007 | 3 677 |

**Minority interests** detailed by company is analysed ad follows:

| | Group | |
|---|---|---|
| | **2002** | **2001** |
| | **Euro'000** | **Euro'000** |
| *Division 'Novabase Consulting' :* | | |
| Novabase Sistemas de Informação | 333 | 359 |
| Novabase Suporte à Decisão | 63 | 62 |
| Novabase Data Quality | 119 | 99 |
| Novabase Saúde | 306 | 945 |
| Novabase Integração de Processos | 37 | 33 |
| Novabase Desenvolvimento à Medida | 260 | 192 |
| Novabase Geoinformação | - | 20 |
| Novabase Outsourcing (ASP) | 188 | 190 |
| Novabase ERP - Gestão Empresarial | - | 14 |
| Novabase Brasil | 227 | 214 |
| Novabase Consulting Spain | 50 | - |
| CFOCUS | 273 | 117 |
| CelFOCUS | 680 | 265 |
| Mentor.it | - | 17 |
| Praetor III | 2 | - |
| *Division 'Novabase Engineering Solutions' :* | | |
| Octal - Spain | 27 | - |
| Octal TV | 1 384 | 598 |
| OnTV | 477 | 190 |
| TVLab | 314 | - |
| *Division 'Novabase Training' :* | | |
| SAF | 157 | 200 |
| *Division 'Novabase Capital' :* | | |
| Milenar | - | 26 |
| Sapi 2 ci, Consultadoria Informáticos | 102 | 134 |
| Sapi 2 pi, Projectos Informáticos | 8 | - |
| Other subsidiary | - | 2 |
| | 5 007 | 3 677 |

## 17. Amounts owed to Financial Institutions

This heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| | **Euro'000** | **Euro'000** | **Euro'000** | **Euro'000** |
| **Current** bank liabilities - Short term | 4 235 | 1 753 | 78 | 31 |
| **Non current** bank liabilities - Medium / long term | 6 000 | 1 983 | 6 000 | - |
| | 10 235 | 3 736 | 6 078 | 31 |

The heading **Current** bank liabilities - Short term, by company, is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| | **Euro'000** | **Euro'000** | **Euro'000** | **Euro'000** |
| Overdrafts : | | | | |
| - Novabase S.G.P.S. | 78 | 31 | 78 | 31 |
| - Novabase Integração de Processos | 108 | - | - | - |
| - Novabase Data Quality | 178 | - | - | - |
| - Novabase Suporte à Decisão | 141 | - | - | - |
| - TVLab | 192 | - | - | - |
| - Octal | 2 254 | 1 621 | - | - |
| - Octal TV | 8 | 8 | - | - |
| - Sapi 2, ci | 186 | - | - | - |
| - NBO Recursos em TI | 231 | 8 | - | - |
| - Flag | 323 | - | - | - |
| - Other companies | 151 | 57 | - | - |
| Other bank liabilities | 385 | 28 | - | - |
| | 4 235 | 1 753 | 78 | 31 |

The heading **Non Current** bank liabilities - Medium / Long term, by company, is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** | **2001** | **2002** | **2001** |
| | **Euro'000** | **Euro'000** | **Euro'000** | **Euro'000** |
| Loans and credit lines : | | | | |
| - Novabase S.G.P.S. | 6 000 | - | 6 000 | - |
| - Octal | - | 1 409 | - | - |
| - Octal TV | - | 469 | - | - |
| - Sapi 2, ci | - | 92 | - | - |
| - Other companies | - | 13 | - | - |
| | 6 000 | 1 983 | 6 000 | - |

## 18. Fixed Assets Suppliers

Under this heading there are accounted mainly values related with leasing contracts for tangible assets that have been recorded in fixed assets accounts whenever the Group assumes all the benefits and risks associated with ownership of the assets in question. The value at which these acquisitions are capitalised is the present value of future rents. The liability to third parties for the principal sum of outstanding lease instalments is shown in liabilities under this heading; the lease assets are depreciated over their estimated useful lives and the interest component of the lease payment is expensed in the period to which it relates, see note l above.

As this accounting issued is not used in the individual accounts, the financial statements consolidated after 31 December 1998 have been adjusted to show a true and fair view of the financial situation and results of the companies included in the consolidation, as laid down in Accounting Directive no. 25.

On 31 December 2002 under the heading Fixed Assets - Transport Equipment are accounted the leasing contracts for veichles, in accordance with Accounting Directive no.25. The accounting effect of the adjstments made are analysed in note 2 to the financial statements.

## 19. Turnover

**Turnover** analysis by activity sector is as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | Euro'000 | Euro'000 | Euro'000 | Euro'000 |
| ***Sales by activity sector :*** | | | | |
| Public administration and public service companies | 12 | 60 | - | - |
| Hospitals and other health services | 7 | 95 | - | - |
| Banks and finance institutions | 11 | 8 | - | - |
| Insurance | 10 | 1 | - | - |
| Industry and services | 8 588 | 7 963 | - | - |
| Transport and mailing | 3 108 | 1 691 | - | - |
| Telecommunications and media | 28 738 | 23 579 | - | - |
| Other entities | - | - | - | - |
| | 40 474 | 33 397 | - | - |
| ***Services rendered by activity sector :*** | | | | |
| Public administration and public service companies | 15 373 | 15 806 | - | - |
| Hospitals and other health services | 1 709 | 3 578 | - | - |
| Banks and finance institutions | 12 991 | 10 256 | - | - |
| Insurance | 2 087 | 1 729 | - | - |
| Industry and services | 13 197 | 9 331 | 4 829 | 2 340 |
| Transport and mailing | 3 888 | 3 814 | - | - |
| Telecommunications and media | 23 883 | 18 200 | - | - |
| Other entities | 461 | 355 | - | - |
| | 73 589 | 63 069 | 4 829 | 2 340 |
| ***TOTAL Turnover :*** | | | | |
| Public administration and public service companies | 15 385 | 15 866 | - | - |
| Hospitals and other health services | 1 716 | 3 673 | - | - |
| Banks and finance institutions | 13 002 | 10 264 | - | - |
| Insurance | 2 097 | 1 730 | - | - |
| Industry and services | 21 785 | 17 294 | 4 829 | 2 340 |
| Transport and mailing | 6 996 | 5 505 | - | - |
| Telecommunications and media | 52 621 | 41 779 | - | - |
| Other entities | 461 | 355 | - | - |
| | 114 063 | 96 466 | 4 829 | 2 340 |

**Turnover** by Geographical markets is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 | 2001 | 2002 | 2001 |
| | Euro'000 | Euro'000 | Euro'000 | Euro'000 |
| Portugal | 109 040 | 88 532 | 4 829 | 2 034 |
| Spain | 636 | 1 929 | - | - |
| Brazil | 4 051 | 5 100 | - | 306 |
| Other | 336 | 905 | - | - |
| | 114 063 | 96 466 | 4 829 | 2 340 |

**Services rendered** heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| Software development | 10 406 | 14 982 | - | 22 |
| Software maintenance | 2 894 | 3 503 | - | 1 |
| Software licenses | 5 399 | 4 341 | - | - |
| Consulting services | 38 055 | 30 960 | - | 93 |
| Recruiting, training and resources granted | 8 754 | 4 647 | - | - |
| Other services rendered | 8 081 | 4 636 | 4 829 | 2 224 |
| | 73 589 | 63 069 | 4 829 | 2 340 |

## 20. External supplies and services

**External supplies and services** heading is analysed as follows :

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| ***Subcontracts :*** | | | | |
| Software development | 195 | 80 | - | - |
| Software maintenance | 1 601 | 1 123 | - | - |
| Software licenses | 3 985 | 3 574 | - | - |
| Consulting services | 8 881 | 6 634 | 93 | 906 |
| Recruiting, training and resources granted | 373 | 383 | - | 3 |
| Other services rendered | 603 | 368 | - | - |
| ***Supplies and Services :*** | | | | |
| Water, electricity and fuel | 414 | 300 | 28 | 22 |
| Utility expenses | 275 | 242 | 3 | 6 |
| Rentals | 2 699 | 1 717 | 180 | 179 |
| Communications | 750 | 767 | 4 | 1 |
| Insurance coverage | 819 | 571 | 58 | 44 |
| Transportation and travel expenses | 2 205 | 1 465 | 112 | 95 |
| Commissions and consultancy | 9 029 | 6 769 | - | - |
| Advertising and promotion | 760 | 1 731 | 8 | 17 |
| Specialised services | 2 731 | 1 497 | 145 | 68 |
| Other services | 1 063 | 1 109 | 95 | 126 |
| | 36 383 | 28 330 | 726 | 1 467 |

## 21. Personnel expenses

**Personnel expenses** heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| Board members expenses | 2 328 | 2 081 | 1 324 | 1 322 |
| Personnel expenses | 22 437 | 22 015 | - | 6 |
| Social security charges | 5 104 | 4 546 | 146 | 132 |
| Other personnel expenses | 487 | 1 011 | 11 | 18 |
| | 30 356 | 29 653 | 1 481 | 1 478 |

**Average number of personnel** by class is detailed as follows:

| | Group 2002 | Individual 2002 |
|---|---|---|
| Board members | 42 | 11 |
| Management | 82 | - |
| Project managers | 88 | - |
| Consultants | 651 | - |
| Staff and other catergories | 63 | - |
| | 926 | 11 |

## 22. Provisions

**Provision** heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| Provisions for inventories | 10 | 10 | - | - |
| Provisions for doubtful debts | 580 | 353 | - | 73 |
| | 590 | 363 | - | 73 |

## 23. Depreciation and amortisation

**Depreciation and amortisation** heading is analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| ***Fixed Assets Depreciation / amortisation*** | | | | |
| *Tangible fixed assets Depreciation:* | | | | |
| Buildings and other constructions | 36 | 30 | 9 | 26 |
| Basic equipment | 1 864 | 1 442 | 14 | 11 |
| Transport equipment | 947 | 832 | - | - |
| Fixtures and fittings | 160 | 117 | - | - |
| Other tangible fixed assets | 14 | 13 | - | - |
| | 3 021 | 2 434 | 23 | 37 |
| *Intangible fixed assets Amortisation :* | | | | |
| Establishment costs | 440 | 542 | 75 | 85 |
| Research and development costs | 1 264 | 514 | 1 | - |
| Contract and other rights | 52 | 16 | - | - |
| | 1 756 | 1 072 | 76 | 85 |
| | 4 777 | 3 506 | 99 | 122 |
| ***Financial Investments Amortisation*** | | | | |
| Consolidation differences: | | | | |
| - Full consolidation method | 1 289 | 941 | - | - |
| - Equity method | 9 | 7 | 1 143 | 823 |
| Business property rights | 364 | 167 | - | - |
| | 1 662 | 1 115 | 1 143 | 823 |
| | 6 439 | 4 621 | 1 242 | 945 |

## 24. Financial Gains / (Losses)

**Financial Gains / (Losses)** are analysed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** **Euro'000** | **2001** **Euro'000** | **2002** **Euro'000** | **2001** **Euro'000** |
| ***Financial Gains :*** | | | | |
| Interest | 364 | 978 | 393 | 1 396 |
| Gains from equity method application | 4 | 11 | 10 020 | 9 646 |
| Exchange differences | 458 | 99 | - | - |
| Other financial gains | 87 | 7 | 79 | 1 |
| | 913 | 1 095 | 10 492 | 11 043 |
| ***Financial Losses :*** | | | | |
| Interests | 409 | 489 | 5 | 149 |
| Interests on leasing contracts | 213 | 167 | - | - |
| Bank services | 134 | 144 | 10 | 31 |
| Losses from equity method application | 73 | 202 | 3 358 | 469 |
| Exchange differences | 645 | 226 | 6 | - |
| Other financial losses | 27 | 75 | 1 | 49 |
| | 1 501 | 1 303 | 3 380 | 698 |
| | (588) | (208) | 7 112 | 10 345 |

## 25. Extraordinary Gains / (Losses)

The detail analysis of this heading is the following:

| | Group | | Individual | |
|---|---|---|---|---|
| | **2002** **Euro'000** | **2001** **Euro'000** | **2002** **Euro'000** | **2001** **Euro'000** |
| ***Extraordinary Gains :*** | | | | |
| Fixed assets operations | 1 511 | 479 | 1 248 | 226 |
| Debts recover | 51 | 69 | - | - |
| Provision and amortisation reductions | - | 169 | 29 | 126 |
| Prior year operations | 85 | 105 | 67 | 3 |
| Other extraordinary gains | 75 | 398 | 51 | 62 |
| | 1 722 | 1 220 | 1 395 | 417 |
| ***Extraordinary Losses :*** | | | | |
| Inventories operations | - | 62 | - | - |
| Fixed assets operations | 21 | 31 | 1 | 204 |
| Prior year operations | 529 | 165 | 16 | 1 |
| Accelerated amortisation | | | | |
| - Goodwill | 389 | - | 389 | - |
| - Intangible fixed assets | 479 | - | - | - |
| Restructuring costs | 1 832 | - | - | - |
| Other extraordinary losses | 203 | 45 | 18 | 23 |
| | 3 453 | 303 | 424 | 228 |
| | (1 731) | 917 | 971 | 189 |

In order to contribute to increase Group market share in a sustained and solid basis, the Board of Directors decided to implement a restructuring plan to endow the group of a commercial and operational platform. This restructuring process is focused in tree main objectives: (i) to optimise its operational efficacy, (ii) to increase the focus towards the client and (iii) to increase the introduction of new technologies in the market. The following non recurrent costs are reflected under **Extraordinary Results** :

- Personnel organisation restructure (functional and commercial) – amounting 1 832 thousand euros.
- Acceleration of some Intangible assets' amortisation period, in the amount of 479 thousand euros.
- Full amortisation of SAF Goodwill, in the amount of 389 thousand euros.

**26. Extraordinary Results heading - Reconciliation between Income Statement by Function and by Nature**

The Consolidated and Individual Income Statement by Function was prepared in accordance with Accounting Directive nr. 20, which presents a concept of extraordinary income and expenses that differs from that defined in the Portuguese Plan of Accounts for the preparation of the Income Statement by Nature.

On 31 December 2002, the value of extraordinary expenses shown in the Income Statement by Nature has been reclassified under other operating profits and earnings, which results in the following differences in the types of results:

| | Group | | | Individual | | |
|---|---|---|---|---|---|---|
| | By Nature Euro'000 | Reclassi- fications Euro'000 | By Function Euro'000 | By Nature Euro'000 | Reclassi- fications Euro'000 | By Function Euro'000 |
| Operating results | 12 405 | (1 748) | 10 657 | 1 504 | 861 | 2 365 |
| Financial results | (588) | 17 | (571) | 7 112 | 110 | 7 222 |
| Current results | 11 817 | (1 731) | 10 086 | 8 616 | 971 | 9 587 |
| Extraordinary results | (1 731) | 1 731 | - | 971 | (971) | - |
| Net profit for the year | 10 197 | - | 10 197 | 9 459 | - | 9 459 |

**27. Income Tax Provision**

The companies included in the consolidation are taxed individually, each one calculating its own corporate tax (IRC). In accordance with prevailing legislation, these companies' tax returns are subject to review and adjustment by the tax authorities for a period of four years, and for a period of ten years years for Social Security.

Tax losses, also subjected to tax inspections, may be deducted to future net profits within the next six year period.

The companies' tax returns from 1999 to 2002 are still awaiting eventual revision by the tax authorities. The managements of the companies included in the consolidation believe that any adjustment arising from the tax authorities' reviews and or inspections of those tax returns are unlikely to have a material effect on the consolidated financial statements

Income tax provision analysis is as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| Income tax provision | 2 194 | 3 050 | 78 | 245 |
| Deferred tax assets provision (see note 6) | (2 702) | (563) | - | - |
| Other foreign companies tax provision | 347 | - | - | - |
| Deferred tax liabilities provision (see note 6) | 50 | - | 50 | - |
| | (111) | 2 487 | 128 | 245 |

Reconciliation between the Group's effective and nominal tax rate for the years 2002 and 2001 is analysed as follows:

| | 2002 | | 2001 | |
|---|---|---|---|---|
| | Income tax Euro '000 | Tax rate % | Income tax Euro '000 | Tax rate % |
| Nominal tax rate and income tax | 3 328 | 33.00% | 4 356 | 35.20% |
| *- Main effects on taxation :* | | | | |
| Jobs (net creation) | (852) | -8.45% | (1 516) | -12.25% |
| Research & development and Investment | (909) | -9.01% | (474) | -3.83% |
| Current addictions to taxable amount | 627 | 6.22% | 684 | 5.53% |
| Effective tax rate and Income tax | **2 194** | **21.76%** | **3 050** | **24.65%** |

**28. Guarantees made to third parties**

The financial commitments not included in the balance sheet are bank guarantees given to third parties to act as guarantees for ongoing projects, are detailed as follows:

| | Group | | Individual | |
|---|---|---|---|---|
| | 2002 Euro'000 | 2001 Euro'000 | 2002 Euro'000 | 2001 Euro'000 |
| ***Customer / On going project:*** | | | | |
| IIES | 795 | 660 | 795 | 660 |
| ENT | - | 859 | - | 859 |
| TMN | 653 | 539 | 653 | 539 |
| CTT | 448 | 521 | 448 | 521 |
| CGD | 514 | 797 | 514 | 797 |
| Transtejo | - | 279 | - | 279 |
| ISQ | 195 | 195 | 195 | 195 |
| Sociedade Gestora F.P.B.P. | 125 | 125 | 125 | 125 |
| Delveste | - | 118 | - | 118 |
| Siemens | - | 116 | - | 116 |
| Adm. Regional Saúde Alentejo | - | 105 | - | 105 |
| DGSP | 100 | 97 | 100 | 97 |
| CP | - | 90 | - | 90 |
| DGDR | - | 95 | - | 95 |
| Instituto de Informática | - | 57 | - | 57 |
| Imorendimento | 51 | 51 | 51 | 51 |
| Alcatel | 6 | - | 6 | - |
| ARS - Norte | 8 | - | 8 | - |
| Banco de Portugal | 38 | - | 38 | - |
| Carris | 1 085 | - | 1 085 | - |
| CCRA | 25 | - | 25 | - |
| CCRN | 29 | - | 29 | - |
| Codipor | 40 | - | 40 | - |
| DGV | 56 | - | 56 | - |
| Efacec | 52 | - | 52 | - |
| Hospital Santa Maria | 29 | - | 29 | - |
| INPI | 97 | - | 97 | - |
| POSTLOG | 509 | - | 509 | - |
| PT Prime | 48 | - | 48 | - |
| Silcoge | 664 | - | 664 | - |
| Group credit line Octal / Octal TV / On TV | - | 1 247 | - | 1 247 |
| IAPMEI investment subsidy | - | 128 | - | 128 |
| Other | 119 | 500 | 119 | 500 |
| | 5 684 | 6 579 | 5 684 | 6 579 |

The responsibility for guarantees given, by company and financial institution is detailed as follows:

| | | Group | | Individual | |
|---|---|---|---|---|---|
| | | 2002 | 2001 | 2002 | 2001 |
| | Banco | Euro'000 | Euro'000 | Euro'000 | Euro'000 |
| Novabase S.G.P.S. | BPI | 102 | 689 | 102 | 689 |
| Novabase S.G.P.S. | CGD | 40 | 63 | 40 | 63 |
| Novabase S.G.P.S. | BNU | - | 206 | - | 206 |
| Novabase S.G.P.S. | BPA | - | 130 | - | 130 |
| Novabase S.G.P.S. | MAPFRE | - | 74 | - | 74 |
| Novabase Sistemas de Informação | BPI | 1 247 | 598 | 1 247 | 598 |
| Novabase Sistemas de Informação | BES | 1 334 | 502 | 1 334 | 502 |
| Novabase Suporte à Decisão | BPI | 778 | 553 | 778 | 553 |
| Novabase Suporte à Decisão | BES | 32 | 142 | 32 | 142 |
| Novabase Data Quality | BES | 131 | 131 | 131 | 131 |
| Novabase Data Quality | BPI | 74 | - | 74 | - |
| Novabase Saúde | BCP | 32 | 137 | 32 | 137 |
| Novabase Integração de Processos | BPI | 112 | 22 | 112 | 22 |
| NBO Recursos em TI | BPI | 15 | 2 | 15 | 2 |
| Novabase Serviços | BPI | 58 | 60 | 58 | 60 |
| Novabase Serviços | BES | 664 | - | 664 | - |
| Novabase Desenvolvimento à Medida | BPI | 1 053 | 589 | 1 053 | 589 |
| Novabase Desenvolvimento à Medida | BES | 10 | 10 | 10 | 10 |
| Novabase Porto | BPI | 2 | 77 | 2 | 77 |
| Novabase ERP - Gestão Empresarial | BPI | - | 43 | - | 43 |
| Sapi 2 ci, Consultadoria Informáticos | BES | - | 128 | - | 128 |
| Octal - Engenharia de Sistemas | BES | - | 1 176 | - | 1 176 |
| Octal / Octal TV / On TV | BES | - | 1 247 | - | 1 247 |
| | | 5 684 | 6 579 | 5 684 | 6 579 |

**29. Novabase Group Segmental Reporting**

Novabase Group's activity detailed by business segment is analysed as follows:

| | Division Novabase Consulting Euro'000 | Division Engineering Solutions Euro'000 | Division Novabase Training Euro'000 | Division Novabase Capital Euro'000 | TOTAL Group Novabase Euro'000 |
|---|---|---|---|---|---|
| Sales | 1 089 | 38 950 | 295 | 140 | 40 474 |
| Cost of goods sold | 838 | 29 262 | 239 | 116 | 30 455 |
| Gross margin | 251 | 9 688 | 56 | 24 | 10 019 |
| *Other Operating Income* | | | | | |
| Services rendered | 62 209 | 7 406 | 2 245 | 1 729 | 73 589 |
| Own work | 883 | 404 | 215 | 170 | 1 672 |
| Other exploration income | 919 | 66 | 21 | 1 | 1 007 |
| | 64 011 | 7 876 | 2 481 | 1 900 | 76 268 |
| *Other Operating Costs* | | | | | |
| External services and supplies | 26 964 | 7 822 | 1 250 | 347 | 36 383 |
| Personnel expenses | 24 288 | 4 040 | 804 | 1 224 | 30 356 |
| Other exploration costs | 547 | 53 | 87 | 17 | 704 |
| | 51 799 | 11 915 | 2 141 | 1 588 | 67 443 |
| Gross Operating Results | 12 463 | 5 649 | 396 | 336 | 18 844 |
| Depreciation / amortisation | 5 340 | 644 | 160 | 295 | 6 439 |
| Operating Results (EBIT) | 7 123 | 5 005 | 236 | 41 | 12 405 |
| Finance and extraordinary | (1 897) | (470) | (51) | 99 | (2 319) |
| Income before taxes | 5 226 | 4 535 | 185 | 140 | 10 086 |
| Income taxes | | | | | (111) |
| Minority interests | | | | | 738 |
| **Attributable net income** | | | | | 9 459 |
| **Other Information :** | | | | | |
| Turnover | 63 298 | 46 356 | 2 540 | 1 869 | 114 063 |
| EBITDA | 12 463 | 5 649 | 396 | 336 | 18 844 |
| EBITDA % on Turnover | 19.69 % | 12.19 % | 15.59 % | 17.98 % | 16.52 % |
| Structure costs / Income % | 87.77 % | 26.82 % | 82.89 % | 92.30 % | 63.29 % |
| Income before taxes % on Turnover | 8.26 % | 9.78 % | 7.28 % | 7.49 % | 8.84 % |
| Non current assets | 34 631 | 2 773 | 1 377 | 1 742 | 40 523 |
| Current assets | 43 882 | 32 065 | 2 265 | 4 963 | 83 175 |

**30. Stock Options Plan**

The employees and members of the Board of Directors of the Novabase Group were given the right to subscribe to and/or purchase shares under a stock option plan. Stock options are a type of incentive scheme based on purchase options for the company's shares. These include two components: the basic admission component and the annual performance component.

The options given under the basic admission component and the annual performance component consist of rights to subscribe to and/or purchase shares during special increases in the company's share capital or by purchasing shares in the company, under the terms laid down for each participant.

Participants can exercise options given as part of each annual performance component on four different occasions. The first occasion falls on 25 May of the year following the beginning of the annual performance component and the others on 25 May (or first subsequent working day) of the next three years in blocks of 25% of the number of options assigned. Options not exercised partially or totally when they fall due can be exercised on subsequent due dates. The last options in the current plan will be distributed in 2003.

About 470 000 options have already been distributed under this plan in the first admission components and 25% of these i.e. 117 500 have already been exercised, generating a share capital increase of 27 982 euros, with the issue of 55 964 new shares.

**31. Other Relevant Information**

The company was subject to a lawsuit over the rental contract of its former head office for the amount of 1 012 thousand euros. This suit is being contested and the company has counter-sued for possible damages should the legal action prove unfounded. Management considers that the risk of this suit is very small and should not therefore have any significant effect on the consolidated financial statements.

Presently, March 2003, court of first instance decision was favourable to Novabase and the company was completely absolved, this decision was appealed by the author.

The company was subject to a lawsuit from a former employee of one participate company, demanding a compensation in the amount of 904 thousand euros. This suit is being contested and the company has counter-sued, requiring a fine and compensation on pretence of contention in bad faith. Management considers that the risk of this suit is very small and should not therefore have any significant effect on the consolidated financial statements.

**32. Subsequent Events**

Novabase SGPS, through its participate company Novabase Sistemas de Informação SA, signed in the past 29 December 2002 with Group BES a outsourcing service contract in the Technologic Information area, with the minimum value of 6 Million Euros year for 5 years and renewable for 5 more.

In order to accomplish this contract, Novabase SGPS acquired to Oblog Software SA 51% of the company ATX Software SA, a specialized company in information systems development for the financial area.

The deal mentioned above consists on a technological partnership with the BES Group within Technological Information area for which Novabase paid 8.5 million euros.

For the prosecution of the deal is predicted a due diligence phase to be accomplish from January 6 2003 on, and for a period of 30 days maximum, from ATX Software SA. Simultaneously, BES Group, through BES.com acquires in this date from shareholders / directors of Novabase 5% of its capital share, reinforcing the shareholder position to around 10%.

According with the chairman of Novabase, Rogério Carapuça, "this deal creates a stable platform that allows Novabase to be a technological partner of BES Group in the Information Technology area, reinforcing simultaneously an important shareholder position in Novabase shareholders list". He also adds that "ATX Software acquisition corresponds to a reinforce in the technological competences and business of Novabase in the Financial services domain".

ATX Software SA is a specialised company in information systems development for the financial area. The company offers services in the integration systems area, and has also a range of innovating software products.

Following ATX acquisition process, Novabase sold In January 2003, 30% of Novabase Porto (dormant company) to two private ATX shareholders.

Novabase and GE Capital IT Solutions Portugal announce the acquisition of 83% of GE Capital IT Solutions by Novabase, integrating the Engineering Solutions division. The remain 17% will be acquired by the company management boards that will continue to ensure company management. The acquisition process will take place in January 2003.

This deal will allow Novabase to:

(i) Offer integrated services and solutions that cover a complete life cycle of information systems and information technology infra-structures to the Portuguese companies;

(ii) Reinforce relationships and competences in the integration of the main information technology manufacturers;

(iii) Share significant investments in product and services competences developments, as well as "best practices", in order to improve quality and the relation cost / benefit of its offer;

(iv) place Novabase as a quality supplier of IT Infra structures in Portugal, with an average employee number in the Engineering Solutions division around 300.

GE Capital IT Solutions Portugal turnover during 2001 was 27 million euros, that added to the Novabase value of 96 million euros totalised the pro forma value of 123 million euros approximately. The total number of employees will be around 1050. Novabase will pay around 2.5 million euros for this acquisition.

Miguel Vicente, CEO of GE Capital IT Solutions Portugal states: "The Integration in Novabase Group is an excellent opportunity to our clients, employees and business partners. The competences complementarities will allow the new organization to reinforce its presence in the market and increase the value added to its solutions".

According to the CEO of Novabase Engineering Solutions Nuno Duarte " The integration of GE Capital IT Solutions in Novabase Group is a unique opportunity to add Novabase offer the excellency of the IT Engineering Solutions and management "best-practice", for which GE is known in Portugal".

GE Capital Information Technology Solutions was set up by GENERAL ELECTRIC in 1996. Operating in North America and Europe, offers a quality service range in the IT area. GE Capital ITS mission in Portugal is " to create competitive advantage to our clients through IT based solutions, that intend to improve communication, innovate business processes and knowledge share".

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## III. FINANCIAL STATEMENTS
## PRO FORMA IAS
## Year ended December 31, 2002 and 2001

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## Pro forma IAS consolidated financial information prepared in accordance with International Accounting Standards ( "IAS")

Although only mandatory to prepare annual financial statements for a listed company with effect from 1 January 2005, in accordance with International Accounting Standards ("IAS") , the Board of Directors of Novabase SGPS decided to anticipate the disclosure of some IAS consolidated pro forma indicators and to present the reconciliation between IAS and Portuguese GAAP for both Net Profit and ordinary Shareholders' Equity. The disclosure provided is for information purposes only and includes significant IAS adjustments.

The transition to IAS adjustments, were based on ED1-First Time Application of IFRS. The Board of Directors does not expect that there will be material changes applicable to Novabase S.G.P.S. when the respective International Financial reporting Standard ("IFRS") is issued.

In summary, the Consolidated Pro forma Net Profit - IAS is analysed as follows:

| | 2002<br>Euro'000 | 2001<br>Euro'000 |
|---|---|---|
| **Consolidated Net Profit - Portuguese GAAP** | 9 459 | 8 886 |
| Adjustments to IAS : | | |
| - Start up costs | 114 | 198 |
| - Expenses on publicity campaigns | 158 | (187) |
| - Research and development costs | (234) | (401) |
| - Bonus to employees | (956) | (923) |
| - Deferred income taxes | (37) | 176 |
| **Consolidated Net Profit - IAS PRO FORMA** | 8 504 | 7 749 |

In summary, the Consolidated Pro forma Shareholders' Equity is analysed as follows:

| | 2002<br>Euro'000 | 2001<br>Euro'000 |
|---|---|---|
| **Shareholders' Equity - Portuguese GAAP** | 69 434 | 63 381 |
| Adjustments to IAS : | | |
| - Start up costs | (490) | (444) |
| - Expenses on publicity campaigns | - | (318) |
| - Research and development costs | (1 096) | (862) |
| - Bonus to employees | (956) | (923) |
| - Deferred income taxes | 599 | 601 |
| - Fair-value of Investment Bonds | (77) | 26 |
| **Shareholders' Equity - IAS PRO FORMA** | 67 414 | 61 461 |

A Pro forma Consolidated Balance Sheet and Pro forma Consolidated Income Statement prepared in accordance with International Accounting Standards are presented in pages 64 and 65.

**Consolidated Balance Sheet - PRO FORMA IAS**

**as at 31 December, 2002 and 2001**

***Prepared in accordance with the International Accounting Standards***

| | 2002<br>Euro'000 | 2001<br>Euro'000 |
|---|---|---|
| ***Assets*** | | |
| *Non Current* | | |
| Tangible assets | 6 318 | 5 684 |
| Intangible assets | 18 162 | 5 497 |
| Goodwill | 9 477 | 10 293 |
| Financial investments | 1 075 | 2 112 |
| Deferred tax assets | 4 064 | 1 373 |
| Total non Current Assets | 39 096 | 24 959 |
| *Current* | | |
| Inventories | 9 371 | 7 761 |
| Trade debtors and Accrued income | 34 088 | 32 173 |
| Other debtors and Prepaid expenses | 10 345 | 15 078 |
| Marketable securities | 8 771 | 17 561 |
| Cash and cash equivalents | 20 545 | 9 269 |
| Total current assets | 83 120 | 81 842 |
| Total assets | 122 216 | 106 801 |
| ***Shareholders' Equity*** | | |
| Share capital | 14 128 | 14 128 |
| Treasury stock | (12) | (44) |
| Share premium | 35 153 | 35 162 |
| Reserves and retained earnings | 9 641 | 4 466 |
| Consolidated net profit | 8 504 | 7 749 |
| Total Shareholders' Equity | 67 414 | 61 461 |
| Minority Interests | 4 588 | 3 459 |
| ***Liabilities*** | | |
| *Non Current* | | |
| Borrowings | 6 000 | 1 983 |
| Suppliers | 505 | 1 009 |
| Deferred Tax Liabilities | 50 | 8 |
| Total Non Current Liabilities | 6 555 | 3 000 |
| *Current* | | |
| Borrowings | 4 235 | 1 753 |
| Trade Creditors | 17 620 | 16 437 |
| Other creditors and accruals | 18 881 | 16 779 |
| Deferred Income | 2 923 | 3 912 |
| Total Current Liabilities | 43 659 | 38 881 |
| Total Liabilities | 50 214 | 41 881 |
| Total Equity and Liabilities | 122 216 | 106 801 |

**Consolidated Statement of Income - PRO FORMA IAS**
**for the years ended 31 December, 2002 and 2001**
***Prepared in accordance with the International Accounting Standards***

| | 2002 Euro'000 | 2001 Euro'000 |
|---|---|---|
| Sales | 40 474 | 33 397 |
| Cost of sales | 30 455 | 25 232 |
| Gross margin | 10 019 | 8 165 |
| *Other operating income* | | |
| Services rendered | 73 589 | 63 069 |
| Supplementary income and subsidies | 789 | 527 |
| Other operating income | 1 938 | 1 232 |
| | 76 316 | 64 828 |
| | 86 335 | 72 993 |
| *Other operating costs* | | |
| External services and supplies | 36 448 | 27 776 |
| Staff costs | 30 727 | 29 548 |
| Provisions | 590 | 363 |
| Restructuring costs | 1 832 | - |
| Other operating expenses | 1 865 | 451 |
| | 71 462 | 58 138 |
| Operating profit before depreciation and amortisation (EBITDA) | 14 873 | 14 855 |
| Depreciation | 3 690 | 2 580 |
| Goodwill, Business property rights amortisation | 1 662 | 1 115 |
| Operating profit (EBIT) | 9 521 | 11 160 |
| Net finance costs | (588) | (208) |
| Profit before income tax | 8 933 | 10 952 |
| Income expense | (75) | 2 312 |
| Profit after Tax | 9 008 | 8 640 |
| Minority Interest | 504 | 891 |
| **Net Profit** | 8 504 | 7 749 |
| **Basic earnings per share (expressed in euros)** | 0.30 | 0.27 |

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# IV. BOARD OF AUDITORS', AUDITOR REGISTERED IN PORTUGUESE STOCK EXCHANGE AUTHORITY AND EXTERNAL AUDITORS DOCUMENTS

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# IV. BOARD OF AUDITORS', AUDITOR REGISTERED IN THE PORTUGUESE STOCK EXCHANGE AUTHORITY AND EXTERNAL AUDITORS DOCUMENTS

**(i) Documents related to CHAPTERS I and II of the Financial Statements prepared in accordance with Portuguese Accounting Standards**

# BOARD OF AUDITORS' REPORT AND OPINION

## CONSOLIDATED ACCOUNTS

To the Shareholders,

1. As part of the duties laid down in article 420 of the Commercial Company Code, it is the responsibility of the Board of Auditors to issue a report and give an opinion on the consolidated financial statements of **NOVABASE – Sociedade Gestora de Participações Sociais, S.A.** for the financial year ending on **31 December 2002**.

2. The Board of Auditors monitored the most relevant management activities and checked the company's accounts and internal control systems during the year, submitting reports on the work and making suggestions when appropriate. When performing its duties, the Board of Auditors received the full cooperation of the Board of Directors and the company's departments.

3. Under the terms of no. 1 of article 452 of the Commercial Company Code, the Board of Auditors examined the annual report by the Official Auditor.

4. At the end of the financial year, the Board of Auditors analysed the consolidated accounting documents and the report submitted by the Board of Directors, conducted any checks that it deemed appropriate and examined the "Statutory Certification of the Accounts and Auditors' Report", with which it agrees.

5. OPINION:

   Having given due consideration to the contents of the "Statutory Certification of the Accounts", we are of the opinion that the Annual General Meeting should approve the consolidated accounts for the financial year of 2002 submitted by the Board of Directors.

Lisbon, 25 February 2003

***The Board of Auditors***

PEDRO REBELO DE SOUSA - Chairman

JOÃO FRANCISCO F. DE A. E QUADROS SALDANHA

*OLIVEIRA REGO & ASSOCIADOS*

SOCIEDADE DE REVISORES OFICIAIS DE CONTAS
Represented by company member Manuel de Oliveira Rego

## INDIVIDUAL ACCOUNTS

To the Shareholders,

1. As part of the duties laid down in article 420 of the Commercial Company Code, it is the responsibility of the Board of Auditors to issue a report and give an opinion on the financial statements of **NOVABASE – Sociedade Gestora de Participações Sociais, S.A.** for the financial year ending on **31 December 2002**.

2. The Board of Auditors monitored the most relevant management activities and checked the company's accounts and internal control systems during the year, submitting reports on the work and making suggestions when appropriate. When performing its duties, the Board of Auditors received the full cooperation of the Board of Directors and the company's departments.

3. Under the terms of no. 1 of article 452 of the Company Code, the Board of Auditors examined the annual report by the Official Auditor.

4. At the end of the financial year, the Board of Auditors analysed the accounting documents and the report submitted by the Board of Directors, conducted any checks that it deemed appropriate and examined the "Statutory Certification of the Accounts and Auditors' Report", with which it agrees.

5. OPINION:

   Having given due consideration to the contents of the "Statutory Certification of the Accounts", we are of the opinion that the Annual General Meeting:

   a) Should approve the accounts for the financial year of 2001 submitted by the Board of Directors;
   b) Should approve the proposal for allocation of the profits in the Annual Report submitted by the Board of Directors;
   c) Should make a general analysis of the company's management and supervision and draw the conclusions mentioned in article 455 of the Commercial Company Code.

Lisbon, 25 February 2003

***The Board of Auditors***

PEDRO REBELO DE SOUSA - Chairman

JOÃO FRANCISCO F. DE A. E QUADROS SALDANHA

OLIVEIRA REGO & ASSOCIADOS

SOCIEDADE DE REVISORES OFICIAIS DE CONTAS
Represented by company member Manuel de Oliveira Rego

OLIVEIRA REGO & ASSOCIADOS
Sociedade de Revisores Oficiais de Contas

**LEGAL CERTIFICATION AND AUDITORS' REPORT TO CONSOLIDATED ACCOUNTS**

***INTRODUCTION***

1. As required by law, we hereby submit the Statutory Certification of the Accounts and Auditors' Report on the financial information contained in the Annual Report and Consolidated Financial Statements for the financial year ending on **31 December 2002** of **NOVABASE – Sociedade Gestora de Participações Sociais, S.A.**, which include the Balance Sheet on 31 December 2002 (which shows a total of EUR 123.698 million and a total equity of EUR 69.434 million, including a net profit of EUR 9.459 million), the Profit and Loss Account by type and by function and the Cash Flow Statement of the financial year ending on the above date and their annexes.

***RESPONSIBILITIES***

2. The Board of Directors is responsible for:
   a) Preparing a consolidated financial statement that give a true and fair view of the financial position of the companies included in the consolidation, the consolidated result of their operations and the consolidated cash flow;
   b) Providing historical financial information prepared according to generally accepted accounting principles and which should be complete, true, up-to-date, clear, objective and legal, as required by the Securities Code;
   c) Adopting the appropriate accounting policies and criteria;
   d) Maintaining an appropriate internal control system; and
   e) Announcing any relevant occurrence that has influenced the company's activities, financial position or results.

3. Our responsibility is to verify the financial information contained in the above-mentioned accounting statements, to check that it is complete, true, up-to-date, clear, objective and legal, as required by the Securities Code, and to issue an independent professional report on the basis of our examination.

***SCOPE***

4. Our examination was conducted in accordance with the professional standards and auditing guidelines of the Official Auditors' Association, which require the examination to be planned and executed in such a way as to achieve an acceptable degree of certainty as to whether the consolidated financial statements are free of any materially relevant distortions. The examination therefore includes:
   - Verifying whether the financial statements of the companies included in the consolidation have been properly examined and, in significant cases in which the have not, using sampling to verify the documents supporting the amounts and information in them and evaluating the estimates based on criteria defined by the managing body in question and used in preparing them;
   - Checking the consolidation operations and the application of the equity method;
   - Considering whether the accounting policies adopted and presented are appropriate under the circumstances;
   - Verifying the applicability of the principle of continuity;
   - Deciding whether the overall presentation of the financial statements is appropriate; and
   - Deciding whether the financial information is complete, true, up-to-date, clear, objective and legal.

5. Our examination also included:
   a) Verifying whether the consolidated financial information in the Annual Report agrees with the other accounting documents.

6. We are of the opinion that the examination conducted provides an acceptable basis for forming our opinion.

***OPINION***

7. In our opinion, the financial statements give a true and fair view of all materially relevant aspects of the consolidated financial position of **NOVABASE – Sociedade Gestora de Participações Sociais, S.A.** on **31 December 2002**, the consolidated result of its operations and consolidated cash flows for the year ending on the above date, according to generally accepted accounting principles, and the information contained in them is complete, true, up-to-date, clear,

***IMPORTANT NOTE***

8. Without in any way affecting the opinion given in paragraph 7, we draw attention to the following situation:
   8.1. The consolidation perimeter consists of the parent company, NOVABASE – S.G.P.S., SA, and 32 subsidiaries. All the subsidiaries with materiality were audited by other auditors who passed on their opinion to us.

*Lisbon, 25 February 2003*

*OLIVEIRA REGO & ASSOCIADOS*
*SOCIEDADE DE REVISORES OFICIAIS DE CONTAS*
*Represented by company member Manuel de Oliveira Rego*

OLIVEIRA REGO & ASSOCIADOS
Sociedade de Revisores Oficiais de Contas

## LEGAL CERTIFICATION AND AUDITORS' REPORT TO INDIVIDUAL ACCOUNTS

### *INTRODUCTION*

1. As required by law, we hereby submit the Statutory Certification of the Accounts and Auditors' Report on the financial information contained in the Annual Report and financial statements for the financial year ending on **31 December 2002** of **NOVABASE – Sociedade Gestora de Participações Sociais, S.A.**, which include the Balance Sheet on 31 December 2002 (which shows a total of EUR 94.403 million and a total equity of EUR 69.434 million, including a net profit of EUR 9.459 million), the Profit and Loss Account by type and by function and the Cash Flow Statement of the financial year ending on the above date and their annexes.

### *RESPONSIBILITIES*

2. The Board of Directors is responsible for:

   a) Preparing financial statements that give a true and fair view of the financial position of the company, the result of its operations and the cash flow;
   b) Providing historical financial information prepared according to generally accepted accounting principles and which should be complete, true, up-to-date, clear, objective and legal, as required by the Securities Code;
   c) Adopting the appropriate accounting policies and criteria;
   d) Maintaining an appropriate internal control system; and
   e) Announcing any relevant occurrence that has influenced the company's activities, financial position or results.

3. Our responsibility is to verify the financial information contained in the above-mentioned accounting statements, to check that it is complete, true, up-to-date, clear, objective and legal, as required by the Securities Code, and to issue an independent professional report on the basis of our examination.

### *SCOPE*

4. Our examination was conducted in accordance with the professional standards and auditing guidelines of the Official Auditors' Association, which require the examination to be planned and executed in such a way as to achieve an acceptable degree of certainty as to whether the financial statements are free of any materially relevant distortions. The examination therefore includes:

   - Using sampling to verify the documents supporting the amounts and information in the financial statements and evaluating estimates, based on criteria defined by the managing body in question and used in preparing them;
   - Considering whether the accounting policies adopted and presented are appropriate under the circumstances;
   - Verifying the applicability of the principle of continuity;
   - Deciding whether the overall presentation of the financial statements is appropriate;
   - Deciding whether the financial information is complete, true, up-to-date, clear, objective and legal.

5. Our examination also included:

   a) Verifying whether the financial information in the Annual Report agrees with the other accounting documents

6. We are of the opinion that the examination conducted provides an acceptable basis for forming our opinion

### *OPINION*

7. In our opinion, the financial statements give a true and fair view of all materially relevant aspects of the financial position of **NOVABASE – Sociedade Gestora de Participações Sociais, S.A.**, on **31 December 2002**, the result of its operations and cash flows for the year ending on the above date, according to generally accepted accounting principles, and the information contained in them is complete, true, up-to-date, clear, objective and legal.

*Lisbon, 25 February 2003*

*OLIVEIRA REGO & ASSOCIADOS*
*SOCIEDADE DE REVISORES OFICIAIS DE CONTAS*
*Represented by company member Manuel de Oliveira Rego*

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To the shareholders of
**Novabase – Sociedade Gestora de Participações Sociais, S.A.**

## Auditor's Report

1 We have audited the accompanying consolidated balance sheet of **Novabase – Sociedade Gestora de Participações Sociais, S.A.** and its subsidiaries as of December 31, 2002, the related consolidated statements of income by nature and by functions and the consolidated cash flow statements for the year then ended and the corresponding notes to the accounts. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2 We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3 In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Novabase – Sociedade Gestora de Participações Sociais, S.A.** and its subsidiaries as of December 31, 2002 and the consolidated results of their operations and their cash flows for the year then ended in accordance with the generally accepted accounting principles in Portugal.

Lisbon, 26 February 2003

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## IV. BOARD OF AUDITORS', AUDITOR REGISTERED IN THE PORTUGUESE STOCK EXCHANGE AUTHORITY AND EXTERNAL AUDITORS DOCUMENTS

### (ii) Documents related to CHAPTER III of the Financial Statements Pro Forma IAS prepared in accordance with International Accounting Standards

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To the
Directors of
**Novabase, SGPS, SA**

**Limited Review Report**

1 We have reviewed the accompanying IAS pro-forma consolidated balance sheet of **Novabase, SGPS, SA** as at 31 December 2002, the related consolidated IAS pro-forma income statement for the year then ended, which were **prepared in accordance with International Accounting Standards** and the related pro-forma reconciliation of shareholder's equity and net profit for the year **between International Accounting Standards and generally accepted accounting practice in Portugal**. These statements are the responsability of the company´s directors. Our responsibility is to issue a report on this financial information, based on our limited review.

2 We conducted our review in accordance with the International Standard on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement.

3 A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial information and thus provides less assurance than an audit conducted in accordance with International Standards on Auditing. We have not performed an audit and, accordingly, we do not express an audit opinion.

4 As a result of our review we noted that the financial information referred to above does not conform to all the necessary requirements as stated in the International Accounting Standards, namely there is no consolidated cash-flow statement or a consolidated statement of shareholder's equity, as well as all the disclosure notes to the financial statements.

5 Based on our review, except for the omission of the information referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying pro-forma IAS financial information of **Novabase, SGPS, SA** is not presented in all material respects, in accordance with International Accounting Standards.

Lisbon, 6th of February, 2003

PricewaterhouseCoopers

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