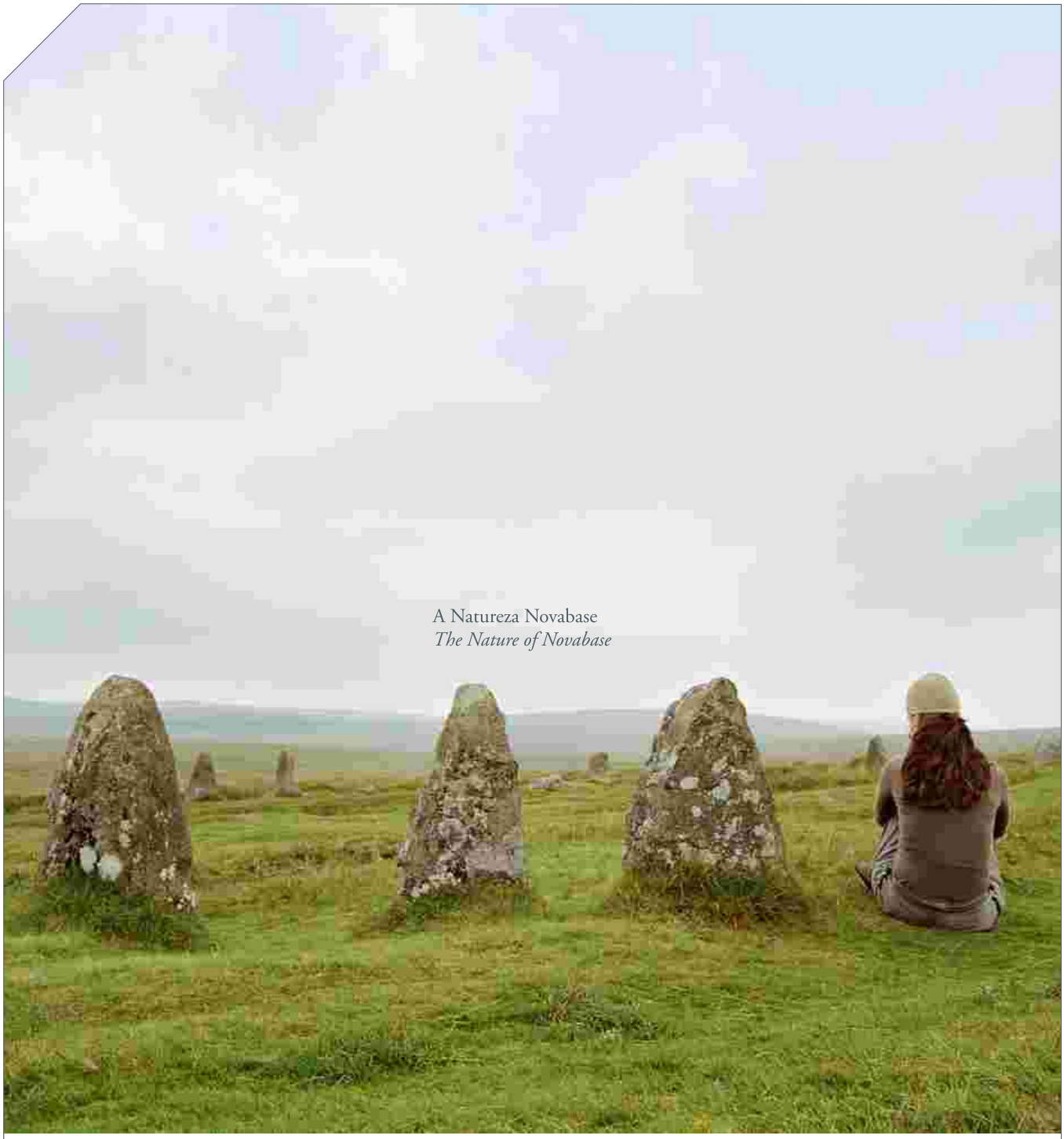

A Natureza Novabase
The Nature of Novabase

A curiosidade procura o conhecimento.
O conhecimento gera notoriedade,
transformando-se em crescimento e expansão.

Crescer é sonhar e inventar novas formas de crescer ainda mais,
de criar novos horizontes.

É esta a natureza Novabase.

Curiosity seeks knowledge.
Knowledge creates recognition,
that becomes growth and expansion.

To grow is to dream and invent new ways to grow even further,
to create new horizons.

This is the nature of Novabase.

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Mensagem do Presidente
Chairman's Message

Terminou o exercício de 2003. Por todos reconhecido como um ano muito difícil, 2003 foi excepcionalmente adverso para alguns sectores, entre os quais o das Tecnologias de Informação. Com todos os principais clientes das empresas do nosso sector empenhados em programas de redução de custos era inevitável que o mercado das TI apresentasse uma redução global, a qual segundo alguns analistas oscilou entre os cinco e os dez pontos percentuais. Para além disso assistiu-se a uma extraordinária pressão sobre os preços, designadamente sobre as actividades de consultoria, hoje consideradas muitas vezes como uma *commodity* com a consequente procura do preço mais baixo sem olhar à qualidade.

Perante este difícil cenário foi assinalável que a Novabase conseguisse crescer. Não apenas aumentámos o nosso volume total de negócios, como sobretudo esse crescimento foi de 17.1%. Em épocas em que os mercados não crescem, ou até decrescem, é necessário que as empresas mais competitivas consigam encontrar formas de continuar a crescer. Foi o nosso caso, fruto de algumas aquisições (designadamente ATX e GE Capital IT Solutions Portugal) e de um crescimento orgânico da divisão Novabase Engineering Solutions. Não foi possível, no entanto, evitar que as nossas margens operacionais fossem afectadas pela pressão de preços já referida, situando-se o EBITDA global na casa dos 12.9%, com contribuições de 18.0% do lado da divisão Novabase Consulting e 9.9% do lado da divisão Novabase Engineering Solutions.

Ao nível dos Resultados Líquidos atingimos os 0.6 M€, valor inferior ao que tradicionalmente a Novabase tem apresentado, devido a resultados extraordinários negativos de 5.1 M€. Sendo estes maioritariamente *non-cash items*, não significam quaisquer problemas operacionais para o futuro.

2003 has come to an end. Considered a difficult year by everyone, 2003 was particularly poor for certain sectors, including Information Technology. With all our sector's key customers committed to cost reduction programs it was inevitable that the IT market would exhibit an overall slump, which ranged between five and ten percentage points according to some analysts. In addition, we witnessed extraordinary pressure on prices, especially regarding consulting activities, today often considered a commodity for which the lowest possible price is sought without regard for quality.

Novabase's growth is noteworthy in light of this challenging scenario. Not only did we increase our overall turnover, but we increased it by 17.1%. The most competitive companies must find ways to keep growing in times when markets are stagnant or in decline. Such was our case, thanks to some acquisitions (namely ATX and GE Capital IT Solutions Portugal) and organic growth in the Novabase Engineering Solutions division. It was not possible, however, to avoid the aforementioned effects of price pressures on our operating margins. The overall EBITDA came in at approximately 12.9%, with contributions of 18% from the Novabase Consulting division and 9.9% from the Novabase Engineering Solutions division.

Our net profit was 0.6 M€, inferior to what Novabase has traditionally presented, due to negative extraordinary results of 5.1 M€. As these are fundamentally non-cash items, they do not mean any operational problems for the future.

Perante tão difíceis condições de mercado o desempenho da Novabase foi notável. Conseguimos crescer e defender as nossas margens operacionais. Este desempenho foi obtido graças a diversas optimizações operacionais que fizemos na empresa, tais como reduções de custos, sobretudo ao nível das unidades funcionais, e optimização da taxa de alocação de consultores a projectos, no caso do negócio de consultoria.

Como as alturas difíceis também são excelentes oportunidades para melhorar, para repensar a forma como se funciona, para reafirmar o futuro, a grande questão que importa responder é pois, se hoje, no final de 2003, a Novabase estará ou não mais forte do que estava há um ano atrás ?

Sem qualquer dúvida que SIM !

Temos um melhor modelo organizacional, mais apropriado para a nossa dimensão actual. O modelo de "rede de empresas" foi em grande parte responsável pelo nosso crescimento na segunda parte dos anos 90 e foi por isso muito útil. Contudo já não era um bom modelo para os desafios de hoje. Hoje somos uma empresa grande(#179 no *ranking* das 1000 maiores empresas portuguesas de todos os sectores em volume de negócios e #80 quando esse ranking é ordenado por VAB - Valor Acrescentado Bruto), já com mais de 1000 colaboradores permanentes e empresas localizadas em várias cidades e temos pois de dispôr de mecanismos mais eficazes de coordenação. Um modelo organizacional com um número elevado de empresas e poucas formas de coordenação entre elas já não o permitia. O nosso modelo actual com duas grandes divisões de negócio, correspondentes a negócios bastante diferentes e com uma grande coordenação dentro de cada divisão está plenamente implantado e cada uma das divisões criou os seus mecanismos de gestão próprios, mais adequados à sua actividade.

Novabase's performance was remarkable under such challenging market conditions. We managed to grow and defend our operating margins. Our performance is the result of a number of operating enhancements within the company such as cost reduction, mainly in our functional units, and optimization of the project consultant allocation rate in the case of consulting.

Difficult times are also excellent opportunities to improve, rethink how the company operates and reinforce for the future. As such, the big question to be answered is this: is Novabase stronger today, at the end of 2003, than it was a year ago?

YES, with absolutely no doubt.

We have a better organizational model more suited to our current size. The "enterprise network" model was largely responsible for our growth in the second half of the 1990's and thus proved extremely useful. However, it was no longer a good model for today's challenges. Today we are a large company (179th in the ranking of Portugal's 1,000 largest companies from all sectors in terms of turnover and 80th in terms fo GVA - Gross Value Added) with over 1,000 permanent employees and companies located in several cities and consequently have the benefit of more effective coordination mechanisms. Opportunities are limited in an organizational model with a large number of companies and a small number of coordination methods between them. Our current model has two large divisions corresponding to very different businesses, each with a high level of internal coordination. This model has been fully implemented, with each of the divisions having individual management mechanisms most suited to their areas of business activity.

Mensagem do Presidente
Chairman's Message

Temos mais e melhor gestão. Cada uma das administrações das divisões e a administração da Novabase SGPS definiram os modelos de gestão que consideraram mais apropriados para os seus respectivos objectivos. Houve um esforço muito grande de criação de processos de gestão robustos e fiáveis na Novabase Consulting, para o que muito contribuiu o reforço das equipas funcionais a elas afectas. Também na Novabase Engineering Solutions foi adoptada uma nova forma de trabalho que permitisse envolver na gestão as novas áreas entretanto adquiridas via Novabase IIS (ex- GE Capital ITS Portugal). Criámos igualmente novos sistemas de informação com destaque para o novo ERP e para o novo sistema de suporte à actividade comercial, que entraram em produção *on-time* e *on-budget* e têm funcionado superando as expectativas.

Temos uma oferta mais abrangente. A oferta da Novabase alargou-se e é hoje uma oferta de largo espectro no universo das Tecnologias de Informação. Para tal contribuíram as aquisições feitas no final de 2002 mas também a criatividade e inovação dos nossos colaboradores. À nossa oferta tradicional na divisão Novabase Engineering Solutions juntámos uma fortíssima componente de Infraestruturas englobando áreas como *Networking* e *Enterprise Computing*, provenientes da GE Capital ITS. Equipas fortemente profissionalizadas nesta área, obtiveram em 2003 elevadas quotas de mercado e a distinção generalizada dos seus parceiros através de uma impressionante lista de prémios atribuídos no exercício agora findo. A junção de uma forte área de infraestruturas à nossa já consolidada área de consultoria teve como resultado a criação de uma oferta global abrangente para os nossos Clientes.

Todas estas valências permitiram-nos assegurar vitórias já significativas no domínio do *outsourcing* selectivo de TI, área onde a Novabase já adquiriu projectos, notoriedade e uma imagem de confiança.

Temos menos custos. Dada a necessidade de resistir aos tempos difíceis que se têm feito sentir, que implicaram

We have more and better management. The management of each division and of Novabase SGPS has defined governance models deemed most suited to their respective goals. Great efforts were made to create robust and reliable management processes at Novabase Consulting, in which its functional teams played a significant supporting role. Likewise, a new work method was adopted at Novabase Engineering Solutions allowing the integration of newly acquired areas of Novabase IIS (formerly GE Capital ITS Portugal) into management. We also created new information systems, in particular a new ERP and a new sales force automation system that went into production on time and on budget, and which have operated beyond expectations.

We have a wider range of products and services. Novabase has expanded its products and services to provide a vast scope of solutions in today's Information Technology world. The acquisitions at the end of 2002 as well as the creativity and innovation of our employees played a significant part in this. We added a powerful infrastructure component to our traditional Novabase Engineering Solutions offering, including areas such as Networking and Enterprise Computing from GE Capital ITS. In 2003, highly specialized professional teams obtained sizeable market shares and overall recognition from our partners through an impressive list of awards received during this period. The combination of a strong infrastructure area with our already-consolidated consulting area resulted in a broad overall product and service offering to our Customers.

Taken as a whole, these competences have allowed us to secure important victories in selective IT outsourcing, an area where Novabase has already won projects, recognition and an image of confidence.

We have fewer costs. Given the need to resist these difficult times, which implied drastic overall price reductions by all market players and changes in our customers' purchasing habits, it was necessary to implement intense cost cuts at all levels. A great deal of

reduções fortes nos preços praticados em geral por todos os *players* de mercado e a alteração do padrão de compra dos nossos clientes, foi necessário empreender reduções fortes de custos, a todos os níveis. Desde a racionalização das instalações até à redução dos gastos nas áreas funcionais, à gestão muito cuidada dos recursos humanos atribuídos aos projectos, muito trabalho foi desenvolvido.

Temos mais negócio. Mesmo num mercado que decresce, a Novabase tem sabido crescer. Umas vezes organicamente, outras por aquisição. Umas vezes numas áreas, outras vezes em outros domínios. Temos encontrado meios de aumentar o nosso negócio, como única forma de conseguir a penetração no mercado que nos garanta um cenário mais risonho de progressão futura. Não interessa crescer por crescer. Interessa fazer bem. Quem fizer melhor tornar-se-á necessariamente maior.
As nossas operações internacionais consolidaram posições. No Brasil, com uma equipa que no final de 2003 contava com cerca de 55 pessoas, conseguimos ser já reconhecidos como uma empresa muito competente e focada. Temos como Clientes grandes empresas brasileiras e, pela primeira vez, em 2003 ultrapassámos o *break-even* operacional. Em Espanha demos os primeiros passos, através da vitória nos primeiros projectos na divisão Novabase Consulting. Também aqui foi possível atingir no último trimestre do ano o *break-even* operacional.

Somos mais centrados no Cliente. Temos cada vez mais Clientes para quem somos importantes e a quem acrescentamos valor. Esta é a nossa razão de existir. Na Novabase vendemos essencialmente Confiança. E a confiança compõe-se de Valor e Relação. Por isso é necessário acrescentar valor ao negócio do nosso Cliente num cenário em que mantenhamos com ele uma relação de suficiente proximidade para conseguirmos entender bem o que ele necessita e como o podemos ajudar. Esta é uma batalha que nunca está ganha mas que estamos hoje mais próximos do que alguma vez estivemos de vencer.

work was done, from streamlining our facilities to expense reductions in functional areas and meticulous management of human resources assigned to projects.

We have more business. Novabase has managed to grow, even in a declining market, both organically and through acquisitions, sometimes in particular areas and other times in new fields. We have found ways to grow our business as the sole means of penetrating the market and guaranteeing a more prosperous scenario for future progress. We do not wish to grow simply for the sake of growing. We want to execute well. In executing well, we will grow accordingly.

Our international operations have consolidated positions. In Brazil, where our team included about 55 individuals at the end of 2003, we have now achieved recognition as an extremely competent and focused company. We have major brasilian companies as Customers and, in 2003, reached break-even point in operations for the first time. We took our first steps in Spain with the success of the Novabase Consulting division's first projects. Here too we reached break-even point in operations in the year's final quarter.

We are more focused on the Customer. We are increasingly important and provide added value to an ever-growing customer base. This is why we exist. At Novabase, we essentially sell Trust, which is a combination of Value and Relationships. This is why we are driven to give added value to our customers' businesses and maintain close working relationships to understand their needs and how we can help them. It is a never-ending battle, which today we are closer than ever to winning.

We maintain excellent relations with our investors, partners, the media and other stakeholders. We are universally known for the professionalism and competence placed in company relations with these important market participants.

Mensagem do Presidente
Chairman's Message

Mantemos uma excelente relação com investidores, parceiros, *media* e outros *stakeholders*. Muitos são aqueles que destacam o nosso profissionalismo e competência colocados ao serviço da relação da empresa com estes importantes actores do mercado.

O mercado das TI encontra-se ainda sob grande pressão, está mais pequeno, mais frágil e não é hoje visto como "uma estrela", como era há bem poucos anos atrás. O tamanho deste mercado diminuiu, as margens são menores, os preços estão sempre a ser pressionados para baixo. Muitos *players* enfraqueceram, muitos desapareceram, mas a Novabase afirmou-se, está mais forte e é hoje uma das pouquíssimas empresas nacionais de dimensão relevante deste sector e, entre essas, é a única que é independente de um grande grupo económico.

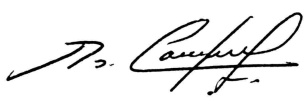
Acreditamos, como sempre, no futuro da Novabase. Temos uma excelente equipa, somos reconhecidos, estamos implantados, temos meios e sabemos definir objectivos agressivos. Provámos que sabemos progredir com bom tempo mas também na tempestade. Sabemos que no dia da retoma do mercado estaremos na linha da frente para conquistar mais negócio e uma ainda melhor posição no mercado, pois a retoma beneficia sempre em primeira mão quem resistiu bem aos tempos difíceis. Não interessa saber exactamente quando será a retoma, o que interessa é saber preparar esse dia.

Em 2004 queremos continuar a crescer sem sacrificar as margens operacionais, fortalecer e renovar a nossa oferta e aprofundar a nossa aposta internacional. Continuamos pois a apostar que seremos uma forte empresa no mercado Ibérico das Tecnologias de Informação e um membro de pleno direito do grupo das empresas com maior potencial de crescimento e valorização no Espaço Europeu.

The IT market remains under great pressure. It is smaller, more fragile, and is no longer seen as the "shining star" that it was just a few short years ago. The market size has decreased, margins are smaller, and prices are continually being pushed downward. Many players have weakened and many have disappeared, but Novabase has asserted itself as being stronger. Today we are one of the few domestic companies of significant size in the IT sector, and of these, the only company that is not part of a large group.

As always, we believe in the future of Novabase. We have an excellent team. We are recognized and established. We have resources and know how to set aggressive goals. We have proven our ability to advance in good times as well as in difficult times. When the market rebounds we know we will be on the front line to win more business and an even better market position, since economic revival inevitably favors those who weather the hard times. The exact day of this rebound is not important. We care most about being prepared for it when it comes.

In 2004 we want to keep growing without sacrificing operating margins, reinforce and revitalize our products and services, and intensify our international focus. We remain committed to being a strong company in the Iberian Information Technology market, fully entitled to belong to the elite group of companies with the highest growth and value potential in the European arena.



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*)

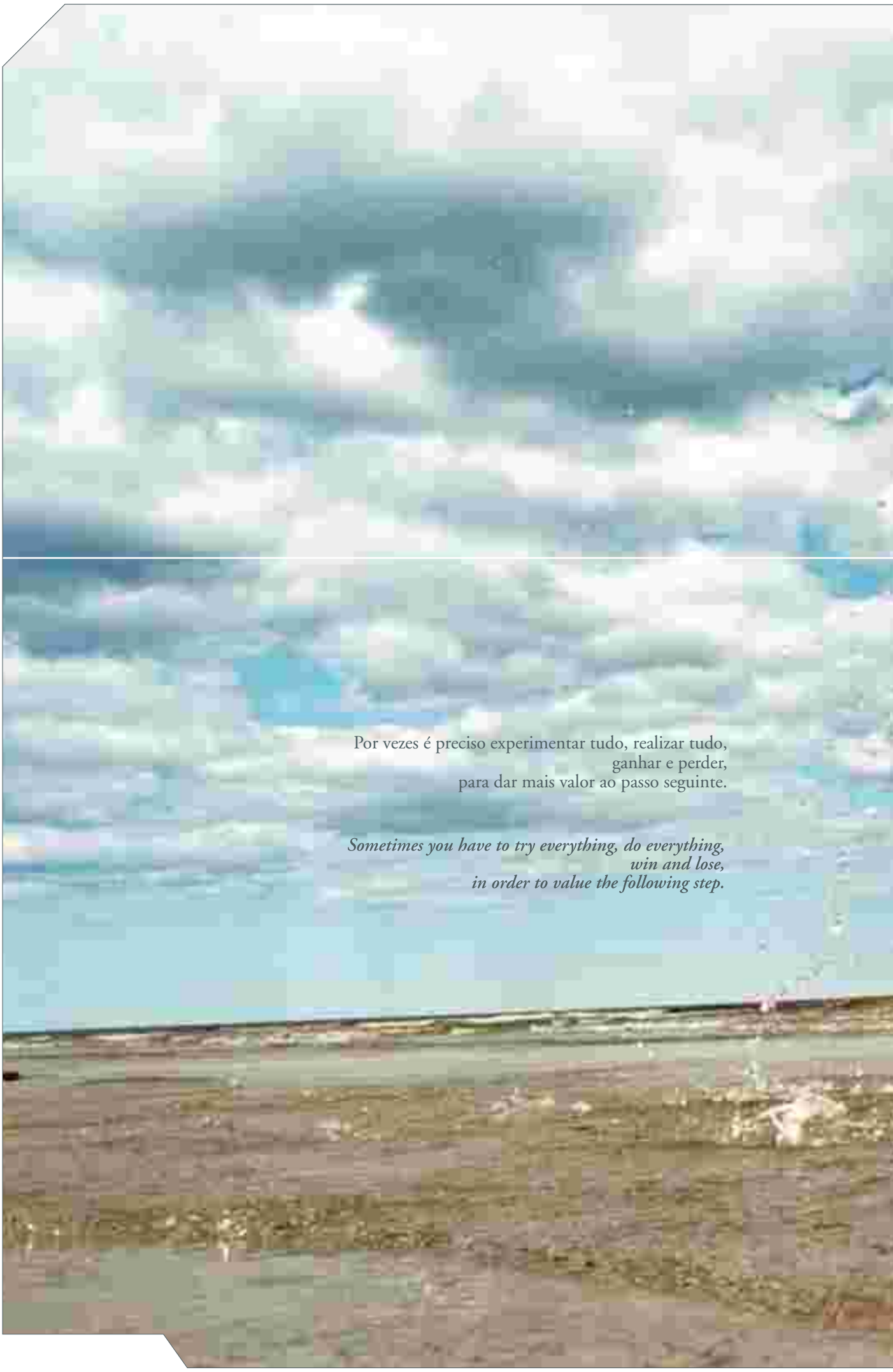
Conselho Fiscal
Board of Auditors

_ Pedro Rebelo de Sousa (Presidente *Chairman*)
_ "Belarmino Martins, Eugénio Ferreira e Associados" - SROC,
representada por Abdul Nasser Abdul Sattar ou por Ricardo Filipe de Frias Pinheiro
The official auditing firm "Belarmino Martins, Eugénio Ferreira & Associados" represented by Abdul Nasser Abdul Sattar or Ricardo Filipe de Frias Pinheiro
_ João Francisco Ferreira de Almada e Quadros Saldanha
_ José Miguel Caseiro Martins Godinho (Vogal Suplente *Substitute Member*)
_ Belarmino Gonçalves Martins (Vogal Suplente *Substitute Member*)
em representação da SROC "Belarmino Martins, Eugénio Ferreira & 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
_ João Vasco Tavares da Mota Ranito
_ João Filipe Santos Teixeira Neto
_ José Carlos de Almeida Pedro de Jesus
_ Nuno Miguel Isidoro Duarte
_ Joaquim Sérvulo Rodrigues

* Cargo vago por falecimento do seu titular no final do exercício de 2003
Position vacant due to the passing away of board member at the end of 2003



Por vezes é preciso experimentar tudo, realizar tudo,
ganhar e perder,
para dar mais valor ao passo seguinte.

Sometimes you have to try everything, do everything,
win and lose,
in order to value the following step.

Relatório 2003

Annual Report 2003

1. Indicadores Chave / Resumo da Actividade

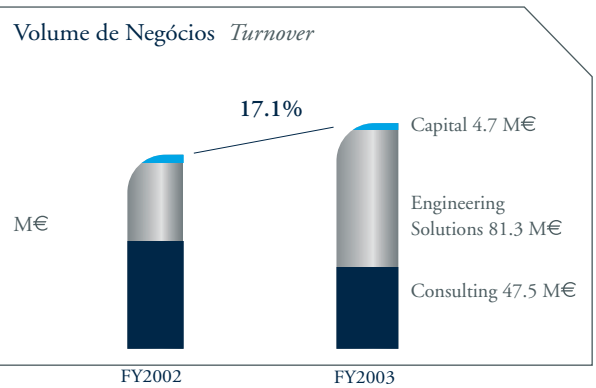
1.1. Volume de Negócios

O Volume de Vendas e Prestação de Serviços Consolidados em 2003 atingiu os 133.5 M€ (milhões de euros), o que representa um crescimento de 17.1% face aos 114.1 milhões de euros registados em 2002.

1 . Key Indicators / Summary of the Activity

1.1. Turnover

The value of the consolidated volume of sales and services in 2003 was 133.5 M€ (Million Euros), which represents an increase of 17.1% compared to the 114.1 M€ registered in 2002.

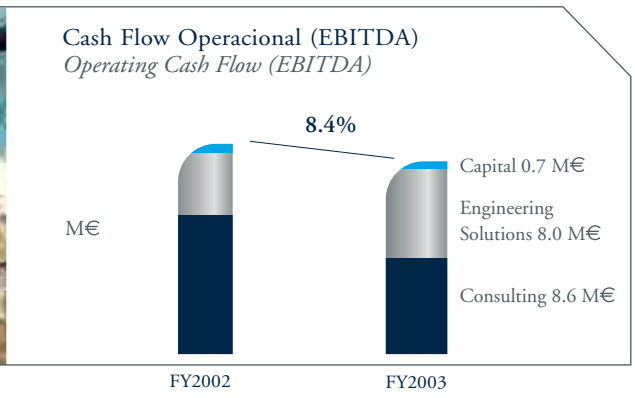


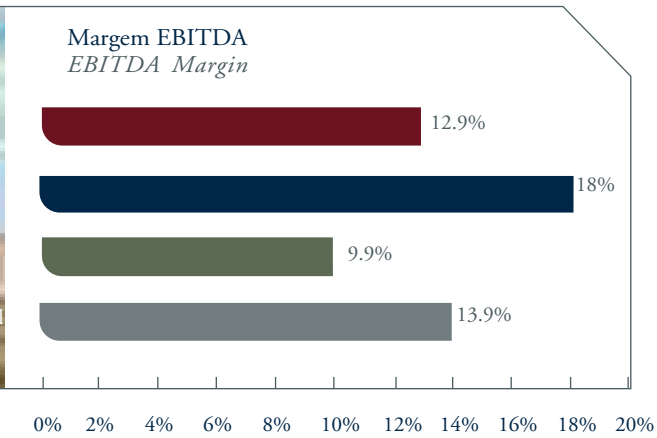
1.2. EBITDA

O Cash Flow Operacional (EBITDA) atingiu os 17.3 M€, uma redução de 8.4% face aos 18.8 M€ registados em 2002. A margem percentual EBITDA de 2003 cifrou-se em 12.9%. A divisão Novabase Consulting registou uma margem EBITDA de 18%, a divisão Novabase Engineering Solutions 9.9% e a Novabase Capital 13.9%.

1.2. EBITDA

The operating cash flow (EBITDA) was 17.3 M€, a decline of 8.4% compared to the 18.8 M€ registered in 2002. The overall EBITDA margin was 12.9% in 2003. EBITDA for Novabase Consulting was 18%, for Novabase Engineering Solutions 9.9% and for Novabase Capital 13.9%.





Os Resultados Operacionais (EBIT) atingiram os 10.5 M¤ , o que traduz um decréscimo de 25.5% face a 2002, período em que se cifraram em 14.1 M¤ .

1.3. Resultados Líquidos

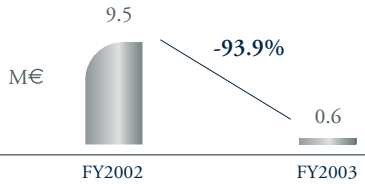
Os Resultados Líquidos Consolidados, já deduzidos de interesses minoritários, atingiram neste período 0.6 M¤ , correspondendo a um decréscimo de 93.9% face a igual período de 2002, altura em que se cifraram em 9.5 M¤ .

The operating results (EBIT) were 10.5 M¤ , which reflects a decrease of 25.5% compared to 2002, when they were 14.1 M¤ .

1.3. Net Profit

Our Consolidated Net Profit, after deducting minority interests, was 0.6 M¤ for the year, which represents a decrease of 93.9% compared to 2002, when it was 9.5 M¤ .

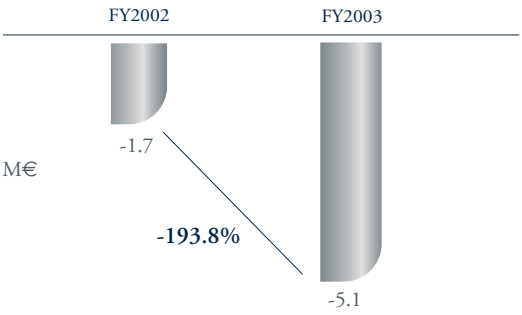
Resultados Líquidos Consolidados (POC)
Consolidated Net Profit (Portuguese GAAP)



A razão para este decréscimo prende-se essencialmente com o aumento de custos extraordinários, fruto de uma política mais conservadora adoptada pela Empresa.

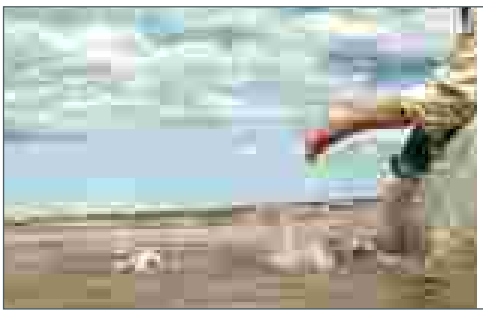
The reason for this decrease can essentially be attributed to an increase in extraordinary costs as a result of a more conservative company policy.

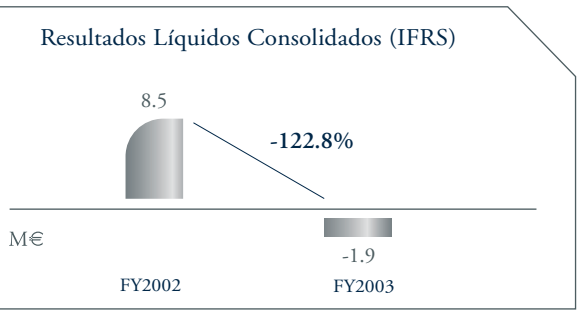
Resultados Extraordinários *Extraordinary Results*



Utilizando as normas IFRS, os Resultados Líquidos Consolidados apresentam ainda uma diferença de cerca de 2.5 M€ face aos valores atrás apresentados segundo as normas POC, cifrando-se num prejuízo de 1.9 M€. As normas IFRS consideram, como custos, investimentos que são capitalizados pelas normas do POC (ver ponto 9 do presente documento).

Using the IFRS standards, the 2003 Consolidated Net Profit still shows a difference of about 2.5 M€ when compared to the aforementioned values according to the Portuguese GAAP (POC), registering a loss of 1.9 M€. The IFRS standards classify book entries capitalized by the Portuguese GAAP (POC), as costs (see point 9 of this document).





1.4. Resumo da Actividade

A actividade da Novabase em 2003 pode considerar-se positiva, sobretudo se analisada à luz de um clima económico adverso e num mercado de Tecnologias de Informação (TI) em contracção.

Neste contexto, a Novabase regista um crescimento expressivo face ao período homólogo em termos de Volume de Negócios (+17.1%) e mantém margens EBITDA interessantes quer no negócio de Consultoria (+18.0%) quer no negócio de Engenharia (+9.9%).

Assumindo uma posição conservadora, foram registados custos extraordinários não recorrentes (tais como acelerações na amortização de goodwill de participadas) no montante de 5.1 M€ com um impacto directo nos Resultados Líquidos, que se fixaram em 0.6 M€.

A Novabase tem fundamentalmente dois tipos de actividade, consubstanciados em duas divisões de negócio: Novabase Consulting e Novabase Engineering Solutions.

O negócio de Consultoria mostra uma redução em volume de actividade face ao ano transacto de 25% mas apresenta uma margem EBITDA elevada de 18.0%. A fim de defender estas margens face à actual conjuntura de mercado e à pressão que se regista sobre os preços, foi necessário reduzir os custos de estrutura de forma significativa e foi necessário optar por não aceitar alguns negócios que teriam contribuído para um maior volume de negócios mas à custa de margens bastante mais baixas.

1.4. Summary of the Activity

Novabase activity in 2003 may be regarded as positive, particularly considering the adverse economic environment and the contracting IT market.

In this context, Novabase registers a significant growth compared to the same period of the previous year in terms of Turnover (+17.1%) and maintains interesting EBITDA margins both in the Consulting business (+18.0%) and in the Engineering business (+9.9%).

Following a conservative policy, non-recurring extraordinary costs were registered (such as acceleration in the participated companies' goodwill amortization) amounting to 5.1 M€ with a direct impact in Net Results, which reached 0.6 M€.

Novabase fundamentally has two businesses: the Consulting business and the Engineering Solutions business.

The Consulting business shows a reduction of approximately 25.0% in activity compared to the same period last year, nevertheless presenting an EBITDA margin of 18.0%. In order to defend these margins within the present market context and the pressure exerted on the prices, it was necessary to reduce structure costs in a significant manner. Furthermore, it was deemed necessary not to go into projects which would have contributed to a higher turnover but would represent significantly lower margins.

O negócio de Engenharia mostra uma excelente performance no que respeita ao crescimento do volume de negócios mas igualmente na defesa das suas margens. Na divisão Novabase Engineering Solutions o volume de negócios cresce, em termos homólogos 75.3%. Mesmo ajustando o efeito da aquisição da Novabase I.I.S. (ex-GE Capital IT Solutions), o volume de negócios nesta divisão cresceu ainda assim 2.4%. Em termos de EBITDA, este negócio cresceu 42.4% situando-se a margem nos 9.9%.

2 . Enquadramento Macro Económico

O ano 2003 foi ainda um ano de desaceleração económica, marcado por ameaças de conflitos militares e por instabilidade política no Médio Oriente e na América Latina. Na Zona Euro, com a excepção de algumas economias que mostraram já sinais de recuperação económica (caso de Espanha) de um modo geral manteve-se a aversão ao risco por parte dos diversos agentes económicos, com implicações negativas a nível do comportamento de consumo e de investimento, adiando a retoma económica.

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 2003, por um clima de recessão e de clara divergência económica.

As estimativas apontam, em 2003, para um decréscimo de 1% no Consumo Privado e para um decréscimo mais acentuado de 9% no Investimento. A actividade económica foi condicionada pelo esforço de consolidação das Contas Públicas de forma a conter o défice público no limite dos 3% do PIB conforme estabelecido no Pacto de Estabilidade e Crescimento. Esta foi a prioridade da política económica Portuguesa em 2003, ficando o défice público, ao que se estima, abaixo dos 2.9% do PIB.

Este quadro de evolução teve impacto no nível de produção dos vários sectores de actividade económica

The Engineering business shows an excellent performance in what concerns turnover increase as well as defence of its margins. In the Novabase Engineering Solutions division turnover increased 75.3% compared to the same period the previous year. Even adjusting the effect of Novabase I.I.S. (former GE Capital IT Solutions) acquisition, turnover in this division increased 2.4%. In terms of EBITDA, this business grew 42.4%, its margin in percentage terms amounting to around 9.9%.

2 . Macroeconomic Environment

2003 was again a year of economic slowdown marked by threats of military conflict and political instability in the Middle East and Latin America. In the Euro Zone, with the exception of a few economies that began to show signs of economic recovery (Spain, for example), aversion to risk was generally maintained with negative effects on consumption and investment, resulting in the delay of the economic turnaround.

With respect to the Portuguese economy, the general decline in consumption and private investment as well as the severe constraints in public expenditure and investment was responsible for the climate of recession and clear economic divergence of 2003.

Estimates for 2003 point to a 1% decline in private consumption and an even greater decrease in investment of 9%. Economic activity was influenced by the effort to consolidate public accounts in order to maintain the deficit within the limit of 3% of Gross Domestic Product (GDP) stipulated by the Stability and Growth Pact. This economic policy, the priority in Portugal for 2003, resulted in a deficit that is estimated to have been below 2.9% of GDP.

This evolution impacted production in the various national sectors of economic activity, including that of Information Technology. The unemployment rate increased from 5.1% in 2002 to 6.6% in 2003, which was accompanied by the weakening of salary increases. The declining progress in salaries combined with the

nacionais, entre os quais o sector das Tecnologias de Informação. A taxa de desemprego agravou-se de 5.1% em 2002 para 6.6% em 2003 com reflexo no enfraquecimento dos aumentos salariais. A fraca evolução salarial com natural impacto na contracção da procura interna, conjugada com o crescimento moderado dos bens importados determinaram a diminuição da taxa de inflação de 3.7% em 2002 para 3.3% em 2003 (variação do Índice Harmonizado de Preços no Consumidor).

Neste cenário, as estimativas existentes à data apontam para um decréscimo do PIB que se estima próximo da casa de 1%, inferior ao crescimento médio anual da Zona Euro que se estima ter ficado próximo dos 1%.

As perspectivas para 2004, caso se confirme uma evolução favorável do contexto macro-económico, apontam para um crescimento médio do PIB esperado para a Zona Euro à volta dos 2%, valor ainda assim superior ao esperado para Portugal que se situa nos 1%. A acontecer ainda seria o terceiro ano consecutivo de divergência económica face aos países da Zona Euro.

3 . O sector das Tecnologias de Informação

3.1. Enquadramento

O ano 2003 foi marcado pela continuação da crise no sector das Tecnologias de Informação (TI). Tal como aconteceu em 2002, a pressão sobre os preços e a diminuição do número de oportunidades de negócio foram os aspectos mais marcantes. Também em Portugal, a contracção do mercado continuou a ser mais causada pela pressão nos preços e menos pela redução puramente no volume de trabalho – segundo um estudo do Citygroup na Europa Ocidental, só cerca de 1/4 a 1/3 da quebra de procura pode ser atribuída a diminuição de volume.

Segundo dados do INSAT, o mercado das TI em Portugal valia cerca de 1.5 mil milhões de Euros em 2002, tendo-se assistido a uma quebra nominal de 5% face a 2001

contraction in employment supply and the moderate increase in imported goods resulted in a reduction in the inflation rate from 3.7% in 2002 to 3.3% in 2003 (variation of the Harmonized Consumer Price Index).

In this scenario, the GDP is expected to have decreased by approximately 1%, less than the average annual growth of the Euro Zone, which is estimated to have been around 1%.

If the macroeconomic situation improves, the outlook for 2004 points to an expected average growth in the GDP in the Euro Zone of about 2%, which is higher than the 1% expected for Portugal. If this turns out to be the case, it will be Portugal's third year of divergence from the economies of the other Euro Zone countries.

3 . The Information Technology Sector

3.1. Environment

2003 was marked by ongoing crisis in the Information Technology (IT) sector. As in 2002, the most prominent aspects were pressure on prices and a decline in the number of business opportunities. In Portugal as well, contraction of the market continued to be caused more by price pressures than by sheer work volume. According to a study of Western Europe by Citygroup, only about 1/4 to 1/3 of the decline in demand can be attributed to a reduction in volume.

According to INSAT data, the Portuguese IT market was valued at approximately 1.5 billion in 2002, with a nominal decline of 5% compared to 2001 and 9% when adjusted for the effects of inflation. For 2003, although final figures have yet to be calculated, INSAT estimates there was a new decline of approximately 10% in nominal terms and approximately 15% when adjusted for inflation.

e de 9% quando ajustada pelo efeito da inflação. Para 2003, embora ainda não existam valores finais apurados, o INSAT estima que se assistiu a uma nova quebra na ordem dos 10% em termos nominais e de aproximadamente 15% em termos de valores ajustados pela inflação.

3.2. Clientes

Como é expectável em períodos de recessão, os Clientes tendem a reduzir fortemente os gastos com serviços de TI nomeadamente os ligados a novos projectos (na área da consultoria em particular) enquanto que os serviços mais essenciais à operação das plataformas tecnológicas (manutenção e operação, etc.) continuam a sofrer menores cortes orçamentais por serem essenciais ao funcionamento no dia-a-dia. Vislumbram-se igualmente novas oportunidades em segmentos como o do *business process outsourcing* (BPO) relacionadas com a optimização operacional contínua que se pretende impor aos serviços. Também a tendência para o outsourcing, nomeadamente de Infraestruturas, aumentou claramente no ano findo. À semelhança de 2002, a consultoria e implementação de *packages* de gestão, designadamente ERP, foi a área que mais se ressentiu.

Os Clientes continuaram a ser muito cautelosos durante o ano 2003 sendo que:

_ Só os projectos mais prioritários é que foram desbloqueados;
_ Continuou a concentração de trabalho num número reduzido de fornecedores por forma a obter melhores preços em troca de garantia de maior volume adjudicado.

Os sectores em que a recessão se fez sentir com maior intensidade foram os Serviços Financeiros e a Indústria. A Administração Pública, embora continuando a efectuar algum investimento congelou claramente as suas iniciativas junto ao final do ano.

Segundo dados do INSAT, o segmento de Serviços Financeiros deverá ter reduzido em cerca de 12% as suas

3.2. Customers

As can be expected in periods of recession, Customers tend to cut costs dramatically in IT services, namely those involving new projects (especially in consulting) while more essential services linked to technological platforms (maintenance, operation, and so on) undergo smaller budget cuts since they are essential to daily operations. At the same time, new opportunities are on the horizon in segments such as business process outsourcing (BPO) related to ongoing operational optimization to be applied to services. The trend toward outsourcing, namely that relating to infrastructure, also increased noticeably this past year. As in 2002, consulting and the deployment of management packages, in particular ERP, suffered the most.

Customers continued to be extremely cautious in 2003 given that:

_ Only the highest-priority projects were approved.

_ Work continued to be channeled to a smaller number of suppliers in order to obtain better pricing in exchange for awarding higher volumes.

The recession was felt most intensely in the financial services and manufacturing sectors. Although it continued to make some investments, public administration noticeably froze its initiatives toward the end of the year.

According to INSAT data, the financial services sector likely downscaled its IT expenditure by about 12% in nominal terms, the telecommunications sector practically maintained its IT expenditure as it did in 2002, and the public administration sector likely reduced its expenditure by 12.5% in 2003. In this scenario, however, the impact was softened by the intense drop in the number of suppliers competing in the market, with the "survivors" enjoying a larger share of tendering opportunities from government entities.

despesas de TI em termos nominais; as Telecomunicações praticamente terão mantido as suas despesas em TI, tal como já haviam feito em 2002, e a Administração Pública deverá ter reduzido os seus gastos em cerca de 12.5% em 2003. No entanto, neste caso, este impacto foi mitigado pela forte redução de empresas fornecedoras a competir no mercado ficando os "sobreviventes" com uma quota maior dos trabalhos colocados a concurso pelos organismos governamentais.

3.3. Competidores

Continuou a assistir-se em 2003 a uma concentração da procura em dois tipos de empresas:

_ Fornecedores reputados e com dimensão, como a Novabase, que ganham negócios devido à sua credibilidade, estabilidade e fidelidade dos Clientes;

_ Pequenas empresas e "free-lancers" (com estruturas de custos mais baixas) que conseguem ganhar negócios pontuais praticando preços anormalmente baixos. A este grupo juntaram-se algumas empresas em dificuldade que procuraram competir com preços muito baixos, em negócios sem margem, a fim de garantir a sua sobrevivência.

Um grande números de médias empresas de TI que existiam em Portugal na década de 90 enfrentaram grandes dificuldades, reduziram os seus volumes de negócios, baixaram drasticamente a rentabilidade (algumas para o vermelho), foram absorvidas ou vendidas. Esta concentração também tem produzido efeitos do lado dos *economics* das empresas de TI "sobreviventes" com os custos de re-estruturações do lado negativo. Para os profissionais do sector significou uma decrescente capacidade negocial com os empregadores e níveis salariais mais baixos. Passou também a existir uma maior oferta de recursos qualificados disponíveis no mercado.

3.3. Competitors

Demand in 2003 continued to be channeled toward two kinds of companies:

_ Sizeable suppliers with a solid reputation, such as Novabase, who win business through their credibility, stability and customer loyalty.

_ Small companies and freelancers with lower overhead who win business now and again by offering unusually low prices. Included in this group are some companies seeking to compete with very low prices or with no margin at all to ensure their survival in difficult times.

A large number of medium-sized IT companies which existed in Portugal in the 1990's have faced enormous difficulties, decreased their turnover, lost considerable ground in profitability (some into the red), and were acquired or sold. This concentration trend has also had effects upon the economics of the "surviving" IT companies, with restructuring costs coming in on the negative side. For professionals in the sector, this led to dwindling negotiation power with employers and lower salaries. At the same time, a greater supply of qualified human resources became available in the market.

4 . Estrutura da Novabase e Modelo de Governo

4.1. Divisões de Negócio

Durante o ano 2003 a Novabase integrou vários dos seus negócios, tendo nomeadamente reduzido para duas o número das suas divisões de negócio:

_ Novabase Consulting
_ Novabase Engineering Solutions

A Novabase Consulting continuou uma profunda reestruturação, iniciada em 2002, com vista a reduzir e racionalizar a sua estrutura organizacional. A fusão de diversas actividades, a integração de forças de vendas e a criação de unidades de serviços partilhados tornaram essa estrutura bastante mais flexível e eficiente. O modelo de governo da divisão contempla a existência de partners responsáveis pelos principais mercados e por práticas. As práticas - estruturas responsáveis pelo desenvolvimento da oferta e pelo *delivery* - resultaram da fusão de várias empresas da antiga rede Novabase e são as seguintes:

_ Enterprise Applications (EA),
_ Business Intelligence (BI),
_ Advanced Custom Development (ACD) e
_ Outsourcing (OUT)

Existem dois tipos de unidades de serviços partilhados: as funcionais (unidades de suporte interno) - Talent Management (TM) e Finance and Accounting (FA) - e de negócio (unidades de suporte externo) - Enterprise Program Management (EPM) e Business Consulting & Architecture (BCA).

A Novabase Engineering Solutions conheceu em 2003 uma forte expansão, resultante quer de crescimento orgânico quer da aquisição da ex-GE Capital ITS (agora Novabase I.I.S.).

4 . Structure and Management

4.1. Business Divisions

In 2003, Novabase combined several of its businesses and reduced the number of its divisions to two:

_ Novabase Consulting
_ Novabase Engineering Solutions

Novabase Consulting finalized major restructuring, which began in 2002, in order to downscale its number of organizational structures. The structure has been made more flexible and operational by merging various activities, uniting sales forces and setting up two shared business support units. The division's management model includes partners responsible for markets and practices. Each practice (or structure responsible for delivery) is the result of a merger of several companies from the former Novabase network.

The practices were as follows:
_ Enterprise Applications (EA)
_ Business Intelligence (BI)
_ Advanced Custom Development (ACD)
_ Outsourcing (OUT)

Novabase Consulting is comprised of two types of shared services: one is functional (internal support), namely Talent Management (TM) and Finance and Accounting (FA), and the other is business oriented (external support), namely Enterprise Program Management (EPM) and Business Consulting & Architecture (BCA).

Novabase Engineering Solutions underwent intensive expansion in 2003 both as a result of organic growth as well as the acquisition of the former GE Capital ITS (now Novabase IIS).

Nesta divisão, as práticas em 2003 foram as seguintes:
_ Interactive Digital TV Solutions (IDTV)
_ Enterprise Computing Solutions (ECS)
_ Ticketing & Transport Solutions (TTS)
_ Telecom & Networking Solutions (TNS)

Esta divisão possui uma abordagem comercial muito dirigida aos mercados/ clientes onde opera, com uma responsabilização directa da administração da divisão pela condução dos negócios nas áreas de IDTV e TTS. Nas restantes áreas ECS e TNS, para além da intervenção da administração da divisão existe também uma força de vendas mais capilar devido ao elevado número de clientes.

A divisão possuía ainda em 2003 as suas áreas de suporte próprio: financeira, logística e RH.

Um dos objectivos para 2004, em termos de modelo organizacional da Novabase consiste na centralização de algumas destas funções de suporte das divisões com as da própria Novabase SGPS, movimento este que já começou no final de 2003 na sequência do início da introdução de sistemas de informação comuns.

4.2. Novabase Capital

Não sendo uma divisão de negócio, a **Novabase Capital** é uma estrutura de suporte ao desenvolvimento dos negócios da Novabase. 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. Novabase SGPS / Novabase Serviços

A Novabase SGPS e a Novabase Serviços possuem sob o seu controlo as áreas funcionais centrais: Marketing e Comunicação, Finanças, Jurídica, Relação com Investidores, Gestão Administrativa, RH e Sistemas de Informação.

The practices in this division were as follows in 2003:
_ Interactive Digital TV Solutions (IDTV)
_ Enterprise Computing Solutions (ECS)
_ Ticketing & Transport Solutions (TTS)
_ Telecom & Networking Solutions (TNS)

This division's commercial approach is highly directed at markets/customers where it operates, with direct divisional management responsibility for the IDTV and TTS businesses. In the remaining ECS and TNS areas, there exists a more comprehensive sales force, above and beyond divisional management, due to the high number of customers.

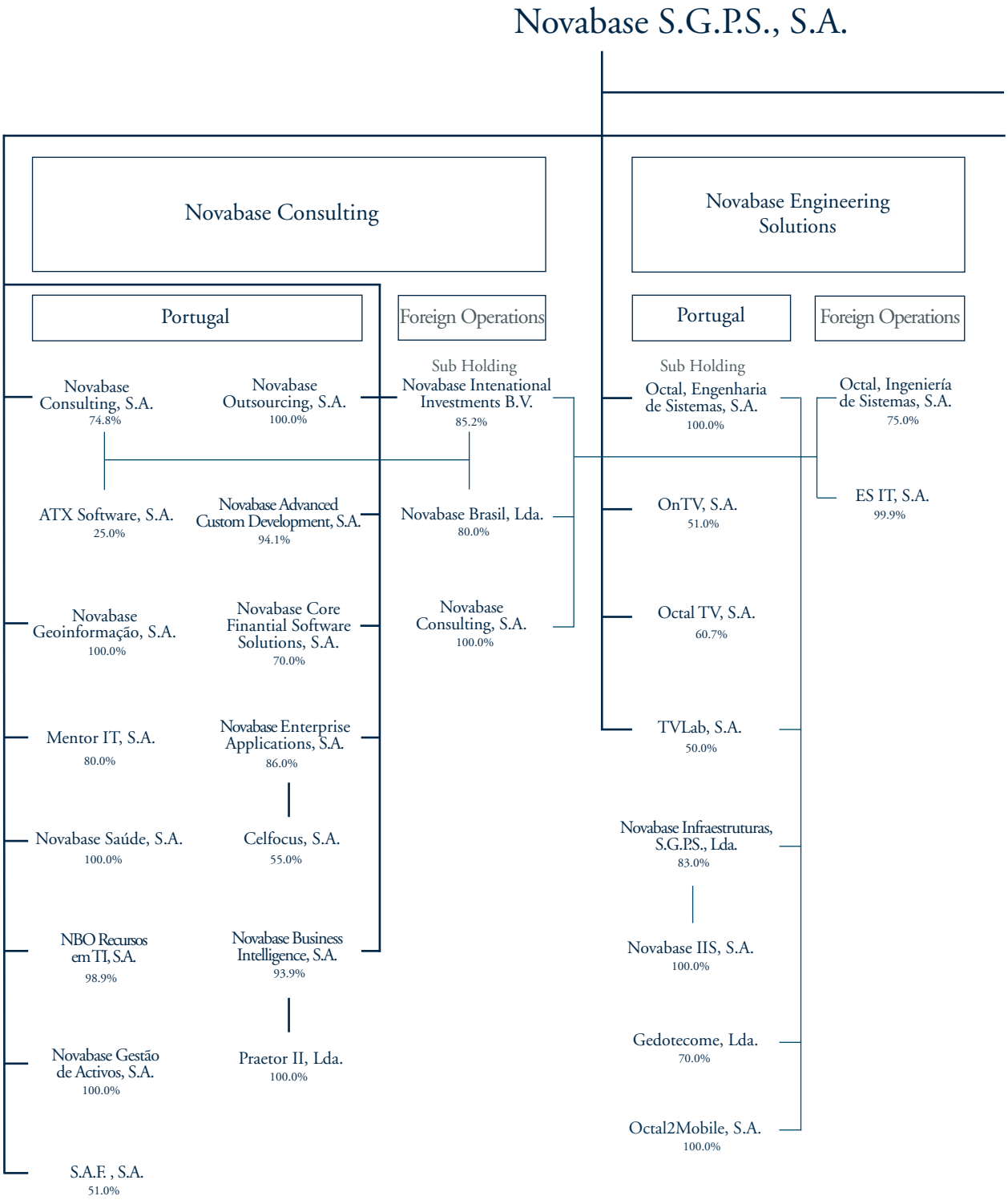
In 2003 this division also has its own support, financial, logistical and HR areas.
In terms of Novabase's organizational model, one of our goals for 2004 is the centralization of some of these divisional support functions with those of Novabase SGPS, a process which started at the end of 2003 when we began to introduce shared information systems.

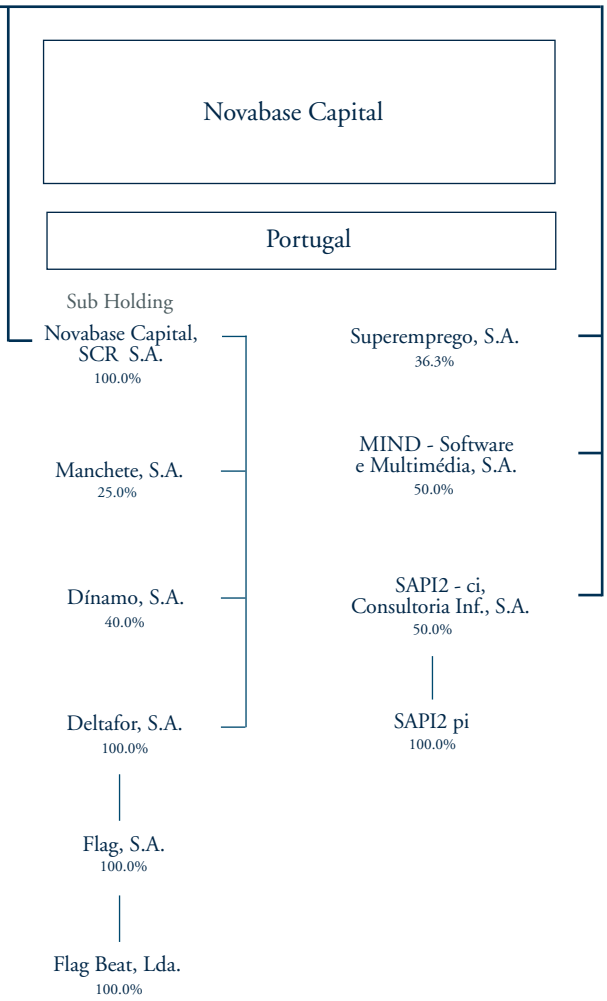
4.2. Novabase Capital

Novabase Capital is not a business division, but rather a support structure that serves the needs of Novabase business. It combines Novabase's Corporate Venture function with the area of Mergers and Acquisitions and is able to respond to the needs of the other divisions in this area.

4.3. Novabase SGPS / Novabase Serviços

Novabase SGPS and Novabase Serviços control the central functional areas: Marketing and Communication, Finance, Legal, Investor Relations, Administrative Management, HR and Information Systems.


Novabase S.G.P.S., S.A.
Novabase Consulting
Novabase Engineering Solutions
Portugal
Foreign Operations
Portugal
Foreign Operations
Novabase Consulting, S.A. 74.8%
Novabase Outsourcing, S.A. 100.0%
Sub Holding Novabase Intenational Investments B.V. 85.2%
Sub Holding Octal, Engenharia de Sistemas, S.A. 100.0%
Octal, Ingeniería de Sistemas, S.A. 75.0%
ATX Software, S.A. 25.0%
Novabase Advanced Custom Development, S.A. 94.1%
Novabase Brasil, Lda. 80.0%
OnTV, S.A. 51.0%
ES IT, S.A. 99.9%
Novabase Geoinformação, S.A. 100.0%
Novabase Core Finantial Software Solutions, S.A. 70.0%
Novabase Consulting, S.A. 100.0%
Octal TV, S.A. 60.7%
Mentor IT, S.A. 80.0%
Novabase Enterprise Applications, S.A. 86.0%
TVLab, S.A. 50.0%
Novabase Saúde, S.A. 100.0%
Celfocus, S.A. 55.0%
Novabase Infraestruturas, S.G.P.S., Lda. 83.0%
NBO Recursos em TI, S.A. 98.9%
Novabase Business Intelligence, S.A. 93.9%
Novabase IIS, S.A. 100.0%
Novabase Gestão de Activos, S.A. 100.0%
Praetor II, Lda. 100.0%
Gedotecome, Lda. 70.0%
Octal2Mobile, S.A. 100.0%
S.A.F. , S.A. 51.0%



4.4. Organigrama

Cada uma das unidades organizacionais acima referidas corresponde a uma ou a um conjunto de empresas. O organigrama junto inclui todas as empresas que se encontram no perímetro de consolidação da Novabase SGPS, SA.

4.4. Organization Chart

Each of the aforementioned organizational units corresponds to a company or a group of companies. The attached organization chart includes all the companies within the consolidation perimeter of Novabase SGPS, SA.

Nunca encontraremos o que não procurarmos.
É por isso a curiosidade o verdadeiro motor do encontro e do conhecimento.

We'll never find what we don't look for.
That's why curiosity is the true engine of meeting and knowledge.

4.5. Modelo de Governo da Novabase

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

Assembleia Geral (AG) - é o órgão máximo de decisão da Novabase. No decorrer de 2003 a Assembleia Geral reuniu por uma ocasião (29 de Abril) para analisar, discutir e votar as seguintes matérias:

_ Relatório e contas do exercício de 2002;
_ Proposta de Aplicação de Resultados;
_ Apreciação geral do Conselho de Administração e do Conselho Fiscal da sociedade;
_ Eleição dos Órgãos Sociais para o triénio 2003-2005;
_ Eleição dos membros da Comissão de Vencimentos;
_ Implementação de um Plano de Opção de Compra de Acções para os colaboradores e membros do conselho de administração da sociedade e aprovação do respectivo Regulamento;
_ Supressão do direito de preferência relativamente ao 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 76% do capital social, tendo todos os pontos sido aprovados por mais de 2/3 dos votos.

Conselho Fiscal (CF) - compete-lhe fiscalizar as contas da sociedade. Efectuou, no ano de 2003, 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 formulando as sugestões que entendeu adequadas.

4.5. Corporate Governance Model

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

The General Shareholders Meeting (GM) - Novabase's highest decision-making board. The GM met once in 2003 (29 April) to examine, discuss and vote on the following matters:

_ The Annual Report and Accounts for 2002
_ The proposal for allocation of profits
_ General appraisal of the company's Board of Directors and Board of Auditors
_ Election of Corporate Boards for the three-year period of 2003-2005
_ Election of Remuneration Committee members
_ Implementation of a stock option plan for employees and members of the company's Board of Directors, and approval of respective regulations
_ Elimination of the right of preference in the increase in capital to be decided on by the Board of Directors in support of the aforementioned stock option plan
_ Acquisition and sale of treasury shares

Shareholders owning more than 76% 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 2003 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.

Conselho de Administração (CA) - 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.

Board of Directors - the Board is responsible for running the company and must abide by the shareholders' decisions and observe 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

_ João Nuno Bento Novabase Consulting

_ Álvaro Silva Ferreira Novabase Consulting

_ João Filipe Neto Novabase Consulting

_ Nuno Duarte CEO / Novabase Engineering Solutions

_ João Vasco Ranito Novabase Engineering Solutions

_ José Carlos Jesus Novabase Engineering Solutions

_ Joaquim Sérvulo Rodrigues

Para além dos Órgãos Estatutários (Assembleia Geral, Conselho Fiscal e Conselho de Administração), existem ainda dois outros órgãos cuja actividade se resume de seguida.

Comissão Executiva (CE) - é o órgão de coordenação das funções horizontais centralizadas (Finanças, Marketing, Àrea Administrativa dos Recursos Humanos, Sistemas de Informação e Logística). Inclui os administradores que tutelam as áreas funcionais e os seus clientes internos, i.e. os CEO das divisões de negócios. Este órgão propõe ao Conselho de Administração políticas e orientações para a gestão corrente. De notar assim que este órgão, apesar do seu nome, não possui as habituais funções de uma "comissão executiva" cabendo-lhe um papel de coordenação das áreas funcionais e a responsabilidade de propôr medidas ao CA que, esse sim, toma as decisões. Assim o poder de condução dos negócios está reservado ao CA e às administrações das divisões.

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

Executive Committee - this committee is responsible for coordinating centralized horizontal functions (finance, marketing, human resources, information systems 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 day-to-day running of the company to the Board of Directors. Note that this board, despite its name, does not have the traditional functions of an "executive committee", but rather a coordination role in functional areas and the responsibility to report measures to the Board of Directors, which, in turn, does make the decisions. Executive power is thus reserved to the Board of Directors and management of the business divisions.

Comissão Executiva

Executive Committee

Rogério Santos Carapuça
CEO / CMO

José Afonso Sousa
CFO

Pedro Marques Carvalho
CIO

Luís Paulo Salvado
CEO / Consulting

Nuno Duarte
CEO / Engineering Soluions

Comissão de Vencimentos (CV) - este órgão decide sobre as condições de remuneração dos membros dos órgãos sociais. A sua composição para o triénio 2003-2005 foi estabelecida pela AG de 29 de Abril de 2003. Presidiu à CV o Dr. Raul Junqueiro (também Presidente da mesa da AG). Fazem igualmente parte desta comissão o Dr. Pedro Rebelo de Sousa (também Presidente do CF) e o Prof. Rogério Carapuça (também Presidente do CA). Assim nesta comissão, os elementos não pertencentes ao CA estão em maioria.

Infelizmente, na sequência do agravamento da doença e posteriormente morte do Dr. Raul Junqueiro a Comissão de Vencimentos não reuniu a partir do Verão de 2003. Efectuou apenas uma reunião em 22 de Agosto de 2003. A CV fixou a remuneração fixa dos elementos do CA para 2003 e iniciou a discussão da remuneração variável. Esta discussão não foi concluída, nada tendo sido decidido quanto à componente variável dos elementos do CA, uma vez que, após o agravamento da doença do Presidente da CV e posterior morte, entenderam os restantes elementos da mesma que esta só deveria retomar os seus trabalhos após a eleição de um novo Presidente (uma vez que o espírito da AG que elegeu os membros desta comissão, era o de que os elementos não pertencentes ao *management* da empresa deveriam estar em maioria na CV). A substituição do Dr. Raul Junqueiro será proposta à AG ordinária de Abril de 2004.

Remuneration Committee - this committee decides upon remuneration of members of the corporate boards. Its members for the three-year period of 2003-2005 were decided in the GM of 29 April 2003. Presiding at the Remuneration Committee was Dr. Raul Junqueiro (also chairman of the General Shareholders Meeting). Dr. Pedro Rebelo de Sousa (also chairman of the Board of Auditors) and Prof. Rogério Carapuça (also chairman of the Board of Directors) are also members of this committee. In this way, the committee is comprised of a majority of members not belonging to the Board of Directors.

Unfortunately, as a result of the deteriorating health and subsequent death of Dr. Raul Junqueiro, Remuneration Committee meetings ceased in the summer of 2003. Only one meeting was conducted on 22 August 2003. The Remuneration Committee set fixed remuneration for members of the Board of Directors for 2003 and began discussions with regard to variable remuneration. This discussion was not concluded, and nothing was decided as to the variable component of Board members since, in light of the deteriorating health and subsequent death of the Remuneration Committee chairman, the remaining members agreed that the committee should only resume work after the election of a new chairman, (given that the spirit of the GM which originally elected the committee held that it should be comprised of a majority of members not belonging to company management). A substitute for Dr. Raul Junqueiro will be proposed in the April 2004 GM.

5 . Actividade das Divisões de Negócio

5.1. Novabase Consulting

O ano 2003, com especial relevo para o 1º semestre, continuou a ser caracterizado por uma forte redução do investimento em TI na maioria das empresas Portuguesas, provocando um esforço redobrado na conquista de novos projectos para esta área de negócios. A 2ª metade do ano já mostrou alguma estabilização da procura ainda que sem sinais claros de retoma.

Esta divisão gerou um volume de negócios de 47.5 M€ em 2003. Este valor representa uma quebra de 25.0% face ao valor registado em 2002.

É, no entanto, importante referir que o volume de negócios de 2002 se encontrava influenciado por um 4ºtrimestre anormalmente forte com 23.4 M€ em receitas. Este volume resultou de um conjunto de fechos significativos ocorridos nesse período e é tanto mais excepcional quanto já se faziam sentir sinais evidentes de retracção no mercado. O valor obtido no 4º trimestre de 2002 representou 37% do valor global do ano, quando em 2003 se obteve um 4º trimestre com um peso de apenas 29% no volume global desse ano.

Por outro lado, foi assumido pela gestão desta divisão não desenvolver projectos que, apesar de significativos em termos de volume, correspondessem a uma diminuição expressiva das margens pretendidas.

A margem EBITDA reduziu-se em 2003 para cerca de 18% devido sobretudo à pressão sobre os preços. Ainda assim, este valor está acima do típico para qualquer negócio de consultoria em TI em períodos normais,

5 . Activities of the Business Divisions

5.1. Novabase Consulting

The year 2003, in particular during its first half, continued to be marked by a substantial reduction in investment in IT by most Portuguese companies, making it necessary to redouble our efforts to win new projects in this business area. The second half of the year began to shows signs of stabilization in demand, although without clear signs of economic recovery.

The turnover of the Novabase Consulting division in 2003 was 47.5 M€. This represents a decline of 25.0% compared to 2002.

It is important to note, however, that the turnover in 2002 was influenced by an unusually strong 4th quarter with 23 M€ in revenues. This turnover resulted from a series of significant closures that occurred in this period and is even more extraordinary in light of the emerging signs of market decline at the time. The amount achieved in the 4th quarter of 2002 represented 37% of the total year, while in 2003 the same quarter accounted for 29% of the year's total turnover.

On the other hand it was decided by the Management of this division not to undertake business projects which might represent significantly lower margins, although these projects might be quite significant in terms of turnover.

The EBITDA margin in 2003 declined to approximately 18% due primarily to pressure on prices. Even so, this amount is above average for IT consulting businesses in normal economic times although it is less than what Novabase realized in the past. This strong performance

embora se encontre abaixo do que a Novabase conseguiu gerar no passado. Esta boa performance, num contexto de tamanha pressão de preços - com quebras de 15 a 30% face aos anos de 2000 a 2002 - só foi possível pelo foco contínuo na excelência operacional e no controlo de custos que resultou, por exemplo, na manutenção de taxas médias de ocupação dos recursos acima dos 90%.

Os sectores Financeiro e da Indústria têm sido os segmentos de mercado onde a procura se tem retraído mais enquanto que o sector do Governo é aquele que tem demonstrado menor contracção. Em termos de soluções, a quebra no mercado tem afectado mais os serviços "high end" de consultoria e menos os serviços de manutenção, cedência de recursos e outsourcing.

A actividade desta divisão nos três segmentos de mercado mais importantes caracterizou-se da seguinte forma:

_ **Governo:** apesar das importantes restrições orçamentais impostas pelo Ministério das Finanças em termos de investimentos, a Novabase conseguiu manter a sua posição de líder no fornecimento de soluções avançadas de TI para a Administração Pública Central e Local. Em termos da Administração Central há a destacar a contribuição da Novabase para a iniciativa estruturante do e-Government com projectos nas áreas de portais e de colaborações com organismos integradores como as Lojas do Cidadão. Adicionalmente, a Novabase reforçou a sua posição na área da Defesa ganhando o único negócio posto a concurso no 4ºtrimestre de 2003 – o portal para a Marinha – e continuou a sua estreita colaboração de há longos anos na área da Segurança Social. Em termos de Administração Local, alargou-se a colaboração em projectos estruturantes de digitalização de regiões nomeadamente no âmbito dos programas das cidades digitais.

under high pressure on prices (with 15 to 30% declines compared to 2000 to 2002) was only possible due to our ongoing focus on operational excellence and cost control which allowed us to keep, for example, our average human resource occupancy rate above 90%.

The financial and manufacturing sectors represent the customer groups where demand has fallen the most, whereas the Government sector is the one that has shown less restriction. In terms of solutions, the market drop has affected more the high end consulting services and affected less the maintenance, human resources placement and outsourcing services.

This division's activities in its three primary market segments were as follows:

_ **Government:** Despite significant budgetary constraints imposed by the Ministry of Finance in terms of investments, Novabase remained the leader in supplying advanced IT solutions to central and local public administration. In terms of central administration, Novabase's most noteworthy contribution is its e-government structuring initiative with projects involving portals and collaboration with integrating organizations such as the Citizen's Shop. Furthermore, Novabase reinforced its position in the Defence area winning the only public tender launched in the 4th Quarter of 2003 – the portal for the Navy – and continued its close cooperation of many years in the Social Security area. In terms of Local Administration, Novabase expanded its cooperation in structuring regions' digitalization projects, namely within the scope of digital cities programs.

_ **Telecomunicações:** o ano 2003 marcou a continuação da colaboração estreita da Novabase com os principais operadores do mercado. As áreas de suporte à decisão e de CRM no âmbito da telefonia fixa e do negócio multimédia continuaram a ser apostas ganhadoras no mercado. O ano 2003 confirmou ainda a Novabase como a empresa de referência em soluções de TI no domínio das telecomunicações móveis, tendo-se consolidado as parcerias estratégicas com clientes de referência neste sector. Esta competência tem vindo a ser desenvolvida e consolidada desde 1998 quando a Novabase introduziu os conceitos de CRM baseados em Siebel no mercado móvel nacional. O reconhecimento desta competência traduziu-se em 2003 no facto da Novabase não só continuar a dominar o mercado interno como ter conseguido ganhar vários projectos de CRM numa base competitiva noutros mercados, alguns dos quais especialmente evoluídos na área móvel, como o caso do Japão.

_ **Serviços Financeiros:** tal como em 2002, o ano que agora terminou caracterizou-se por uma forte retracção do investimento neste sector. Pressão acentuada sobre os preços e adiamento/cancelamento de projectos continuaram a ser realidades em 2003. A Novabase conseguiu neste contexto manter as suas relações de parceria estratégicas com vários Clientes de referência deste sector conseguindo defender as suas margens nas renovações de praticamente todos os contratos estruturantes que possuía e alargar mesmo a sua actuação em termos de Clientes - nomeadamente no sector Segurador - e de ofertas - consolidando a sua posição dominante nas áreas de CRM e suporte à decisão na Banca e ganhando projectos em sistemas "core" da Banca e Seguros.

_ **Telecommunications:** The year 2003 was marked by continued close collaboration between Novabase and the main market operators. The areas of decision support and CRM for fixed telephony and multimedia continued to be winning bets in the market. 2003 also established Novabase as the key company for IT solutions in mobile communications through its consolidation of strategic partnerships with key customers in this sector. We have continued to develop and consolidate this competence since 1998 when Novabase introduced Siebel-based CRM concepts in the domestic mobile market. Acknowledgment of this competence in 2003 allowed Novabase not only to dominate the domestic market, but also to win several CRM projects on a competitive basis in other markets, some particularly well evolved in the mobile industry, such as Japan.

_ **Financial Services:** As in 2002, last year was also marked by an intense decline in investment in this sector. Noticeable pressure on prices and project postponement/cancellation continued to be realities in 2003. Under these circumstances Novabase was able to maintain its strategic partnerships with a number of key Customers in this sector, maintaining its margins by renewing practically all of its previous contracts and even expanding its scope in terms of Customers - namely in the insurance sector - and in terms of products and services, consolidating its leadership position in CRM and decision support for Banking, and winning projects for several core operational systems in the Banking and Insurance markets.

No final do ano esta divisão apresentava o número médio de 684 colaboradores.

5.2. Novabase Engineering Solutions

O Volume de Negócios da divisão Novabase Engineering Solutions foi de 81.3 M€, representando 60.9% do Volume de Negócios global da Novabase e um crescimento face ao período homólogo de 75.3%. 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 27.4 M€ que se comparam com proveitos similares em 2002), assim como no fornecimento de equipamento e serviços nas áreas do Ticketing, Telecomunicações, Infraestruturas e Integração de Sistemas (num total de proveitos de 53.9 M€ que se comparam com proveitos de 17.8 M€ no período homólogo).

Em termos de EBITDA, esta divisão gerou um valor de cerca de 8.0 M€ (que representa 9.9% das vendas) o que traduz um crescimento face a 2002 de 42.4%.

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

_ Na área de **Ticketing & Transport Solutions**, foram obtidos e executados durante 2003 diversos contratos de fornecimento de soluções para a instalação de pontos de venda e de sofisticados sistemas de bilhética sem contacto e convencional, que representam investimentos estruturantes para a melhoria da rentabilidade dos principais operadores de transportes nacionais e de empresas gestoras de recintos desportivos de grande dimensão. Neste contexto a Novabase obteve também contratos de forma a apoiar os seus clientes na manutenção destas soluções durante todo o seu ciclo de vida.

This division had an average of 684 employees at the end of the year.

5.2. Novabase Engineering Solutions

The Turnover of the Novabase Engineering Solutions division was 81.3 M€, representing 60.9% of the overall turnover of Novabase and an increase of 75.3% compared to 2002. 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 27.4 M€, which are comparable with 2002 earnings) as well as the supply of equipment and services in the areas of ticketing, telecommunications, infrastructure and systems integration (at total earnings of 53.9 M€, against 17.8 M€ the previous year).

In terms of EBITDA, this division generated a value of approximately 8.0 M€ (which represents 9.9% of sales) reflecting a growth of 42.4% compared to 2002.

A number of activities were undertaken in 2003 to develop the division's business. The following are particularly worthy of note:

_ **Ticketing and Transport Solutions**: In 2003 a number of contracts were won and executed for solutions related to the installation of sales outlets and sophisticated ticketing systems, both contactless and conventional, representing tangible investments toward increased profitability for the primary domestic transport operators and managing companies of major sports facilities. In this context Novabase also won contracts to support its customers in maintaining these solutions during their complete life cycle.

_ Na área de **Enterprise Computing Solutions** o posicionamento da Novabase junto dos seus parceiros estratégicos HP e Microsoft, permitiu implementar um número crescente de projectos de *roll-out*, migração e manutenção de infraestruturas computacionais de grande dimensão.

_ Na área de **Telecom & Networking Solutions** o alinhamento estratégico, investimento e especialização em plataformas de comunicações da Cisco associada às soluções e capacidade de serviços profissionais da Novabase para optimização de recursos em redes IP foram determinantes na escolha da Novabase para a implementação dos projectos de importância crucial para melhoria da eficiência do negócio dos principais operadores de telecomunicações, instituições financeiras, administração pública e mercado de empresas em geral.

_ Na área de **Interactive Digital TV Solutions** a aposta em inovação no desenho de soluções para TV permitiu a obtenção de novos contratos de fornecimento de descodificadores para serviços de distribuição de TV digital por Satélite e Cabo.

Do ponto de vista organizacional, 2003 foi caracterizado pela integração da Novabase IIS (ex-GE Capital ITS) na divisão Novabase Engineering Solutions. Assistiram-se assim aos primeiros impactos favoráveis das sinergias comerciais com um resultado muito positivo no crescimento do volume de negócios e da produtividade, bem como da capacidade acrescida das áreas funcionais na racionalização ao nível dos custos (recurso intensivo ao modelo de Serviços Partilhados, renegociação de contratos de FSEs) com claro impacto ao nível do crescimento do EBITDA na divisão.

No final do ano esta divisão apresentava o número médio de 273 colaboradores.

_ **Enterprise Computing Solutions**: Novabase's positioning with its strategic partners HP and Microsoft allowed us to deploy an increasing number of large-scale rollout, migration, and large computer infrastructure maintenance projects.

_ **Telecom and Networking Solutions**: The strategic alignment, investment and specialization in Cisco communication platforms associated with Novabase's solutions and professional service capacity in IP network resource optimization were key factors in choosing Novabase to deploy projects of critical importance to enhance business efficiency for primary telecommunications operators, financial institutions, public administration and the commercial market in general.

_ **Interactive Digital TV Solutions**: The focus on innovation in TV solutions design allowed us to win new contracts to supply decoders for the distribution of satellite and cable digital TV services.

From an organizational perspective, 2003 was characterized by the integration of Novabase IIS (formerly GE Capital ITS) into the Novabase Engineering Solutions division. We witnessed the first positive impacts of the commercial synergies with extremely positive results in turnover and productivity, an increased capacity by the functional areas to rationalize costs (intensive resorting to Shared Services, ESF contract re-negotiations, and so on) and tangible impacts upon the division's EBITDA growth.

This division had an average of 273 employees at the end of the year.

6 . Novabase Capital

O Volume de Negócios consolidado da Novabase Capital no exercício de 2003 foi de 4.7 M€, o que representa cerca de 3.6% do Volume de Negócios global da Novabase. Em termos de EBITDA, cifrou-se em 0.7 M€, o que representa uma margem de 13.9%.

As actividades desenvolvidas pela Novabase Capital estiveram associadas a três grandes grupos de intervenção:

_ Actividades de fusões e aquisições para as empresas do Grupo, apoiando a consolidação das divisões no mercado local e explorando possibilidades de investimento internacional;

_ Desenvolvimento do portfolio, optimizando a carteira de investimentos e potenciando o valor do negócio das empresas participadas. Procuraram-se oportunidades de Corporate Venture Capital, continuando a analisar transacções de investimento e desinvestimento que possam acrescentar valor para o Grupo. Destaca-se a saída da Clipanuncios, vendendo a nossa participação na empresa ao accionista maioritário do negócio, Lusomundo, após ter sido concluída a fase de desenvolvimento da plataforma tecnológica;

_ Gestão das participações financeiras: no decorrer do exercício 2003, o portfólio de empresas participadas/geridas pela Novabase Capital apresentaram resultados animadores cumprindo-se as expectativas definidas.

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

No final do ano esta divisão apresentava o número médio de 54 colaboradores (número que naturalmente inclui os recursos das sociedades participadas).

6 . Novabase Capital

The consolidated Turnover of Novabase Capital in 2003 was 4.7 M€, representing about 3.6% of Novabase's overall Turnover. In terms of EBITDA, it amounted to 0.7 M€ which represents a margin of 13.9%.

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

_ M&A activities for the group's companies, supporting the consolidation of the divisions in the local market and looking into international investment opportunities.

_ Development of its portfolio, optimizing its investment portfolio and stimulating the growth of the subsidiaries' business. Seeking corporate venture capital opportunities, continuing to analyze investment and disinvestment transactions with the potential to add value to the group. Of particular importance was the pullout of Clipanuncios, where we sold our stake in the company to the majority shareholder of the business, Lusomundo, after the platform's technological development stage had been concluded.

_ Management of financial stakes: over the course of 2003, the portfolio of Novabase Capital subsidiaries and companies managed by Novabase Capital showed very encouraging results, fulfilling the previously stipulated expectations.

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

This division had an average of 54 employees at the end of the year (including employees of participated companies).

7. Actividade das Áreas Funcionais

7.1. Recursos Humanos

A equipa de recursos humanos usufruiu em 2003 de uma aplicação centralizada sobre os dados de todos os colaboradores da Novabase (Meta 4), a qual lhe permitiu definir todos os processos associados à gestão do dia-a-dia das tarefas a executar.

Redefiniram-se as formas de armazenamento da informação relativa a cada colaborador, passando a existir pastas individuais por colaborador com todos os documentos associados ao mesmo (contrato de trabalho, contrato de stock options, seguros, etc). Desta forma o processo de consulta ao histórico de cada colaborador da Novabase passou a ser mais rápido, evitando-se assim os problemas que a circulação natural das pessoas entre as empresas do grupo acarretava com o decorrer dos anos.

O desafio para 2004 consiste em optimizar os tempos de resposta às solicitações dos colaboradores e a disponibilização on-line de toda a informação relevante para consulta. Esta consulta on-line vai permitir optimizar o trabalho da equipa de recursos humanos, a qual passará a executar tarefas não rotineiras e mais adequada às necessidades que uma empresa de serviços sempre exige.

7.2. Sistemas de Informação

No ano 2003 a área de Sistemas de Informação (abreviadamente designada por DI), à semelhança das outras áreas funcionais da Novabase, assumiu um compromisso de eficácia na gestão e controlo dos custos de TI que atingiu de forma rigorosa.

7. Activities of the Functional Areas

7.1. Human Resources

In 2003 the human resources team made use of a centralized application for Novabase employee data (Meta4), which allowed them to completely delineate all day-to-day task management processes.

Methods for information storage were redefined for every employee, and individual folders per employee were created with all their associated documentation (employment contracts, stock option agreements, insurance, and so on). In this way we sped up the process of consulting Novabase employee work histories, avoiding problems down the road caused by the natural flow of people between companies in the group.

The challenge for 2004 will be to optimize response times to employee requests and make all relevant information available for consultation online. This online consultation will optimize the work of the HR team, which will eventually begin to perform non-routine tasks more suited to a dynamic service-oriented company.

7.2. Information Systems

In 2003 the Information Systems Unit (ISU), like other Novabase functional areas, made a commitment to efficiency in managing and controlling IT costs, which it firmly upheld.

A DI voltou a reduzir o número de colaboradores a ela afectos em 12%, apresentando entre 2001 e 2003 uma redução global de recursos de 37,5%. Esta tendência é muito significativa tendo em conta que a complexidade, a importância e dependência do negócio relativamente à função de TI cresceu consideravelmente neste mesmo período. Aliás, este objectivo não seria possível de alcançar, sem o enorme empenhamento da equipa e uma especial capacidade para inovar. No início do ano, com a aquisição da GE Capital ITS em Dezembro de 2002 (actual Novabase IIS), a DI assumiu a função de TI que era assegurada pela General Electric. A DI disponibiliza hoje uma rede metropolitana em fibra a 100 Mbps entre os sites das Amoreiras e de Carnaxide onde se encontra a Novabase IIS, a qual foi também integrada nos sistemas corporativos da Novabase de acordo com os objectivos e nos prazos definidos. Foram reforçadas internamente competências técnicas em SAP e Bases de Dados (Oracle e SQL*Server), reduzindo custos com terceiras partes.

O *Service Desk* da DI recebeu em 2003 cerca de 7.400 pedidos de serviço, em linha com os indicadores de 2002 mas a que corresponderam mais de 28.000 actividades. Deste volume de trabalho, a divisão Novabase Consulting representou cerca de 75% e a divisão Novabase Engineering Solutions 15%. Do ponto de vista funcional, mais de 30% dos pedidos tiveram origem nas áreas Administrativa e Financeira, 18% na Logística e 16% nos Recursos Humanos.

As aplicações representaram 33% dos custos com recursos humanos na DI, dos quais 40% foram induzidos pela plataforma SAP, 12% pela Internet e as suas aplicações e 10% pelo Meta4.

A unidade reforçou igualmente as sua competências nos domínios da Auditoria de TI e de *IT Governance*, nomeadamente em metodologias específicas para garantir o alinhamento das TI com os objectivos do negócio. Neste contexto tem vindo a acompanhar as iniciativas estruturantes do *ISACA-Information Systems Audit and Control Association*.

The ISU once again downscaled its team by 12%, corresponding to a total staff reduction of 37.5% between 2001 and 2003. This development is particularly significant considering the complexity, magnitude and dependence on our IT functions, all of which grew considerably during this same period. Nonetheless, our goal would never have been achieved without the tremendous commitment of the team and their unique capacity for innovation. At the beginning of the year, with the acquisition of GE Capital ITS in December 2002 (now Novabase IIS), the ISU assumed the IT function formerly provided by General Electric. Today the ISU provides a 100 Mbps fiber optic metropolitan network between the sites at Amoreiras and Carnaxide, where Novabase IIS is located. This network was also integrated into Novabase corporate systems in accordance with our goals and timelines. The internal SAP and database technical skills (Oracle and SQL Server) were reinforced, thus reducing third party costs.

In 2003 the ISU Service Desk received approximately 7.400 service requests, in line with 2002 indicators and corresponding to over 28.000 activities. Of this workload, the Novabase Consulting division accounted for about 75% and the Novabase Engineering Solutions division 15%. From a functional standpoint more than 30% of the requests originated in the administrative and financial areas, 18% in logistics and 16% in human resources.

Applications accounted for 33% of human resource costs in the ISU, of which 40% came from the SAP platform, 12% from the Internet and its associated applications and 10% from Meta4.

The Unit also reinforced its skills in the areas of IT Auditing and IT Governance, namely through specific methodologies to ensure the alignment of IT with the goals of our business. As part of this, the ISU carried out monitoring of ISACA (Information Systems Audit and Control Association) initiatives.

7.3. Comunicação e Marketing Institucional

Em 2003, a Novabase prosseguiu o caminho da consolidação da sua imagem institucional e desenvolveu um conjunto de ferramentas de apoio ao negócio.

Toda a comunicação realizada pela Novabase assentou nos 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 consolidou a sua posição de órgão central de comunicação para todo o grupo, reforçando a sua componente de apoio às actividades comerciais e de marketing das divisões de negócio da Novabase (Consulting e Engineering Solutions).

Durante o ano 2003, o site continuou a ser uma das apostas fortes da comunicação externa, bem como a presença na imprensa, nas vertentes institucional e de negócio. Prosseguiu igualmente o trabalho de desenvolvimento do Manual de Identidade Corporativa e o reforço dos meios de comunicação interna.

Alguns números:

_ Participação / organização eventos externos: 18

_ Eventos internos: 35

_ Comunicados de imprensa emitidos: 38

_ Total de notícias publicadas sobre a Novabase: 1075

_ Média mensal de pageviews: 49.899

_ Assinantes activos da newsletter: 1.664

7.3. Corporate Marketing and Communication

In 2003 Novabase continued on the path of consolidating its corporate image and developing a collection of business support tools.

All Novabase communication reasserted the values of its culture, which focus on trust, transparency and are oriented toward customer satisfaction at all times.

The Corporate Marketing and Communication unit consolidated its position as the central communication hub for the entire group, reinforcing its support component to the commercial and marketing activities of our company's business divisions (Novabase Consulting and Novabase Engineering Solutions).

In 2003 the website, along with exposure in the press, continued to be a focal point for external communication in the corporate and business fields. The company likewise continued its work in developing a corporate identity manual and reinforcing its means of internal communication.

Some figures include:

_ Participation in/organization of external events: 18

_ Internal events: 35

_ Press releases issued: 38

_ Total news items published on Novabase: 1075

_ Average number of website pageviews per month: 49.899

_ Active newsletter subscribers: 1.664

7.4. Finanças

O ano 2003, após a introdução do SAP R/3 na divisão Novabase Consulting, consolidou a mudança de métodos e processos de trabalho que uma ferramenta desse tipo propicia.

Em 2004 esta ferramenta será alargada à divisão Novabase Engineering Solutions, possibilitando assim posteriormente a unificação funcional das duas áreas financeiras das divisões e da área financeira da Novabase SGPS numa só estrutura.

O projecto SAP da Novabase é extremamente avançado quanto à profundidade alcançada no domínio das componentes de *Project Management and Accounting*. Em 2004 verificar-se-á a entrada em produção de novos módulos, a fim de completar as valências necessárias à gestão da Novabase.

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 introduzidas no sentido de melhorar a captação de informação prospectiva que permita antecipar o mercado.

7.5. Logística

Em 2003 conseguiu-se optimizar a utilização dos edifícios que a Novabase tinha alugados na zona de Lisboa, concentrando mais a sua actividade apenas em três locais: Amoreiras, Parque das Nações e Carnaxide. Considera-se esta concentração ainda aquém do desejável, sendo que em 2004 procuraremos reduzir o número destas localizações diferentes em Lisboa (que resultaram das várias aquisições e do crescimento da Novabase) idealmente para uma única.

7.4. Finance

In 2003, the comprehensive SAP R/3 introduction throughout the Novabase Consulting division consolidated the changes in methods and work processes that this type of tool provides.

This tool will be extended to Novabase Engineering Solutions in 2004, subsequently allowing these two divisions' financial areas and that of Novabase SGPS to be merged into a single structure.

Novabase's SAP project is highly advanced in terms of the depth achieved in the project management and accounting components. New modules will enter into production in 2004 in order to perfect the competences needed to manage Novabase.

In spite of the ongoing, sustained growth of the business, in 2003 it was possible to use a program of systematic restraint and progressive centralization of some activities to achieve a considerable reduction in permanent staff.

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

7.5. Logistics

In 2003 Novabase optimized the use of its rented buildings in the Lisbon area by concentrating its activities in three locations: Amoreiras, Parque das Nações and Carnaxide. We believe this process can be taken a step further, and will look to reduce the number of Lisbon-area locations (which resulted from Novabase's various acquisitions and growth) to a single location in 2004.

As funções relacionadas com o atendimento telefónico foram concentradas no edifício das Amoreiras, bem como a partilha de serviços comuns entre os dois edifícios (serviço de estafeta, partilha de seguranças, etc).

Obtiveram-se ainda formas de cooperação mais eficazes entre as actividades que decorrem em cada um dos edifícios e quantificou-se, através da utilização de sistemas informáticos, todas as questões relacionadas com a utilização de cada edifício de forma a se poder maximizar a utilização dos mesmos potenciando assim uma maior produtividade a todos os que lá trabalham.

7.6. Jurídica

A área Jurídica da Novabase foi no ano 2003 significativamente reforçada ao nível das suas competências, contando hoje com duas juristas em regime de full-time e dedicação exclusiva com especialidades em Direito do Trabalho e Direito Administrativo e dos Contratos.

Este reforço tornou-se necessário quer pelo normal crescimento da actividade, quer por uma aposta em deter internamente competências que antes eram contratadas ao exterior. Assim triplicou em 2003 face a 2002 o número de processos resolvidos internamente (isto é, sem o recurso a serviços jurídicos externos).

Telephone service functions were concentrated in the Amoreiras building along with shared services between the two buildings (courier services, shared security, and so on).

We also achieved tighter cooperation in activities between the two buildings and, by means of information systems, quantified all questions involving the use of each building in order to maximize the same and empower those working within with greater productivity.

7.6. Legal

The competences of Novabase's legal area were reinforced considerably in 2003. Today we have two full-time jurists dedicated exclusively to our business specializing in employment law, administrative law and contract law.

This reinforcement was needed due to natural business growth as well as our desire to bring competences originally contracted to outside parties into the company. As a result the number of internally resolved cases (that is, those not resorting to outside legal services) tripled in 2003 compared to 2002.

Em 2003, a área Jurídica da Novabase respondeu a mais de dois milhares de solicitações internas de complexidade diversa e que incluíram algumas intervenções, com sucesso, em áreas que até esta altura estavam reservados aos advogados externos, como sejam operações de *mergers & acquisitions*; *joint venturing*; gestão jurídica das participações societárias ao nível da *holding* Novabase SGPS e *sub-holding* Novabase Capital; negociação e fecho amigável de incidentes contratuais com clientes e parceiros; análise, validação e elaboração de contratos em língua portuguesa e inglesa com grande dimensão e complexidade, etc.

Da sua actividade cumpre ainda destacar o acompanhamento em todas as fases de complexos procedimentos públicos de contratação, nacionais e no estrangeiro, contando com a elaboração de todas as peças administrativas e contratuais com parceiros e entidades públicas contratantes.

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 (aqui listados por ordem cronológica).

2003-01-27
AF PPA reduz no capital social da Novabase SGPS, S.A. para 1.93%
A participação do Fundo de Investimento Mobiliário AF PPA no capital social da Novabase SGPS, S.A., é actualmente de 546.748 acções, correspondendo a cerca de 1.93% dos direitos de voto correspondentes ao capital social.

In 2003, Novabase's legal area attended to over two thousand internal requests of varying levels of complexity, including successful mediation in areas up until now reserved to outside attorneys, such as mergers and acquisitions, joint venturing, legal management of Novabase SGPS and Novabase Capital shareholdings, negotiation and amicable resolution of contractual incidents with customers and partners, analysis, validation and creation of complex large-scale contracts in Portuguese and English, and so on.

Other significant activities included comprehensive monitoring of complex public contracting procedures, both domestic and foreign, and creation of all administrative and contractual components with the partners and public entities involved.

8 . Relevant Occurrences

As part of the obligations of listed companies like Novabase, we sent the following information to the CMVM (Portuguese Securities Market Commission) for subsequent circulation to the market. The following events are listed in chronological order:

2003-01-27
AF PPA reduces Novabase SGPS SA shareholdings to 1.93%
The AF PPA mutual fund's stake in Novabase SGPS, SA is currently 546,748 shares, corresponding to approximately 1.93% of voting rights related to share capital.

2003-02-26
Novabase SGPS apresenta Resultados de 2002
Volume de Negócios cresce 18% para 114.1 M€, Resultados Líquidos crescem 6.4% para 9.5 M€ e EBITDA cresce 15.7% para 18.8 M€.

2003-04-30
Novabase apresenta Resultados do 1º Trimestre de 2003
Volume de Negócios atinge 32.5 M€ (crescimento de 49.7% com aquisições e crescimento orgânico de 14.4%), EBITDA atinge os 3.7 M€ (crescimento de 35.9% com aquisições e crescimento orgânico de 28.4%), Resultados Líquidos atingem 1.0 M€.

2003-05-15
Acordo Parassocial de Accionistas
Accionistas comunicam assinatura de Acordo Parassocial.

2003-06-02
Novabase fornece solução de bilhética para o futuro Metro Sul do Tejo
Este sistema inclui equipamentos de venda, validação e fiscalização de títulos de transporte, inteiramente integrados numa rede de controlo, gestão e tratamento da informação.

2003-07-30
Novabase apresenta Resultados do 1º Semestre de 2003
Volume de Negócios cresce 27.6% para 64.7 M€, EBITDA cresce 14.7% para 8.3 M€, Resultados Líquidos descem 73.4% para 0.8 M€ devido a 2.2 M€ de Custos Extraordinários (excluindo esse efeito Resultados Líquidos crescem 4.6% para 3.0 M€).

2003-02-26
Novabase SGPS announces 2002 Results
Turnover increases 18% to 114.1 M€, net profit increases 6.4% to 9.5 M€ and EBITDA increases 15.7% to 18.8 M€.

2003-04-30
Novabase announces 2003 1st Quarter Results
Turnover reaches 32.5 M€ (49.7% growth with acquisitions and 14.4% organic growth), EBITDA reaches 3.7 M€ (35.9% growth with acquisitions and 28.4% organic growth), net profit reaches 1.0 M€.

2003-05-15
Shareholders' Agreement
Shareholders communicate signing of shareholders' agreement.

2003-06-02
Novabase supplies Ticketing Solution to Future Metro Sul do Tejo (Tagus South Underground)
This system includes equipment for selling, validating and checking public transportation passes. This equipment is fully integrated into an information control, management and processing network.

2003-07-30
Novabase announces 2003 1st Half Results
Turnover increases 27.6% to 64.7 M€, EBITDA increases 14.7% to 8.3 M€, Net Profit falls 73.4% to 0.8 M€ due to 2.2 M€ in extraordinary costs (without extraordinary costs net profit increases 4.6% to 3.0 M€).

2003-09-09

Novabase fornece soluções de Bilhética para sete dos dez Estádios do Euro2004

A Novabase ganhou ainda contratos para a implementação de Redes de Dados, Corporate TV e Sistemas de Informação em vários destes estádios.

2003-09-09

Novabase supplies Ticketing Solutions for seven of ten Euro 2004 Stadiums

Novabase has also won contracts to deploy data networks, corporate TV and IT systems at several of these stadiums.

2003-09-19

Caixagest com 4,1% do capital da Novabase SGPS

A participação dos Fundos de Investimento Mobiliário sob gestão da CAIXAGEST - Grupo CGD no capital social da Novabase, SGPS, S.A. corresponde a 4,1% do capital social e dos direitos de voto.

2003-09-19

Caixagest holds 4.1% of Novabase SGPS capital stock

The Caixagest - Grupo CGD mutual fund's stake in Novabase SGPS, SA is currently 4.1% of share capital and voting rights.

2003-10-22

Participações Qualificadas

ES Tech Ventures SGPS, SA alienou 600.000 acções da Novabase SGPS SA, tendo igual número de acções sido adquirido por Fundos de Pensões geridos pela ESAF - Espírito Santo Fundos de Pensões, SA.

2003-10-22

Qualified Holdings

ES Tech Ventures SGPS, SA sold 600,000 shares of Novabase SGPS, SA and pension funds managed by ESAF - Espírito Santo Fundos de Pensões, SA acquired the same number of shares.

2003-10-29

Novabase apresenta Resultados Consolidados do 3º Trimestre de 2003

Volume de Negócios cresce 30.5% para 96 M€, EBITDA cresce 16.5% para 12 M€, Resultados Líquidos caem 79.8% para 0.8 M€ devido a imputação de 2.7 M€ de custos extraordinários (não recorrentes).

2003-10-29

Novabase SGPS announces 3rd Quarter 2003 Consolidated Results

Turnover increases 30.5% to 96 M€, EBITDA increases 16.5% to 12 M€, Net Profit falls 79.8% to 0.8 M€ due to allocation of 2.7 M€ in extraordinary costs (non-recurring).

Entre um grande discurso e um pequeno silêncio,
a sabedoria está em saber o que esse silêncio contém.

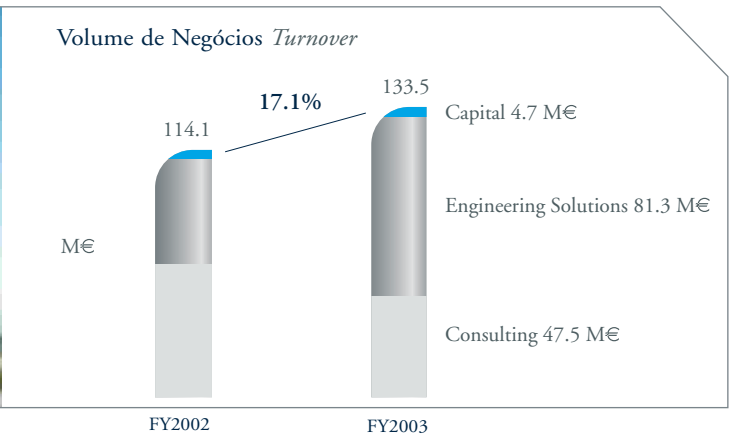
Between a great speech and a little silence,
Wisdom is to know what's in that silence.

9. Análise Económico-financeira

O **Volume de Negócios** no ano 2003 atingiu os 133.5 M€, o que reflecte um crescimento de 17.1% face ao mesmo período do ano anterior.

9. Economic and Financial Analysis

Novabase's **Turnover** in 2003 was 133.5 M€, which reflects a growth of 17.1% compared to 2002.



Em termos de **actividade** comparativa com o período homólogo:

_ A divisão **Novabase Consulting** decresceu 25.0% face a 2002, de 63.3 para 47.5 M€.

_ A divisão **Novabase Engineering Solutions** cresceu 75.3% face a 2002, de 46.4 para 81.3 M€. Quando comparado com o volume de negócios Pro-forma de 2002 no valor de 79.4 M€, incluindo a Novabase I.I.S. (ex-GE Capital ITS), observa-se que se verificou um crescimento de 2.4%.

In terms of **business activity** in comparison with last year:

The **Novabase Consulting** division fell 25.0% compared to 2002, from 63.3 M€ to 47.5 M€.

The **Novabase Engineering Solutions** division grew 75.3% compared to 2002, from 46.4 M€ to 81.3 M€. When compared to the 2002 pro-forma turnover of 79.4 M€, including Novabase IIS (formerly GE Capital ITS), growth came in at 2.4%.

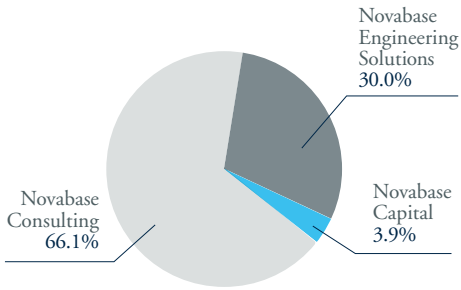
_ A **Novabase Capital** cresceu 7.6% face a 2002, de 4.4 para 4.7 M€.

O **EBITDA** atingiu os 17.3 M€, o que reflecte um decréscimo de 8.4% face a igual período de 2002 (18.8 M€), e um decréscimo de 8.9% face ao EBITDA Pro-forma no valor de 19.0 M€.

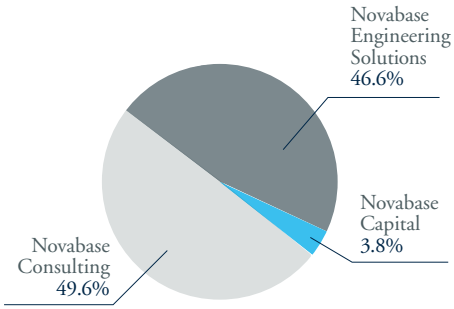
_ **Novabase Capital** grew 7.6% compared to 2002, from 4.4 M€ to 4.7 M€.

EBITDA reached 17.3 M€, decreasing 8.4% compared to 2002 (18.8 M€), and decreasing 8.9% when compared to the pro-forma EBITDA of 19.0 M€.

EBITDA FY2002



EBITDA FY2003



Em **percentagem do Volume de Negócios**, o **EBITDA**, neste período, representa aproximadamente uma margem total de 12.9%. A desagregação desta margem por divisão , no ano de 2003 é analisada como se segue:

_ A divisão **Novabase Consulting** em Portugal é responsável por uma margem EBITDA de 18.9%. Ao considerar-se em conjunto com o Brasil, o qual representa já uma margem positiva de 1.0%, a margem EBITDA global reduz-se para 18.0%.

_ A divisão **Novabase Engineering Solutions** apresenta um EBITDA de 8.0 M€ a que corresponde uma margem de 9.9%.

_ A **Novabase Capital** apresenta um EBITDA de 0.7 M€ a que corresponde uma margem de 13.9%.

EBITDA as a percentage of the Turnover in 2003 represents a total margin of approximately 12.9%. This margin per division in 2003 breaks down as follows:

_ The **Novabase Consulting** division in Portugal is responsible for an EBITDA margin of 18.9%. When considered in conjunction with Brazil, a business which presents a margin of 1.0%, the overall EBITDA goes down to 18.0%

_ EBITDA of the **Novabase Engineering Solutions** division was 8.0 M€, which corresponds to an EBITDA margin of 9.9%.

_ EBITDA of **Novabase Capital** was 0.7 M€, which corresponds to an EBITDA margin of 13.9%.

O volume de "**Trabalhos para a Própria Empresa**" reduziu-se 11.4%, de 1.7 M€ em 2002 para 1.5 M€ em 2003, valor já residual. Em consequência, ao nível do EBITDA ajustado pela rubrica de Trabalhos para a Própria Empresa, verifica-se um decréscimo de 8.1%, consubstanciado na evolução de um valor de 17.2 M€, em 2002 (o que corresponde a uma margem de EBITDA ajustado de 15.1%) para um valor de 15.8 M€, em 2003, o que representa uma margem de EBITDA ajustado de 11.8%.

O **Número Médio de Colaboradores** que se situava, no fim de 2002, nos 926 cresceu 9.2% para 1011, resultante da integração das empresas adquiridas. Assim sendo, o Volume de Negócios por Colaborador, neste período de 2003 fixou-se em cerca de 132 mil euros, mais 7.3% que em igual período de 2002 (123 mil euros).

Os **Resultados Operacionais (EBIT)** atingiram os 10.5 M€, o que reflecte um decréscimo de 25.5% face a 2002 (14.1 M€). O decréscimo verificado neste indicador deveu-se essencialmente ao aumento de 41.7% no valor das amortizações, originado fundamentalmente pela alteração de perímetro, ou seja, amortizações do imobilizado relativas às participações adquiridas no final de 2002 e no início de 2003.

Os **Resultados Financeiros**, no valor líquido negativo de 1.2 M€, foram penalizados face ao período homólogo (negativos de 0.6 M€), essencialmente devido ao aumento dos encargos financeiros associados ao financiamento de médio e longo prazo obtido para a aquisição das sociedades ATX e Novabase IIS (ex- GE Capital ITS).

Os **Resultados Extraordinários**, foram influenciados pela execução do Programa de Restruturação que contemplou as seguintes linhas de acção:

The volume of **"Own Works"** was reduced by 11.4%, from 1.7 M€ in 2002 to 1.5 M€ in 2003. As a result, and regarding the EBITDA adjusted by the line item "Own Works", there was an 8.1% decrease, substantiated by a drop from 17.2 M€ in 2002 (corresponding to an adjusted EBITDA margin of 15.1%) to 15.8 M€ in 2003 (representing an adjusted EBITDA margin of 11.8%).

The **Average Number of Employees**, which was 926 in 2002, grew 9.2% to 1011 as a result of acquisitions. The turnover per employee in 2003 was thus approximately 132 thousand euros, which was 7.3% higher than in 2002 (123 thousand euros).

The **Operating Results** (EBIT) were 10.5 M€, which reflects a decrease of 25.5% compared to 2002 (14.1 M€). The decrease in this indicator was essentially due to a 41.7% increase in the value of fixed asset amortization resulting from perimeter variations, i.e. fixed asset depreciation from holdings acquired at the end of 2002 and beginning of 2003.

The **Financial Results** were minus 1.2 M€ compared to minus 0.6 M€ in 2002. This negative impact was essentially due to the increase in financial duties associated to medium and long term financing for the acquisition of ATX and Novabase I.I.S. (former GE Capital ITS).

The **Extraordinary Results** were influenced by the implementation of a restructuring program with the following objectives:

1. Optimização da eficiência operacional ajustando os quadros de pessoal às necessidades de mercado e à orientação ao Cliente;

2. Redução do número de participadas de forma a obter maiores reduções de custo e aumento de operacionalidade;

3. Reforço da política conservadora de registo dos movimentos contabilísticos.

Esses **Resultados Extraordinários**, de natureza não recorrente, totalizam o valor de 5.1 M€. Destes, temos:

_ 0.5 M€ relativos a reestruturação do quadro de pessoal (comercial e funcional);

_ 2.6 M€ relativos à aceleração do período de amortização de alguns imobilizados incorpóreos e do goodwill de algumas participadas;

_ 0.9 M€ relativos a provisões de cobranças duvidosas e de depreciação de existências;

_ 1.1 M€ relativos à resolução de contingências em projectos da divisão de Consulting relativos a exercícios anteriores, resolvidos no final do 2º trimestre de 2003.

Estes custos são, na sua maioria, *non cash items*, não prejudicando a geração de cash pela Empresa.

Consequentemente, os **Resultados Antes de Impostos** de 2003, no valor líquido de 2.5 M€, reflectem um decréscimo de 75.5% face ao período homólogo (10.1 M€), decrescendo mais, em termos relativos, do que os resultados correntes, devido à contribuição negativa dos resultados extraordinários.

Os **Resultados Líquidos Consolidados**, antes de interesses minoritários são, neste período, de 1.4 M€, representando um decréscimo de 86.5% face a 2002 (10.2 M€).

1. To optimize operating efficiency by adapting personnel to the needs of the market and by orienting them toward the customer

2. To reduce the number of subsidiaries, thus accelerating cost reduction and increased operability

3. To reinforce conservative policies for recording accounting entries

In the **Extraordinary Results**, non-recurring costs of a total 5.1 M€ breakdown as follows:

_ 0.5 M€ for restructuring of personnel (commercial and administrative)

_ 2.6 M€ for acceleration of the amortization period for some intangible fixed assets and of goodwill of some subsidiaries

_ 0.9 M€ in provisions for doubtful debts and inventory depreciation

_ 1.1 M€ for resolution of contingencies from Novabase Consulting projects which appl y to previous years but were resolved at the end of the 2nd quarter of 2003

These costs are fundamentally "non cash items", not affecting the company's cash flow.

Therefore, **Earnings Before Taxes** in 2003 were 2.5 M€ and reflect a decrease of 75.5% compared to 2002 (10.1 M€), decreasing more in relative terms than the current results due to the negative contribution of the extraordinary results.

The value of **Consolidated Net Results** before minority interests of 1.4 M€ represents a decrease of 86.5% in relation to 2002 (10.2 M€).

Os **Resultados Líquidos Consolidados**, depois de interesses minoritários são, neste período, de 0.6 M€, representando um decréscimo de 93.9% face a 2002 (9.5 M€). Este decréscimo de 8.9 M€ é essencialmente explicado pelas seguintes variações:

_ 1.6 M€ de redução de EBITDA;

_ 2.0 M€ de acréscimo de amortizações do exercício (em grande parte devidas a variação de perímetro);

_ 3.4 M€ de agravamento de prejuízos extraordinários;

_ 0.6 M€ de acréscimo de prejuízos financeiros;

_ 1.2 M€ de acréscimo de IRC (devido a um menor valor de impostos diferidos activos por via da redução da taxa de IRC de 30 para 25%).

Estas variações estão bem patentes no seguinte gráfico:

The value of **Consolidated Net Results** after minority interests of 0.6 M€ represents a decrease of 93.9% in relation to 2002 (9.5 M€). This 8.9 M€ decrease is essentially due to the following variations:

_ 1.6 M€ reduction in EBITDA

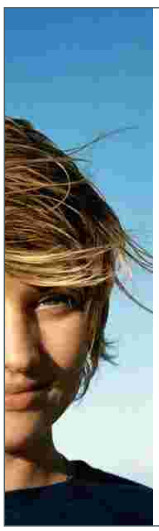
_ 2.0 M€ increase in amortization (mainly due to perimeter variations)

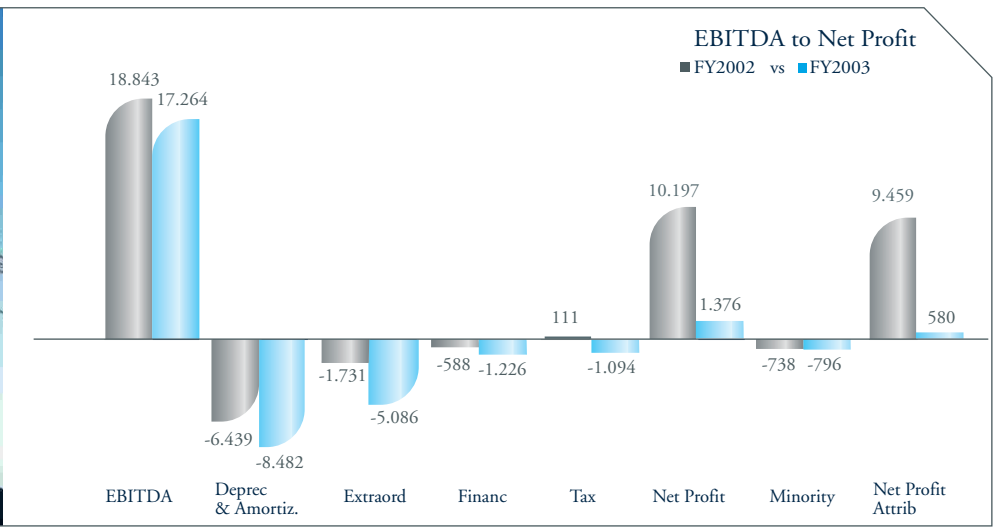
_ 3.4 M€ of extraordinary losses

_ 0.6 M€ increase of financial losses

_ 1.2 M€ for increase in taxes (due to a lower value of deferred taxes resulting from the reduction in IRC from 30 to 25%)

These variations are expressed in the following chart:





O volume de **Capitais Próprios** manteve-se nos 69 M€.

Os **Earnings per Share** (lucros por acção) registaram um decréscimo de 93.9%, passando de 0.335 para 0.021 euros por acção, naturalmente em linha com o decréscimo dos Resultados Líquidos.

Em Dezembro de 2003, o Balanço Consolidado manteve uma Posição Líquida Global de Tesouraria ('**Global Net-Cash**') positiva de 20.6 M€, reflectindo, nos últimos 12 meses um crescimento face aos 19.2 M€ registados em Dezembro de 2002. Esta Posição ainda se torna mais relevante, ao considerar o investimento feito no início de 2003 com a aquisição da Novabase IIS (ex- GE Capital ITS) e o final de pagamento da ATX.

As **Existências** passaram de 9.4 para 8.5 M€, de 2002 para 2003, respectivamente. No entanto, como o volume de vendas de produtos subiu significativamente em 2003 para 62.2 M€, o peso das existências sobre as vendas de produtos baixou de 23.2% para 13.7% no período.

No final de Dezembro de 2003, os **Clientes C/Corrente** cifraram-se em 34.8 M€, valor que compara com os 32.0 M€ do período homólogo de 2002. O Prazo Médio de Recebimento desceu para os 80 dias (em 2002, 86 dias).

Equity held at 69 M€.

Earning Per Share (EPS) decreased 93.9% from 0.335 to 0.021 euros per share as a natural result of the decrease in Net Profit.

The Consolidated Balance Sheet on 31 December 2003 maintained a positive "**Global Net-Cash**" of 20.6 M€, reflecting an increase, in the last 12 months, in relation to the 19.2 M€ registered on 31December 2002. This situation was even more significant considering the investment in the beginning of 2003 for the acquisition of Novabase I.I.S. (former GE Capital ITS) and the final payment for ATX.

Inventory went from 9.4 M€ to 8.5 M€ in 2003. However, due to the significant increase in the product sales volume in 2003 to 62.2 M€, the weight of inventories relative to product sales dropped from 23.2% to 13.7% during the year.

At the end of December 2003, **Customers' Current Accounts** were 34.8 M€ compared to 32.0 M€ the previous year. The average collection period went down to 80 days (from 86 days in 2002).

Investimento

O investimento líquido total da Novabase ascendeu, em 2003, a 14.5 M€, dos quais cerca de 11.6 M€ constituem a componente de investimento não recorrente que resulta, praticamente, da variação de perímetro pela aquisição da Novabase I.I.S. (ex-GE Capital IT) e os restantes 2.9 M€ constituem a componente de investimento recorrente.

Em 2002, o investimento líquido total da Novabase ascendeu a 16.4 M€, dos quais a componente de investimento recorrente se elevou a 5.1 M€, pelo que, face aos valores acima referidos de 2003, houve uma queda de 11.6% no investimento total e uma queda de 43.4% no investimento recorrente.

O **Imobilizado em Curso** passou de 4.0 M€ em 2002, para 1.9 M€ em 2003, o que corresponde a um desinvestimento líquido de cerca de 2.1 M€. Esta variação resulta da transferência para imobilizado firme de 4.7 M€ e do investimento novo no período de 2.6 M€.

O **Imobilizado Incorpóreo**, excluindo o imobilizado em curso, passou de 34.5 M€ em 2002 para 44.0 M€ em 2003, o que representa um investimento líquido em 2003 de 9.5 M€. Deste valor, 6.3 M€ são devidos à variação de perímetro e os restantes 3.2 M€ repartem-se em 0.6 M€ de investimento não recorrente e 2.6 M€ de investimento recorrente.

O **Imobilizado Corpóreo** passou de 14.2 M¤ em 2002 para 21.6 M¤ em 2003, o que representa um investimento líquido de 7.4 M¤ . Deste valor, 5.2 M¤ são devidos à variação de perímetro e os restantes 2.2 M¤ são investimento recorrente.

O **Investimento Financeiro** passou de 1.1 M¤ em 2002 para 0.8 M¤ em 2003. Esta variação negativa de cerca de 0.3 M¤ corresponde na sua maioria a um movimento de reclassificação.

Capital Expenditure

Novabase's total net capital expenditure increased in 2003 to 14.5 M€, 11.6 M€ of which was non-recurring and corresponds, in essence, to the change in the number of Novabase companies due to the acquisition of Novabase I.I.S. (ex-GE Capital IT Solutions). The remaining 2.9 M€ relates to a recurring investment component.

In 2002, Novabase's total net capital expenditure increased to 16.4 M€, including a recurring investment component that registered 5.1 M€, which compared to aforementioned figures results in a decrease of 11.6% in total investment and 43.4% in recurring investment in 2003.

Work in Progress went from 4.0 M€ in 2002 to 1.9 M€ in 2003, which corresponds to a disinvestment of roughly 2.1 M€. This variation results from the transfer of 4.7 M€ to tangible fixed assets and 2.6 M¤ in new investments during the period.

Intangible Assets, excluding working in progress, increased from 34.5 M€ in 2002 to 44.0 M€ in 2003, which represents a net capital expenditure of 9.5 M€ in 2003. Of this value, 6.3 M€ are attributed to the change in the number of Novabase companies, and the remaining 3.2 M€ are comprised of 0.6 M€ in non-recurring investments and 2.6 M€ in recurring investments.

Tangible Fixed Assets increased from 14.2 M€ in 2002 to 21.6 M€ in 2003, which represents a net capital expenditure of 7.4 M€. Of this value, 5.2 M€ are attributed to the change in the number of Novabase companies, and the remaining 2.2 M€ relate to recurring investments.

Financial Investments went from 1.1 M€ in 2002 to 0.8 M€ in 2003. This decrease of approximately 0.3 M€ is, for the most part, due to reclassification.

Investimento *Capital Expenditure* (Milhares de euros / *EUR thousands*)		Não Recorrente *Non-recurrent*	Recorrente *Recurrent*	Total *Total*
Imobilizado em curso *Work in Progress*				
Imobilizado em curso *Work in Progress*			2.590	2.590
Transferência p/ Imob. Firme *Transfer to Fixed Assets*			-4697	-4697
	Sub-total (1)		-2.107	-2.107
Imobilizado Incorpóreo *Intangible Assets*				
I&D e Instalação *R&D and Start-up*			2.569	2.569
Propriedade Industrial e Outros Direitos *Industrial Property and Other Rights*		1.253		1.253
Goodwill *Goodwill*		-765		-765
Trespasses *Business Property Rights*		116		116
	Sub-total (2)	604	2.569	3.173
Imobilizado Corpóreo *Tangible Assets*				
Eq. Transporte / Leasing / AOV *Vehicles/Leasing/OR*		-241		-241
Outros *Other*			2.398	2.398
	Sub-total (3)	-241	2.398	2.157
Imobilizado Financeiro *Financial Fixed Assets*				
Empresas Associadas *Associate Companies*		-241		-241
	Sub-total (4)	-241	0	-241
	Total (1)	**122**	**2.860**	**2.982**
Variação de Perímetro *Perimeter Variation*		11.511		11.511
	Total (2)	**11.633**	**2.860**	**14.493**

Balanço e Demonstração dos Resultados Consolidados auditados Pró-forma da Novabase, preparados de acordo com as Normas Internacionais de Contabilidade (IFRS)

Os resultados de 2003 incluem todos os ajustamentos materialmente relevantes de transição para as Normas Internacionais de Contabilidade, na medida em que a referida obrigatoriedade de apresentação das contas a partir de 2005 elaboradas de acordo com as Normas Internacionais de Contabilidade implica a adopção das mesmas com referência a 1 de Janeiro de 2004 e consequentemente os saldos de 31 de Dezembro de 2003 serem iguais aos saldos de abertura em 1 de Janeiro de 2004.

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 "IFRS") para empresas cotadas em Bolsa, o Conselho de Administração da Novabase entendeu divulgar, desde 2002, a reconciliação de resultados líquidos consolidados e dos capitais próprios 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.

Non-audited Novabase Balance and Consolidated Financial Statement, prepared in accordance with the International Financial Report Standards (IFRS)

2003 results include all the materially relevant transition adjustments, as the referred mandatory submission of accounts as of 2005 done in accordance with the International Accounting Standards implies the adoption of the same with reference to 1 January 2004 and consequently balances of 31 December 2003 are equal to the opening balances on 1 January 2004.

Although mandatory only from 2005 on, inclusive, the submission of consolidated financial statements prepared in accordance with the International Accounting Standards (IAS "IFRS") for companies listed in the Stock Exchange, Novabase Board of Directors deemed appropriate to communicate, starting in 2002, the reconciliation of the consolidated net results and the consolidated equity capital ascertained though reference of the generally accepted Accounting Principles in Portugal and to the International Accounting Standards.

The published information, just for information sake, includes the main adjustments identified as of higher impact in accordance with the International Accounting Standards.

Em resumo, os **Resultados Líquidos Consolidados - IFRS** são analisados como se segue:

In short, **Consolidated Net Results - IFRS** are analysed as follows:

31 de Dezembro de 2003
31 December 2003

	2003	2002	
	Euro '000	Euro '000	Var. %
Resultados Consolidados - POC *Consolidated Net Profit - Portuguese GAAP*	**580**	**9.459**	**-93.9%**
Ajustamentos para IAS: *Adjustments for IAS:*			
1. Despesas de Instalação e Constituição *Start-up Costs*	(364)	114	
2. Despesas com Campanhas Publicitárias *Advertising Expenses*	(1.661)	158	
3. Despesas em Projectos de Investigação e Desenvolvimento *Research & Development Expenses*	(1.557)	(234)	
4. Bonus / Gratificações a Colaboradores *Bonus to Employees*	208	(956)	
5. Impostos Diferidos *Deferred Income Taxes*	853	(37)	
Resultados Líquidos Consolidados - IFRS PRÓ-FORMA *Consolidated Net Profit - IFRS PRO-FORMA*	**(1.941)**	**8.504**	**-122.8%**

Em resumo, os **Capitais Próprios Consolidados - IFRS** são analisados como se segue:

In short, the **Consolidated Equity Capital - IFRS** is analyzed as follows:

31 de Dezembro de 2003
31 December 2003

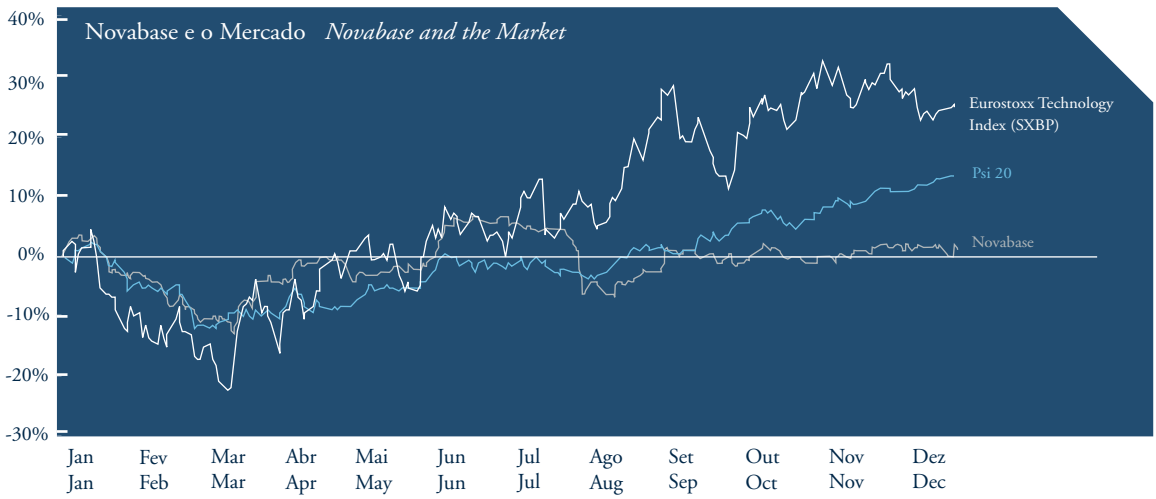
	2003	2002	
	Euro '000	Euro '000	Var.%
Capitais Próprios Consolidados - POC *Consolidated Shareholders' Equity - Portuguese GAAP*	**68.561**	**69.434**	**-1.3%**
Ajustamentos para IAS: *Adjustments for IAS*			
1. Despesas de Instalação e Constituição *Start-up Costs*	(854)	(490)	
2. Despesas com Campanhas Publicitárias *Advertising Expenses*	(1.661)	–	
3. Despesas em Projectos de Investigação e Desenvolvimento *Research & Development Expenses*	(2.653)	(1.096)	
4. Bonus / Gratificações a colaboradores *Bonus to Employees*	(178)	(956)	
5. Impostos Diferidos *Deferred Income Taxes*	1.404	599	
6. "Fair-value" dos títulos de investimento *Fair-value of Investment Account Securities*	83	(77)	
Capitais Próprios Consolidados - IFRS PRÓ-FORMA *Consolidated Shareholders' Equity - IFRS PRO-FORMA*	**64.702**	**67.414**	**-4.0%**

10 . Comportamento Bolsista

As cotações em 2003 ainda não revelaram sinais claros de recuperação continuada. Assistimos a comportamentos mistos, por vezes pontuais, mas seguidos de ajustamentos. Na primeira metade de 2003, pela análise do gráfico abaixo, a variação da cotação da acção Novabase mostra um comportamento semelhante à variação da cotação dos Índices PSI20 e EuroStoxx Technology, mas ao longo do 2º semestre de 2003, a cotação da acção Novabase não acompanhou a cotação destes índices. A acção da Novabase terminou o período com uma variação residual enquanto o Índice PSI20 terminou a valorizar 13.5% e o Índice EuroStoxx Technology terminou com uma valorização de 25.0%. Em termos de volatilidade, quer o índice PSI20 quer a acção Novabase mostraram uma volatilidade inferior à do índice EuroStoxx Technology.

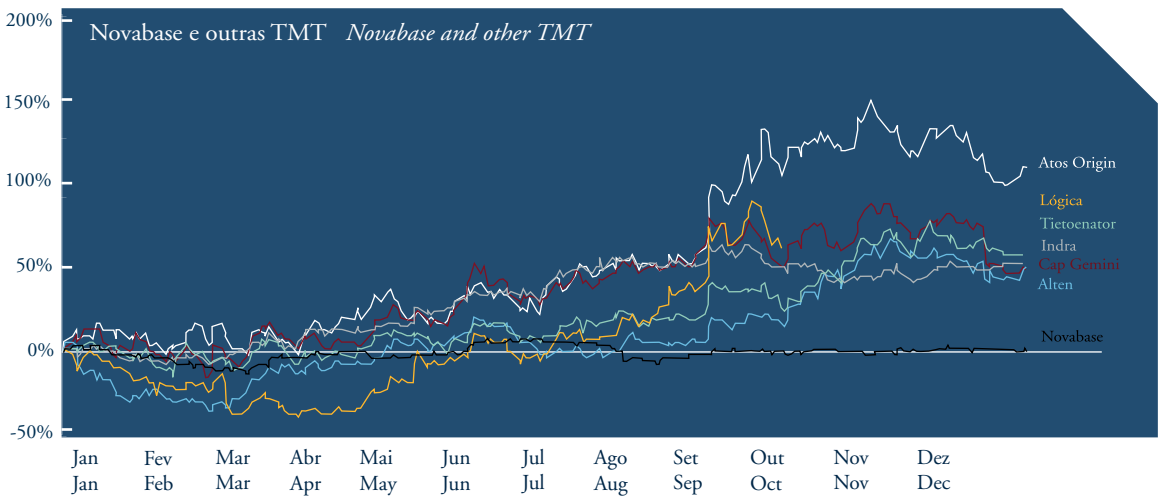
10 . Stock Performance

Share prices in 2003 still showed no clear signs of sustainable recovery. We saw mixed performance, often sporadic, but followed by adjustments. In the first half of 2003, as per the graph below, change in Novabase's share price reveals performance similar to the variation in the PSI20 and EuroStoxx Technology Indexes, although throughout the second half of 2003 Novabase's share price deviated from these indexes. Novabase stocks ended the period with a residual variation while the PSI20 Index was up 13.5% and the EuroStoxx Technology Index up 25.0%. In terms of volatility, both the PSI20 Index and Novabase stock were less volatile than the EuroStoxx Technology Index.



Ao comparar a cotação da Novabase com as de outras empresas do sector das TI na Europa, constatamos que estas últimas mostraram valorizações superiores a 50% enquanto a acção Novabase, em 2003, apenas mostrou uma valorização residual. Há duas razões para este comportamento: por um lado o título Novabase nunca se desvalorizou tanto no passado quanto aos títulos das suas congéneres (em 2002 a maior parte destas outras acções perdeu cerca de 60% do seu valor, enquanto a Novabase apenas perdeu 30% do seu valor nesse ano); por outro lado é normal existir um desfasamento temporal entre movimentos nas principais Bolsas Europeias e na Bolsa Nacional.

In comparing Novabase's share price with other European IT companies, we note that the latter were up more than 50% whereas Novabase merely presented a residual gain. There are two reasons for this: on the one hand, Novabase shares never fell to the same degree as those of similar companies in the past (in 2002 the majority of these other stocks lost around 60% of their value, whereas Novabase only lost 30%), and on the other hand, a time lag is normal in movements between the Portuguese and primary European stock markets.



A cotação média, ponderada pela quantidade, do título Novabase em 2003, cifrou-se em 5.81 euros por acção. Foram transaccionadas cerca de 4 milhões de acções nas 255 sessões de bolsa de 2003, correspondentes a um valor de transacção de 23.4 M€. O número médio diário de acções transaccionadas fixou-se em cerca de 15.8 mil títulos, correspondentes a um valor médio diário de cerca de 92 mil euros.

Em termos de liquidez, a rotação em 2003 representou cerca de 57% do *free-float* e corresponde a cerca de 14% do capital total da Novabase.

A cotação no último dia de bolsa de 2003, dia 31 de Dezembro de 2003, fixou-se nos 5.90 euros, o que representa uma pequena valorização de 1.7% face aos 5.80 euros com que a Novabase se fixou no final de 2002 (cotação de 31 de Dezembro de 2002).

The average Novabase PSI20 share price weighted by quantity in 2003 was 5.81 euros per share. Approximately 4 million shares were traded in the 255 stock exchange sessions in 2003, corresponding to a trading value of 23.4 M€. The daily average number of shares traded was roughly 15.8 thousand shares, corresponding to a daily average value of about 92 thousand euros.

In terms of liquidity, the turnover in 2003 represented about 57% of the free float, which corresponds to approximately 14% of Novabase's total capital.

The share price on the last day of trading, 31 December 2003, was 5.90 euros, which represents a small gain of 1.7% compared to the 5.80 euros that Novabase shares registered at the end of 2002 (price on 31 December 2002).

Resumo *Summary*	4Q 2003	3Q 2003	2Q 2003	1Q 2003
Cotação mínima (valor euros) *Minimum price (EUR)*	5.75	5.45	5.59	5.10
Cotação máxima (valor euros) *Maximum price (EUR)*	5.99	6.26	6.26	6.07
Cotação média ponderada pela Quantidade *Average price weighted by quantity*	5.87	5.83	5.85	5.66
Nº de Títulos Transaccionados *Number of shares traded*	1 829 890	656 990	588 052	948 858
Capitalização Bolsista no último dia do período (M¤) *Market capitalization on last day of period* (M¤)	166.7	166.4	176.3	158.2

11 . Proposta de Aplicação de Resultados

O resultado líquido apurado no exercício de 2003 foi de 579 591.07€, que se propõe tenha a seguinte aplicação:

Reserva Legal:	Euros: 28 979.56
Resultados Transitados:	Euros: 550 611.51

12 . Perspectivas para 2004

12.1. Mercado em Geral

Prevê-se um ano de 2004 ainda com taxas de crescimento muito moderadas para o sector, especialmente durante o primeiro semestre, com os clientes a continuarem a limitar investimentos em TI enquanto não obtiverem sinais claros de que os seus próprios negócios entraram numa fase de retoma. Conforme o já anunciado, irá manter-se a contenção orçamental do lado da Administração Pública.

Por seu turno, é provável que se continue a assistir a movimentos de concentração no sector de serviços de TI em Portugal por forma a garantir economias de escala que permitam às empresas de TI atravessar a crise e reter os seus clientes estratégicos.

Em termos de ofertas, segundo um estudo da Forrester Research, é expectável que, à medida que os clientes continuam a procurar ganhos de eficiência, as ofertas de outsourcing de infraestruturas e de BPO continuem a ganhar tracção no mercado - se bem que em termos de BPO o mercado Português seja bastante pequeno.

11. Proposal for the Allocation of Profits

The net profit for the financial year of 2003 was 579,591.07, and we propose that it should be allocated as follows:

Statutory Reserve:	Euros: 28,979.56
Retained Earnings:	Euros: 550,611.51

12 . Outlook for 2004

12.1. The Market in General

We can certainly expect 2004 to see very moderate growth rates in the IT sector, in particular during its first half of the year, with customers continuing to limit IT investments until clear signs appear that their own business are on the rebound. As has already been announced, budgetary restraints will continue to exist in public administration.

In turn we will most likely continue to witness a concentration trend in the Portuguese IT services sector that will provide the economies of scale that IT companies can use to rise above the current crisis and lock in strategic customers.

In terms of offerings, according to a Forrester Research study, we can expect infrastructure outsourcing and BPO to continue to gain momentum in the market as customers seek to increase efficiency, even if the BPO market in Portugal is quite small. According to the same study, systems integration services should have a noticeable recovery while consulting will have a more timid turnaround in Portugal in 2004.

Segundo o mesmo estudo, os serviços de integração de sistemas deverão ter uma retoma clara enquanto que a consultoria terá uma retoma mais tímida em Portugal em 2004.

A segunda metade de 2004, poderá já permitir crescimentos moderados no mercado sendo que em Portugal a realização do Euro 2004 poderá servir de catalisador para uma retoma da economia na segunda parte do ano o que, sendo o sector de TI fortemente cíclico, poderá representar maiores oportunidades para empresas como a Novabase.

12.2. Novabase

A Novabase procurará expandir a sua relação com os Clientes para modelos de mais longo prazo, tirando partido da sua crescente oferta de outsourcing, quer de infraestruturas, quer aplicacional, quer de processos de negócio (BPO). Procurará novas oportunidades de consolidação na espaço nacional as quais pensamos não se encontrarem esgotadas após a anunciada venda pela EDP de uma participação substancial da EDINFOR a um parceiro estratégico internacional.

Continuaremos a procurar a melhoria da nossa eficiência operacional, consubstanciada:

1_ Na divisão Novabase Consulting por um *delivery* de qualidade aliado a uma optimizada alocação dos seus recursos humanos

2_ Na divisão Novabase Engineering Solutions por uma apurada gestão logística

3_ Nas áreas funcionais pela centralização e optimização de processos e gestão integrada do espaço físico que deverá idealmente ser único em cada cidade em que a Novabase tem presença.

Iremos reforçar a nossa captação de negócio fora de Portugal como forma de aumentar a nossa capacidade de crescimento. Contudo o ênfase principal será dado à rentabilidade, mesmo que tal implique um crescimento menor em volume.

The second half of 2004 may indeed see moderate market growth with the Euro 2004 events being held in Portugal possibly acting as a catalyst for an economic recovery during that period. Given the strong cyclical nature of the IT sector this could represent an increase in opportunities for companies like Novabase.

12.2. Novabase

Novabase will seek to extend customer relationships toward longer-term models, taking full advantage of its ever-growing offering in outsourcing whether related to infrastructure, applications or business process outsourcing (BPO). We will look for new consolidation opportunities in Portugal, which we are confident still exist after the announcement of the EDP's sale of substantial holdings in EDINFOR to a strategic foreign partner.

We will continue to enhance our operating efficiency:

1_ By combining quality delivery with optimized human resource allocation at Novabase Consulting

2_By refining logistics management at Novabase Engineering Solutions

3_By centralizing and optimizing processes in the functional areas and by integrating the various facilities that should ideally consist of a single location in every city where Novabase is present.

We must continue to reinforce our ability to win business outside of Portugal as a means of fostering growth. In the end, however, our main focus will always be on profitability even if implies a lower growth in volume.

13 . Informações Complementares

13.1. Acções Próprias

Em conformidade com a legislação em vigor, por deliberação em Assembleia Geral de 29 de Abril de 2003, 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 2002 a Novabase S.G.P.S. detinha em carteira 24 966 acções próprias, representativas de 0.1% do seu capital social.

Durante o exercício de 2003 a empresa adquiriu em bolsa 482 044 acções próprias a um preço líquido médio de 5.81 euros e alienou em bolsa 257 769 acções próprias a um preço médio de 5.85 euros.

O acréscimo na carteira de acções próprias da empresa resultante das transacções acima referidas, no total de 224 275 acções permitiu-lhe efectuar a cedência de 234 106 acções, em transacções realizadas fora de bolsa. Estas cedências destinaram-se, na sua maioria, à liquidação final de parte do valor acordado para a aquisição das acções da empresa ATX Software SA, no âmbito do contrato de prestação de serviços na área das tecnologias de informação em regime de outsourcing, celebrado com o grupo BES.

A 31 de Dezembro de 2003 a Novabase S.G.P.S. detinha em carteira 15 135 acções próprias, representativas de 0.05% do seu capital social.

13 . Additional Information

13.1. Treasury Shares

In keeping with prevailing legislation and deliberated in the General Meeting of Shareholders of 29 April 2003, the acquisition of treasury shares by Novabase SGPS is permitted up to a maximum of 10% of its share capital.

On 31 December 2002 Novabase SGPS held a total of 24,966 treasury shares in its portfolio, representing 0.1 % of its share capital.

During 2003 the company purchased 482,044 treasury shares at an average price of 5.81 euros and sold 257,769 treasury shares at an average price of 5.85 euros, all on the stock market.

The net increase in the company's portfolio of 224,275 treasury shares, as a result of the aforementioned transactions, allowed the company to yield 234,106 treasury shares in transactions outside of the stock market. The majority of these treasury shares were transacted as final payment of portion of the agreed value for the purchase of ATX Software SA shares, in the context of an information technology services outsourcing contract signed with the BES Group.

On 31 December 2003 Novabase SGPS held a total of 15,135 treasury shares in its portfolio, representing 0.05 % of its share capital.

13.2. Menções Obrigatórias

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

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

13.3. Compulsory Statements

No authorizations 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 2003, 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.

Σ

_ 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.

Uma palavra final de pesar pelo falecimento do Dr. Raúl Bordalo Junqueiro, Presidente da Assembleia Geral da Novabase e o reconhecimento grato pela amizade e por todos os serviços prestados à empresa.

Acknowledgements

On completing its report on the financial year of 2003, the Board of Directors would like to express its thanks to all who proactively committed themselves to the development of Novabase, to the ongoing construction of its vision, to setting concrete goals, to pursuing these goals and to undertaking small, laborious day-to-day tasks to make it happen. In particular we wish to express our gratitude to:

_ Our **Customers** for honoring 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 as well as 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.

On a final note, we wish to express our condolences for the death of Dr. Raul Bordalo Junqueiro, Chairman of Novabase's General Meeting of Shareholders, and express our appreciation for his friendship and his excellent service to the company.

Lisboa, 20 de Fevereiro de 2004
Lisbon, 20 February 2004

O Conselho de Administração
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

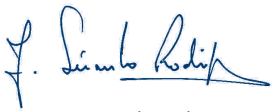
Luís Paulo Cardoso Salvado

João Filipe Santos Teixeira Neto

João Vasco Tavares da Mota Ranito

Nuno Miguel Isidoro Duarte

José Carlos de Almeida Pedro de Jesus



Joaquim Sérvulo Rodrigues

Todos procuram um lugar para guardar os seus sonhos.
Nós já encontramos,
é aqui.

Everybody looks for a place to keep their dreams.
We've already found it,
It's here.

A Natureza Novabase
The Nature of Novabase

Relatório sobre as Práticas de Governo
Governance Practices Report

Accionistas *Shareholders*	Nº de Acções *Nº of Shares*	% Capital *% Capital*	% Direito Voto *% Voting Rights*
José Afonso Oom Ferreira de Sousa	3.137.936	11.10%	11.11%
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%
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	16.074.697	56.89%	56.92%

Publicidade de Participações dos Membros de Órgãos 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	11.10%	11.11%
Pedro Miguel Quinteiro Marques de Carvalho	3.137.756	11.10%	11.11%
Banco Espírito Santo, SA (*)	3.227.326	11.42%	11.43%
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%
Caixagest - Grupo CGD	1.150.870	4.07%	4.08%
Paulo Jorge Ferreira Andrez	1.010.501	3.58%	3.58%
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%
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	22.418.727	79.34%	79.38%

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

(*) BES - Participação calculada nos termos do nº 1 do artº 20º do CVM, que se decompõe em: 1.792.144 acções detidas por ES TECH VENTURES, SGPS, S.A., 1.200.395 acções detidas por ESAF - Espírito Santo Fundo de Pensões, S.A., 234.657 acções detidas por ESAF - Espírito Santo Fundos de Investimento Mobiliário, S.A. e 130 acções detidas por elementos dos Órgãos Sociais.

(*) BES - Participation calculated in terms with point 1 of Article 20 of the CVM (Securities Code), consisting of: 1.792.144 shares held by ES TECH VENTURES, SGPS, S.A., 1.200.395 shares held by ESAF - Espírito Santo Fundo de Pensões, S.A., 234.657 shares held by ESAF - Espírito Santo Fundos de Investimento Mobiliário, S.A. and 130 shares held by Corporate Boards.

Durante o exercício de 2003 não foram efectuadas quaisquer transacções sobre acções da Novabase pelas entidades referidas no nº1 do artigo 447 do Código das Sociedades Comerciais.

In 2003, no transactions of Novabase shares were executed by the entities listed in article 447 point 1 of the Company Code.

Introdução

A Novabase optou por incluir, em separado, um Anexo ao Relatório e Contas de 2003 totalmente dedicado ao Governo de Sociedade Cotada, em conformidade com o Regulamento da CMVM N.º 07/2001 e com as alterações que lhe foram introduzidas pelo Regulamento Nº 11/2003 sobre o Governo das Sociedades Cotadas.

Este anexo 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.

Capítulo 0 . Declaração de Cumprimento

O Conselho de Administração teve em vista como um dos principais objectivos e preocupações da sua actuação para o exercício de 2003 a obtenção de um cada vez mais elevado respeito pelas recomendações e boas práticas relativas ao governo das sociedades. Através de tal actuação, que implica o constante aperfeiçoamento da estrutura de governo societário da Novabase, visa-se não só assegurar a transparência nas práticas e processos de decisão, mas também melhorar o acesso à informação sobre a gestão por parte de investidores e analistas.

Nos capítulos seguintes são abordados os diversos aspectos objecto das Recomendações da CMVM sobre o Governo das Sociedades Cotadas, as quais foram observadas na sua generalidade com excepção das situações adiante explicitadas.

De salientar que apesar de não terem sido acolhidas na íntegra todas as Recomendações da CMVM sobre o Governo das Sociedades Cotadas, a Novabase acolheu expressamente as mais relavantes, nomeadamente as relativas à divulgação em termos individuais das remunerações dos membros do órgão de administração, sendo que em muitas dessas situações a sua actuação constitui uma posição pioneira no mercado português em termos de respeito pelas regras de bom governo societário.

Introduction

Novabase has chosen to attach a separate annex to the 2003 Annual Report and Accounts, devoted entirely to the management of the listed company, as required by CMVM Regulation 07/2001 and the changes introduced by regulation II/2003 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.

Chapter 0 . Declaration of Compliance

As a primary goal and focus for activities in 2003, the Board of Directors aspired to achieve an ever-heightened respect for recommendations and best practices with regard to corporate governance. Through such activities, which entail the ongoing refinement of Novabase's corporate governance structure, we aim not only to ensure transparency in decision-making practices and processes, but also to improve investors' and analysts' access to company management information.

In upcoming chapters we will describe various matters related to CMVM Recommendations on the Management of Listed Companies, which were observed on the whole, with the exception of specific situations to be detailed later.

Although these CMVM Recommendations on the Management of Listed Companies were not adopted in their entirety, Novabase did explicitly adopt the most relevant, namely those pertaining to publicizing individualized information on remuneration of members of managing boards. In many cases the company's actions forged new ground in the Portuguese market in terms of respecting good corporate governance rules.

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 Anual da Novabase de 2003 no seu capítulo 4. divulga informação detalhada sobre a Estrutura e o Modelo de Governo da Novabase, detalhando os órgãos de Coordenação da Novabase. 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 da Comissão Executiva. Finalmente, é referida a composição e o funcionamento da Comissão de Vencimentos. Este órgão decide sobre as condições de remuneração dos membros dos orgãos sociais, e é composto pelos Presidentes da Assembleia Geral, do Conselho Fiscal e do Conselho de Administração.

No capítulo 5. do Relatório de Gestão é detalhada a actividade da Novabase pelas duas divisões de Negócio em que se encontrou estruturada no exercício de 2003.

No capítulo III nº2 do presente Relatório são descritos os procedimentos internos adoptados pela Novabase para o controlo do risco na sua actividade.

2 . Descrição da evolução da cotação das acções da Novabase

O Relatório Anual da Novabase de 2003, no seu capítulo 10. contém uma descrição detalhada da evolução da acção Novabase no Mercado de Cotações Oficiais da Euronext Lisbon.

Os factos relevantes divulgados pela Novabase, também referidos no capítulo 8. do mesmo Relatório, 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 Novabase's Annual Report 2003 contains detailed information on Novabase's structure, 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 the Executive Committee. Finally, the composition and operation of the Remuneration Committee are detailed. This board decides upon remuneration of the members of the corporate boards and is comprised of the Chairmen of the General Meeting of Shareholders, of the Board of Auditors and of the Board of Directors.

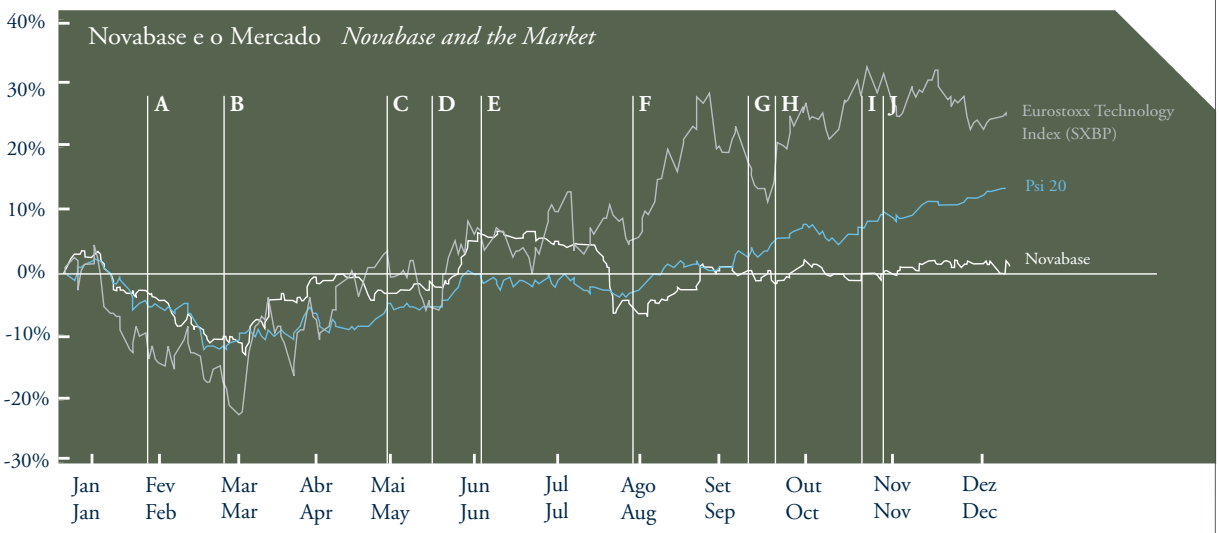
Chapter 5 of the annual report details Novabase's activities by the two business divisions in which it was structured in 2003.

Chapter III point 2 of this Report describes the internal procedures adopted by Novabase for risk control in its business activities.

2 . Changes in Novabase's share prices

Chapter 10 of Novabase´s Annual Report 2003 contains a detailed description of the changes in Novabase's share prices on the Euronext Lisbon Official Stock Exchange.

The relevant occurrences announced by Novabase in chapter 8 of the same Report are shown in the following graph:



A . 2003-01-27 - AF PPA reduz no capital social da NOVABASE, SGPS, S.A. para 1,93%

B . 2003-02-26 - Novabase SGPS apresenta Resultados de 2002

C . 2003-04-30 - Novabase apresenta Resultados do 1º Trimestre de 2003

D . 2003-05-15 - Acordo Parassocial de Accionistas

E . 2003-06-02 - Novabase fornece solução de bilhética para o futuro Metro Sul do Tejo

F . 2003-07-30 - Novabase apresenta Resultados do 1º Semestre de 2003

G . 2003-09-09 - Novabase fornece soluções de Bilhética para sete dos dez Estádios do Euro2004

H . 2003-09-19 - Caixagest com 4,1% do capital da Novabase SGPS

I . 2003-10-22 - Participações Qualificadas

J . 2003-10-29 - Novabase apresenta Resultados Consolidados do 3º Trimestre de 2003

A . 2003-01-27 - AF PPA reduces Novabase SGPS, SA Shareholdings to 1.93%

B . 2003-02-26 - Novabase SGPS announces 2002 Results

C . 2003-04-30 - Novabase announces 2003 1st Quarter Results

D . 2003-05-15 - Shareholders' Agreement

E . 2003-06-02 - Novabase supplies Ticketing Solution to Future Metro Sul do Tejo (Tagus South Underground)

F . 2003-07-30 - Novabase announces 2003 1st Half Results

G . 2003-09-09 - Novabase supplies Ticketing Solutions for seven of ten Euro 2004 Stadiums

H . 2003-09-19 - Caixagest holds 4.1% of Novabase SGPS capital stock

I . 2003-10-22 - Qualified Holdings

J . 2003-10-29 - Novabase SGPS announces 3rd Quarter 2003 Consolidated Results

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 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 e em 2003, pelo comportamento dos mercados bolsistas em geral e em particular pelo caso português, não houve opções exercidas pelo que não foi necessário realizar qualquer aumento de capital.

3 . Política de distribuição de dividendos adoptada pela Novabase

Dividendos relativos aos Exercícios de 2000, 2001 e de 2002 - o Conselho de Administração propôs nas Assembleias Gerais de accionistas de 22 de Maio de 2001, de 29 de Abril de 2002 e de 29 de Abril de 2003 que os resultados dos exercícios de 2000, de 2001 e de 2002 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 (hoje Euronext Lisbon) das acções da Novabase, tinha já 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, de 2001 e de 2002.

In 2001, as part of the company's Stock Option Plan described in Point 4 of this Annex, Novabase increased its share capital, with cash payments, from 14,100,000 euros to 14,127,982 euros. The increase in capital involved the issue of 55,964 shares with a face value of 0.50 euros each. These shares were subscribed and paid up at a price of 8.50 or 10.40 euros, 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 1 June 2001.

In 2002 and 2003, as a result of the performance of the stock markets in general and of the Portuguese stock market in particular, no options were exercised, and thus no increase in share capital was necessary.

3 . Novabase's dividend policy

Dividends for 2000, 2001 and 2002 - The Board of Directors proposed at the General Meetings of Shareholders on 22 May 2001, 29 April 2002 and 29 April 2003 that the profits made in the financial years of 2000, 2001 and 2002 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 Exchange (today *Euronext Lisbon*) had already announced the company's intention not to distribute dividends to the shareholders in the three years following its admission to trading. The General Meeting of Shareholders therefore decided unanimously not to distribute dividends to the shareholders for the financial years ending on December 31st of 2000, 2001 and 2002.

Dividendos relativos ao Exercício de 2003 - Devido à reduzida expressão dos resultados líquidos de 2003, considera o Conselho de Administração que a questão da eventual distribuição de dividendos não se coloca no exercício agora findo, pelo que não irá propôr em AG qualquer distribuição de dividendos.

4 . Planos de atribuição de opções de subscrição e/ou aquisição de acções da Novabase

Encontrando-se esgotada a possibilidade de atribuição de opções sobre acções a trabalhadores e membros do Conselho de Administração da sociedade e das restantes empresas do Grupo Novabase no âmbito do Plano de Opção de Compra de Acções aprovado na Assembleia Geral de Accionistas de 22 de Maio de 2001, foi aprovado na Assembleia Geral de Accionistas de 29 de Abril de 2003 um novo Plano de Opções de Subscrição e/ou Aquisição de Acções referente aos exercícios de 2003 a 2005.

Enquanto as componentes de vinculação e desempenho do 1º Plano se referiam a 2000, 2001 e 2002, no actual Plano poderão ser atribuídas opções de vinculação e/ou de desempenho relativas aos anos 2003, 2004 e 2005.

De forma a aproximar a data de um bom desempenho num determinado exercício e o correspondente prémio, no actual Plano não foi considerado o período de 1 ano de carência, podendo o início do exercício de cada opção ser exercido logo no ano seguinte àquele a cujo desempenho se refere a avaliação. O período de exercício das opções passou para três anos no novo Plano, ao contrário do anterior em que era de quatro anos.

Dividends for 2003 - Due to the reduced nature of net profits in 2003, the Board of Directors considers that the possibility of dividend distribution is not appropriate for last year, such that no distribution of dividends shall be proposed at the General Meeting of Shareholders.

4 . Plan for options to subscribe and/or purchase novabase stock

A new Stock Option Plan for the years 2003 to 2005 was passed at the General Meeting of Shareholders of 29 April 2003, as the possibility of offering stock options to employees and members of the Board of Directors of Novabase and other companies in the group under the Stock Option Plan passed in the General Meeting of Shareholders of 22 May 2001 had been exhausted.

In the previous plan both components applied to admission and/or performance from 2000, 2001 and 2002, while in the current plan admission and/or performance options for the years 2003, 2004 and 2005 may be attributed.

In order to approximate the date of positive performance in a given year and its corresponding reward, the current plan does not involve a one-year waiting period. In this way each option may be exercised without delay in the year following that of performance evaluation. The period for exercising options went to three years in the new plan as opposed to four years in the previous plan.

O Plano de Opções de Subscrição e/ou Aquisição de Acções referente aos exercícios de 2003 a 2005, tal como o anterior, 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). Também na decisão de implementação deste 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 dos accionistas, através do incentivo decorrente da participação directa de tais colaboradores na performance das acções da empresa. Na adopção deste 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.

No caso dos elementos do Conselho de Administração, a fixação do número de opções a atribuir cabe à Comissão de Vencimentos. Devido à doença prolongada e posteriormente falecimento do Presidente da AG da Novabase, Dr. Raul Junqueiro, que simultaneamente exercia as funções de Presidente da Comissão de Vencimentos, esta só reuniu uma única vez, em Agosto de 2003. Nessa reunião foi estabelecido o valor da componente fixa da remuneração dos administradores. Não foi estabelecida a componente variável nem a forma de pagamento, nomeadamente o possível recurso ao plano de stock options. A comissão já não voltou a reunir pelas razões apontadas, pelo que se optou por aguardar a nomeação pela próxima AG do novo Presidente da Comissão de Vencimentos, após o que esta comissão reunirá de novo a fim de fixar a componente em falta. A eventual atribuição em 2004 de opções aos elementos do CA relativas a 2003 mantém-se pois como uma possibilidade em aberto.

The Stock Option Plan for the years 2003 to 2005, like the previous one, includes all employees and members of the Board of Directors of Novabase and 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 also 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 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.

In the case of members of the Board of Directors, it is the Remuneration Committee's responsibility to determine the number of options to be attributed. Due to the prolonged illness and subsequent death of Dr. Raul Junqueiro, chairman of both the General Meeting of Shareholders and the Remuneration Committee, this committee held only one meeting in August of 2003. The amount of the fixed component for the directors' remuneration was set at this meeting. The variable component and payment method, namely the potential use of the stock options plan, were not decided at this time. The committee did not meet again for the aforementioned reasons, and we have chosen to wait for the appointment of a new Remuneration Committee chairman at the next General Meeting of Shareholders, after which this committee will meet once more to decide upon the missing component. The possibility of offering options in 2004 to members of the Board of Directors relative to 2003 therefore remains open.

O Plano de Opções de Subscrição e/ou Aquisição de Acções referente aos exercícios de 2003 a 2005 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, equivalente a uma percentagem do salário anual líquido, fixada individualmente.

b) Componentes anuais de desempenho individual - atribuídas anualmente em 2004, 2005 e 2006, correspondentes ao desempenho verificado nos anos 2003, 2004 e 2005, 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 três momentos. O primeiro momento ocorre no dia 25 de Maio do ano imediatamente seguinte àquele a que se refere o desempenho associado à 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 sucessivos meses de Maio, e em lotes correspondentes a 1/3 do número de Opções atribuídas.

The Stock Option Plan for te years 2003 to 2005 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, equivalent to a percentage of their annual net salary, to be fixed individually.

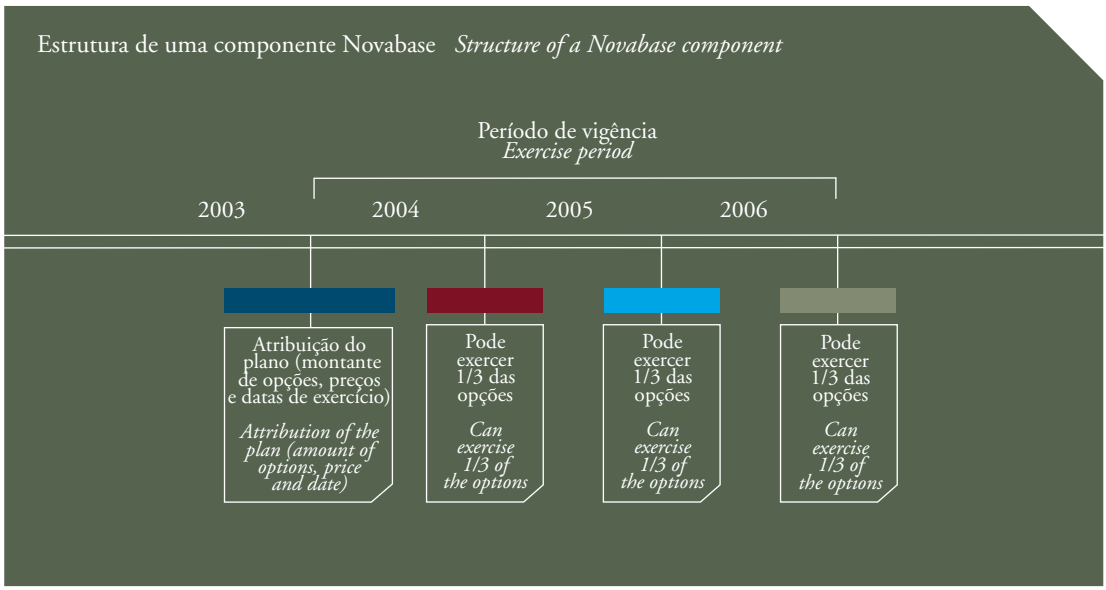
b) Annual individual performance components - attributed annually in 2004, 2005 and 2006 for performance in 2003, 2004 and 2005, respectively, by setting aside part of the bonus or variable remuneration of the employees or directors of any company in the Novabase Group.

The options attributed in the different components by December 31st of each year can be exercised in three 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 two on the same day (or on the first subsequent working day) in the following months of May and in blocks corresponding to 1/3 of the number of Options attributed.

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

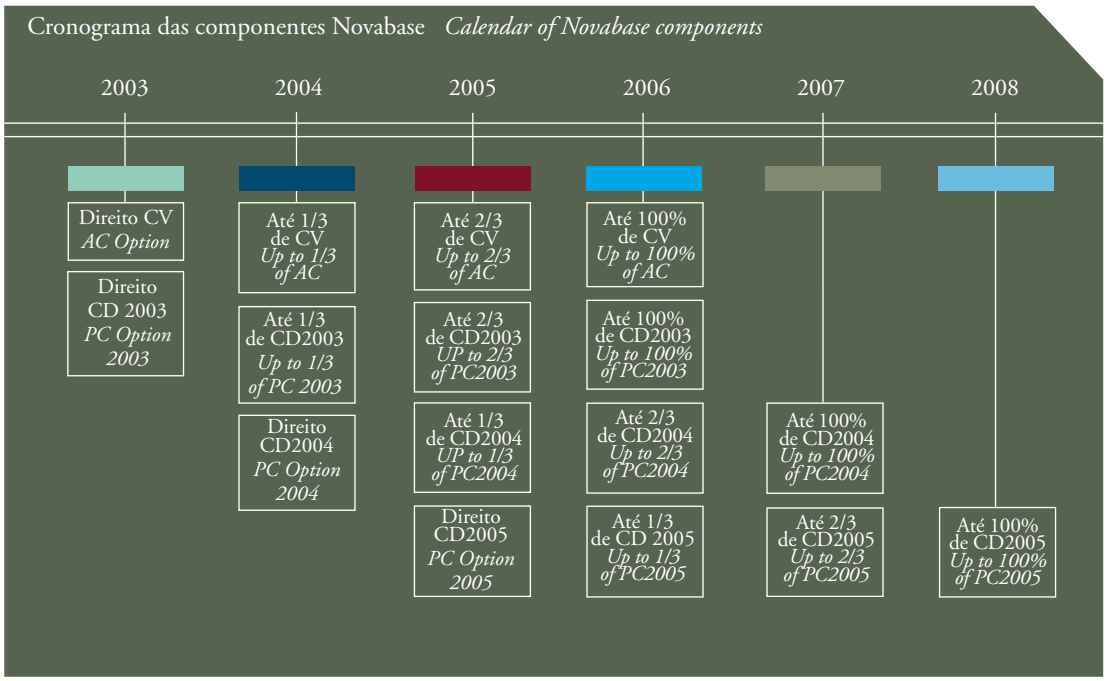
The exercise structure of each component is the same and lasts for three years, as shown below:

Estrutura de uma componente Novabase *Structure of a Novabase component*



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:



O preço de subscrição e/ou aquisição das acções objecto das opções atribuídas em cada componente no âmbito do actual 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 Lisbon, nas sessões de Bolsa que tenham lugar entre 1 de Outubro e 31 de Dezembro do ano anterior àquele em que as opções são atribuídas, eventualmente corrigido nos termos previstos no presente Plano aprovado em Assembleia Geral de 29 de Abril de 2003.

O preço de exercício das opções atribuídas no âmbito das componentes anuais de desempenho previstas no novo Plano deve corresponder, em regra, ao que resultar da referida média nas sessões de Bolsa que tenham lugar entre 1 de Outubro e 31 de Dezembro do ano anterior àquele a que o desempenho respeita.

The subscription and/or purchase price of the shares in the options attributed in each component under the current 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 Lisbon market between October 1st and December 31st of the year before that in which the options are attributed, weighted by their volumes and possibly corrected according to the current Stock Option Plan approved at the General Meeting held on 29 April 2003.

The take-up price of options attributed under annual performance components in the new Plan should as a rule correspond to the aforementioned arithmetical average of market sessions between 1 October and 31 December of the year before that corresponding to the performance.

	2000	2001	2002	2003
Vinculação *Admission*	10.4/8.5*	10.4	8.23	4.96
Desempenho *Performance*	8.5	8.23	4.96	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 de Opção de Compra de Acções anterior (referente ao período de 2000 a 2002) e do presente Plano (referente aos exercícios de 2003 a 2005) não poderão exceder, a qualquer momento, e em relação ao volume total das acções representativas do capital social da Novabase nesse momento, o limite máximo acumulado de 25%, correspondente a 12.5% por plano.

É ao Conselho de Administração da Novabase que compete a atribuição efectiva da qualidade de participante do Plano de Opções de Subscrição e/ou Aquisição de Acções referente aos exercícios de 2003 a 2005, sendo igualmente responsável pela atribuição das opções no âmbito das diversas componentes, excepto no caso dos próprios administradores da Novabase SGPS, cuja atribuição compete à Comissão de Vencimentos.

The shares corresponding to the options attributed but not yet exercised under the previous Stock Option Plan (referring to 2000 to 2002) and the current Plan (referring to 2003 to 2005) should not at any time exceed the maximum accumulated limit of 25%, corresponding to 12.5% per plan in relation to the total share volume representing Novabase's share capital at that time.

The Board of Directors is responsible for selecting participants in the Stock Option Plan for the years 2003 to 2005 and for attributing options in the different components, except in the case of Novabase SGPS directors, whose stock option offerings are the responsibility of the Remuneration Committee.

Sempre que ocorrerem operações financeiras susceptíveis de afectar de forma relevante o valor das acções da Novabase, o número das acções objecto das Opções bem como o preço de aquisição e/ou subscrição será corrigido de modo a compensar o efeito dessas operações. Estas correcções serão propostas pela comissão de acompanhamento do Plano, designada pelo Conselho de Administração da Novabase.

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 em 2003, devido aos comportamentos dos mercados de capitais não foram exercidas quaisquer opções previstas no Plano de Opção de Compra de Acções.

Até à presente data, foram atribuídas e ainda não exercidas no âmbito dos planos de stock options descritos 6.488.252 opções, a que corresponde igual número de acções da Novabase. Caso na próxima data de exercício, isto é, no dia 25 de Maio de 2004, sejam exercidas todas as opções atribuídas ou a atribuir exercitáveis nessa data, poderão ser emitidas até 185.432 acções ao preço de 8.50 euros cada, 204.042 acções ao preço de 10.40 euros cada, 401.066 acções ao preço de 8.23 euros cada e 1.663.413 acções ao preço de 4.96 euros cada, no âmbito de um aumento de capital eventualmente a deliberar pelo Conselho de Administração para efectivação dos Planos. O número máximo de acções a emitir neste

In the case where financial operations may significantly impact Novabase's share value, the number of shares available for options and their acquisition and/or subscription price will be adjusted to compensate for that impact. The commission accompanying the Plan, designated by Novabase's Board of Directors, will propose these corrections.

In 2001 the first phase of the current Stock Option Plan was implemented and by 25 May 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 this purpose on 1 June 2001. Of the 55,964 shares subscribed, 45,043 were subscribed at 8.50 euros and the remaining 10,921 at 10.40 euros.

In 2002 and 2003, due to the performance of the capital markets, none of the options provided for in the Stock Option Plan were exercised.

To date, 6,488,252 options, corresponding to an equivalent number of Novabase shares, have been attributed but not exercised under the Stock Option Plans described. Should all attributed options (and exercisable options to be attributed) be exercised on the next vesting date of 25 May 2004, up to 185,432 shares at 8.50 euros each, 204,042 shares at 10.40 euros each, 401,066 shares at 8.23 euros each and 1,663,413 shares at 4.96 euros each may be issued as part of an increase in capital to be ultimately decided on by the Board of Directors to put the Plans into effect. The maximum number of shares to be issued as part of this increase in capital will thus correspond to 7.99% of Novabase's share capital, with subsequent gross proceeds of 15,249,510 euros for the company. However, considering the current price of Novabase's shares on Euronext Lisbon, we only expect options with a take-up price of

aumento de capital corresponderá assim a 7.99% do capital social da Novabase, com o correspondente encaixe bruto para a sociedade de 15.249.510 euros. No entanto, tendo em consideração a actual cotação das acções da Novabase na Euronext Lisbon, é expectável que apenas as opções com um preço de exercício de 4.96 euros sejam exercidas. Assim, caso seja exercida a totalidade destas opções ao referido preço exercitáveis em 25 de Maio de 2004, o aumento de capital a realizar corresponderá a 5.56% do capital social da Novabase, com o correspondente encaixe bruto para a sociedade de 8.250.528 euros. Em alternativa à realização de um aumento de capital para efectivação do exercício das opções atribuídas, o Conselho de Administração poderá optar por alienar acções próprias.

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

A Novabase tem desde 2002 no seu Site institucional, no endereço, www.novabase.pt, um espaço dedicado 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 reproduzirá o presente relatório; e ao contacto do Gabinete de Apoio aos Accionistas da Novabase.

4.96 euros to be exercised. Thus, should all of these options exercisable on 25 May 2004 be exercised at this price, the required increase in capital will correspond to 5.56% of Novabase's share capital, with subsequent gross proceeds of 8,250,528 euros for the company. The Board of Directors may elect to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

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

Since 2002 Novabase has had an area dedicated to investor relations at its company website at www.novabase.pt.

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 occurrences, 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 . Negócios com membros do órgão de administração ou titulares de participações qualificadas

Não foram celebrados negócios ou operações consideradas significativas em termos económicos para qualquer das partes envolvidas, entre a sociedade, por um lado, e os membros dos seus órgãos de administração e fiscalização, titulares de participações qualificadas ou sociedades que se encontrem em relação de domínio ou de grupo, para além do referido no capítulo V do presente relatório.

7 . 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.

O Gabinete disponibiliza a informação através do site internet da Novabase 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
Tel: +351 213 836 300
Fax: +351 213 836 301
Email: investor.relations@novabase.pt
Morada: Av. Engº. Duarte Pacheco 15F, 1099-078 Lisboa, Portugal

6 . Business with Members of the Board of Directors and Qualified Shareholders

No business or transactions of financial significance beyond those described in Chapter V of this report were conducted among any of the involved parties, namely between the company and members of its managing and auditing boards, qualified shareholders, or companies controlled by or part of the Novabase group.

7 . 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 while contacts private and institutional, foreign and Portuguese investors.

The office provides information on the Novabase website, as mentioned above.

The investor relations office can be contacted as follows:

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

8 . Comissão de Vencimentos

A composição da Comissão de Vencimentos encontra-se descrita no capítulo 4 do Relatório Anual da Novabase de 2003, não tendo qualquer um dos seus membros, para além do Presidente do Conselho de Administração, qualquer relação directa ou através de parente ou afim, com a administração da Novabase.

9. Remuneração a Auditores

A remuneração anual paga ao auditor encontra-se descrita no capítulo V do presente Relatório.

Capítulo II . Exercício de direito de voto e representação de accionistas

Nos termos da Cláusula 9 dos Estatutos da Novabase, a cada 1000 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.

Nesta matéria não foi ainda possível à Novabase adoptar medidas no sentido de reduzir para até 5 dias úteis a antecedência do depósito ou bloqueio das acções para efeitos de participação na Assembleia Geral. Contudo, saliente-se que a adopção de medidas no sentido de acolher integralmente a referida recomendação pressupõe a agilização do complexo processo de organização e preparação de uma Assembleia Geral de Accionistas de uma sociedade aberta, sendo intenção do Conselho de Administração, logo que se verifiquem as condições necessárias para tal, propor à Assembleia Geral das alterações estatutárias.

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

8 . Remuneration Committee

The composition of the Remuneration Committee is described in chapter 4 of Novabase's 2003 Annual Report. Apart from the Chairman and CEO, none of its members are affiliated in any way, either directly or by kinship, with Novabase management.

9 . Fees Paid to Auditors

Annual fees paid to auditors are described in chapter V of this Report.

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.

It has still not been possible for Novabase to adopt measures in this regard to reduce the advance deposit or blocking of shares for the purpose of participation in the Annual General Meeting to a maximum of five working days. It is important to note, however, that adopting measures toward the complete integration of this recommendation implies streamlining the complex process of organizing and preparing a General Meeting of Shareholders of a public company. It is therefore the Board of Directors' intention, once the circumstances are deemed appropriate, to propose the necessary changes to the company's articles of association at the next General Meeting.

Shareholders with voting rights may, according to article 22 of the Securities Code, exercise them by post. 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

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.

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 na de 29 de Abril de 2003.

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 irá disponibilizar a convocatória e a informação preparatória da próxima Assembleia Geral anual de accionistas, procurando assim incentivar o voto por correspondência ou através de representante.

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. A legible photocopy of the shareholders' identity card should accompany the voting form. 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, which was made available for the AGM of 29 April 2003.

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 site, where Novabase will post the invitation and preparatory information for the next AGM, in an effort to encourage postal or proxy votes.

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 pelo Cliente, 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 consequentes e que o cliente considere como de acesso privilegiado.

Sem prejuízo do disposto acima, será conveniente que a definição dos processos de normalização e de identificação definidos durante o projecto, possam ser 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.

1 . 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 se venha a tornar necessário.

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 involved party.

Novabase also undertakes, at the end of each project, to remove and destroy any and all 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 the project can be used in any project 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.

1. 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.

2 . Controlo do risco na actividade da Novabase

A Novabase dispõe 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.

Na área da gestão de risco de projecto a Novabase dispõe de uma metodologia 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 2003 prosseguiram 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 análise da indústria com

2 . Risk control in Novabase's business activities

Novabase has an internal auditing team whose job is to conduct financial audits of the companies where Novabase has a participation. The internal auditing team reports directly to Novabase's CFO. Although it focuses on large customers, Novabase can conduct a customer credit risk analysis internally whenever requested by the project manager.

Where project risk management is concerned, Novabase has project qualification methodology 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 2003. A system of ceilings has been implemented by which authorisation of proposals must be validated by a supervisor where 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 at the contract level. This department must issue its opinion before a proposal can be sent to a customer.

As Novabase's business is information technology, it runs the risk of (a) the solutions it develops becoming obsolete in a relatively short period, (b) the choice of a proposed solution proving not to be suitable and (c) the timing of the development and proposal of new solutions not being adequate for the market. With these risks in mind, Novabase has set up an offer management unit, which analyses the industry in order to detect current trends and promote the development of internal skills to address these trends. Directors of each business division focus especially on the technology area, maintaining a privileged ongoing relationship with independent analysts of the information technology market.

os objectivos de detectar as tendências que se formam e de promover o desenvolvimento de competências dentro da Novabase para endereçar às mesmas. Em cada divisão de negócio existem administradores especialmente dedicados à área das tecnologias, mantendo uma relação privilegiada e atenta com os analistas independentes sobre o mercado das tecnologias da informação.

3 . 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.

Em 8 de Maio de 2003, foi celebrado um acordo parassocial entre os seguintes accionistas da Novabase:

3 . 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.

On 8 May 2003 the following Novabase shareholders signed a shareholders' agreement:

Accionistas *Shareholders*	Nº de Acções *Nº of Shares*	% Capital Social da Novabase *% Share Capital*
José Afonso Oom Ferreira de Sousa	3.122.209	11.05%
Pedro Miguel Quinteiro Marques de Carvalho	3.122.209	11.05%
Rogério dos Santos Carapuça	2.340.521	8.28%
Luís Paulo Cardoso Salvado	2.228.599	7.89%
João Nuno da Silva Bento	2.228.599	7.89%
Álvaro José da Silva Ferreira	1.005.520	3.56%
Paulo Jorge Ferreira Andrez	1.005.520	3.56%
Fernando Eduardo Ribeiro Marques	857.073	3.03%
João Filipe dos Santos Teixeira Neto	615.556	2.18%
João Vasco Tavares da Mota Ranito	615.556	2.18%
José Carlos de Almeida Pedro de Jesus	458.070	1.62%
Nuno Miguel Isidoro Duarte	257.664	0.91%
Manuel Saldanha Fortes Tavares Festas	93.418	0.33%
Total	17.950.514	63.53%

Do referido Acordo Parassocial cumpre destacar o seguinte conteúdo:

a) Obrigações respeitantes à composição do Conselho de Administração e do Conselho Fiscal da Novabase e à eleição dos respectivos membros, nomeadamente a elaboração em conjunto, por todos os Signatários, previamente às Assembleias Gerais para a respectiva eleição, das propostas de designação dos membros do Conselho de Administração e do Conselho Fiscal. Tais propostas deverão ser aprovadas por maioria igual ou superior a dois terços dos votos correspondentes às Acções Concertadas, tendo os Signatários assumido o compromisso de votar favoravelmente as propostas por eles apresentadas na Assembleia Geral

b) Necessidade de obtenção do acordo de uma maioria igual ou superior a dois terços dos votos correspondentes às Acções Concertadas para a fixação dos termos em que a alienação das referidas acções poderá ocorrer, comprometendo-se os Signatários a não proceder a quaisquer alienações fora de tal entendimento

c) Os Signatários obrigam-se a exercer o seu direito de voto nas Assembleias Gerais da Novabase no exacto sentido aprovado pela maioria igual ou superior a dois terços dos votos correspondentes às Acções Concertadas, no âmbito das seguintes matérias: política de dividendos a adoptar, política de prémios de gestão a atribuir aos Administradores da Novabase, operações de aumento e redução do capital social, supressão do direito de preferência em aumentos de capital, composição dos órgãos sociais, situações de fusão ou cisão da Novabase e alteração dos estatutos.

The following contents of this shareholders' agreement are noteworthy:

a) Obligations regarding the composition of the Novabase Board of Directors and Board of Auditors and election of their members, namely the joint creation by all signatories, previously at General Meetings for the election in question, of proposals for designating members of the Board of Directors and Board of Auditors. A majority must pass such proposals equal to or greater than two thirds of votes corresponding to shares, with signatories assuming the responsibility of voting in favour of proposals they have presented at the General Meeting.

b) The need for agreement by a majority equal to or greater than two thirds of votes corresponding to shares to establish terms by which these shares may be sold, with signatories agreeing not to initiate sales of any kind outside of this agreement.

c) In all of the following matters, signatories must exercise their voting right at Novabase General Meetings by a strict majority equal to or greater than two thirds of votes corresponding to shares: dividend policy to be adopted, management compensation policy for Novabase directors, increases and decreases in share capital, elimination of the right of preference in increases in capital, composition of corporate boards, Novabase mergers and spin-offs, and changes to the articles of association.

d) Obrigação dos Signatários a só votarem favoravelmente em Assembleia Geral as deliberações que reúnam a aprovação prévia pelos Signatários detentores de pelo menos dois terços dos votos correspondentes às Acções Concertadas.

O Acordo Parassocial está actualmente em vigor por um período de três anos a contar da data da sua celebração, que foi em 8 de Maio de 2003. Refira-se que até à data da celebração do actual Acordo Parassocial encontrava-se em vigor um anterior acordo do mesmo tipo que havia igualmente sido subscrito pelos mesmos accionistas atrás referidos.

Para além deste acordo parassocial, e de um entendimento com alguns quadros seniores da Novabase referente a 96 mil acções por estes detidas (resultantes de um mecanismo de alinhamento de interesses já referido no relatório de 2001 e 2002), a Novabase não tem conhecimento da existência de quaisquer 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 onze 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.

d) Obligation of signatories to vote at General Meetings exclusively in favor of decisions previously passed by a two-thirds or greater majority of signatories having voting rights corresponding to shares.

The current shareholders' agreement in force is for a three-year period beginning on the date it was signed, 8 May 2003. Note that another agreement of the same type, also signed by the same aforementioned shareholders, was in force up until the signing of the current shareholders' agreement.

Apart from this shareholders' agreement and an understanding of some of Novabase's senior managers regarding 96,000 shares that they hold (resulting from an alignment of interests mentioned in the 2001 and 2002 Reports), Novabase has no knowledge of the existence of any other shareholders' agreements regarding its share capital.

Chapter IV . Managing Boards

Novabase's Board of Directors currently consists of eleven 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 in the General Meeting of 29 April 2003. This board is comprised of nearly all the same members elected for the prior term, with the exception of Paulo Jorge Freire Andrez, who was not carried over from the

Os membros do Conselho de Administração em exercício foram eleitos por unanimidade dos accionistas ao tempo da sua eleição na AG de 29 de Abril de 2003. Esta administração é composta por praticamente os mesmos membros que foram eleitos para o anterior mandato, com a excepção do Engº Paulo Jorge Freire Andrez, que não transitou do elenco do anterior CA para o actual. O seu lugar foi ocupado pelo Engº Joaquim Sérvulo Rodrigues. Todos os actuais administradores da Novabase são accionistas, à excepção do Engº Joaquim Sérvulo Rodrigues, que presentemente ocupa igualmente um cargo de administração no grupo BES, e que foi indicado para o CA da Novabase por este grupo que detém uma posição no capital social da Novabase superior a 10% à data da publicação do presente relatório. Assim, nenhum destes administradores pode ser considerado independente de acordo com os critérios para tal efeito definidos no Regulamento da CMVM nº7/2001, na redacção dada pelo Regulamento da CMVM nº11/2003. Assim, ainda não foi possível à Novabase acolher as recomendações da CMVM nesta matéria.

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

previous Board of Directors to the present one. Joaquim Sérvulo Rodrigues assumed his place. All of Novabase's existing directors are shareholders, with the exception of Joaquim Sérvulo Rodrigues, who currently also holds a management position in the BES Group, and was nominated to the Board of Directors by this group which holds a greater than 10% stake in Novabase's share capital at the publication date of this report. None of these directors may therefore be considered independent according to the criteria defined by CMVM's Regulation 7/2001, as amended by CMVM's Regulation 11/2003.
It has therefore still not been possible for Novabase to adopt CMVM'S recommendations in this regard.

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

Administrador *Director*	Sociedades do Grupo Novabase *Companies in the Novabase Group*
Rogério dos Santos Carapuça	- Novabase Serviços, S.A. - Novabase Saúde, S.A.
José Afonso de Sousa	- Novabase Capital, S.A. - Novabase Serviços, S.A. - Novabase Gestão de Activos, S.A. - OctalTV, S.A. - TVLab, S.A. - Deltafor Portuguesa, S.A.
Pedro Marques de Carvalho	- Novabase Serviços, S.A. - Novabase Consulting, S.A.
Luís Paulo Salvado	- Novabase Business Intelligence, S.A. - Novabase Serviços, S.A. - Novabase Consulting, S.A. - Novabase Outsourcing, S.A. - Celfocus, S.A.
João Nuno Bento	- Novabase Outsoursing, S.A. - Celfocus, S.A. - Novabase Enterprise Aplications, S.A. - Novabase Consulting, S.A. - Mentor IT, S.A.
Álvaro Silva Ferreira	- Novabase Consulting, S.A. - NBO, S.A. - Novabase Outsoursing, S.A. - Novabase Serviços, S.A. - Mentor IT, S.A. - Deltafor Portuguesa, S.A. - Flag, S.A.
João Vasco Ranito	- Gedotecome, Lda. - Octal2Mobile, S.A.
João Filipe Neto	- NBO, S.A. - Novabase Saúde, S.A. - Mentor IT, S.A.

José Carlos Jesus	- Novabase Gestão de Activos, S.A. - OctalTV, S.A. - TVLAB, S.A. - Octal, S.A. - Novabase IIS, S.A.
Nuno Isidoro Duarte	- OctalTV, S.A. - TVLAB, S.A. - Octal, S.A. - Novabase Gestão de Activos, S.A. - OnTV, S.A. - Octal2Mobile, S.A. - Novabase IIS, 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 2003 o Conselho de Administração da Novabase efectivamente reuniu regularmente, pelo menos uma vez por mês, garantindo o controlo efectivo da gestão da sociedade.

Remunerações Individuais dos membros do Conselho de Administração

Aderindo desde já à recomendação da CMVM no sentido da publicação das remunerações dos elementos do Conselho de Administração de forma individualizada e fazendo-o nome a nome, a Novabase divulga no presente relatório a remuneração auferida por cada um dos elementos do CA no exercício de 2003.

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 2003, Novabase's Board of Directors met regularly at least once a month, thus ensuring effective control of the company's management.

Individual Remuneration of Members of the Board of Directors

In compliance with the CMVM's recommendation to publish individualized information by name on remuneration of members of the Board of Directors, following is a detail of remuneration received in 2003 per each board member.

Remuneração fixa anual bruta em euros:

Gross annual fixed remuneration in euros:

Nome *Name*	Cargo *Position*	Remuneração Fixa *Fixed Remuneration*
Rogério Santos Carapuça	Presidente	169.960
José Afonso Oom Ferreira Sousa	Vogal	144.200
Pedro Marques de Carvalho	Vogal	144.200
Luís Paulo Cardoso Salvado	Vogal	144.200
João Nuno da Silva Bento	Vogal	144.200
Álvaro da Silva Ferreira	Vogal	144.200
Nuno Miguel Isidoro Duarte	Vogal	144.200
José Carlos Pedro de Jesus	Vogal	144.200
João Filipe Teixeira Neto	Vogal	144.200
João Tavares da Mota Ranito	Vogal	144.200
Joaquim Manuel Sérvulo Rodrigues	Vogal	Não remunerado
Total		1 467 760

Estas remunerações foram estabelecidas pela Comissão de Vencimentos na sua reunião de 22 de Agosto de 2003 e incorporaram já um aumento anual face a 2002, o qual foi pago com retroactivos desde Abril de 2003.

These remuneration amounts were set by the Remuneration Committee in its meeting of 22 August 2003 and now incorporate an annual increase in comparison to 2002, which has been paid in retroactive sums since April 2003.

Está prevista a atribuição de uma componente variável da remuneração dos elementos do CA indexada aos resultados obtidos pela empresa, a qual também é fixada pela Comissão de Vencimentos. Contudo, devido à já referida doença e posterior falecimento do Presidente desta comissão, essa componente variável não foi fixada nem paga em 2003. Compete assim à Comissão de Vencimentos, após eleição pela AG do seu novo Presidente, determinar em 2004 se haverá ou não lugar a um pagamento da componente variável relativa ao desempenho de 2003. Em caso afirmativo, esta mesma será paga em 2004. Poderá esta componente variável incluir uma parte em stock options.

Os Administradores da Novabase SGPS são pagos apenas por esta entidade não auferindo qualquer outra remuneração por nenhuma outra empresa do Grupo Novabase.

A variable remuneration component tied to company results, also set by the Remuneration Committee, is planned for members of the Board of Directors. However, due to the aforementioned illness and subsequent death of this committee's chairman, this variable component was neither set nor paid in 2003. After a new Remuneration Committee chairman has been elected at the next General Meeting in 2004, it shall be this committee's responsibility to determine if variable component compensation corresponding to 2003 performance will exist. If so, it will be paid in 2004. This variable component may be partially comprised of stock options.

Novabase SGPS directors are paid exclusively by this entity and do not receive additional remuneration of any kind from other Novabase Group companies.

Capítulo V . Outros

Auditoria

O montante da remuneração anual paga ao auditor Belarmino Martins, Eugénio Ferreira e Associados – SROC, representada por Abdul Nasser Abdul Sattar, partner da PriceWaterhouseCoopers, pela Novabase e/ou pelas empresas por esta participadas, por serviços de revisão legal de contas, ascendeu em 2003 a cerca de 170 mil euros, não tendo auferido qualquer outra remuneração.

Negócios efectuados com Accionistas de Referência

Em 2003 o volume de vendas e prestações de serviços da Novabase ao Grupo BES elevou-se a cerca de 6.6 M€ (cerca de 4.9% da facturação global do exercício).

Não existem outros negócios com accionistas de referência.

Chapter V . Miscellaneous

Auditing

Annual fees paid by Novabase and/or its subsidiaries for legal account review services to the official auditing firm (SROC) *Belarmino Martins, Eugénio Ferreira e Associados*, represented by Abdul Nasser Abdul Sattar, a partner at PricewaterhouseCoopers, rose to approximately 170 thousand euros in 2003, not having been paid any other fee.

Business with Key Shareholders

In 2003, the value of the products and services provided to the BES Group by Novabase rose to about 6.6 M€ (roughly 4.9% of the overall turnover in 2003).

There were no other business operations with key shareholders.

2003 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 OF 2003 ACCOUNTS

Novabase S.G.P.S. 2003 Annual Report Accounts presents simultâneously the Consolidated and Individual Accounts.

In keeping with prevailing legislation, this Report is presented according with the Portuguese Accounting Standards. For a higher quality standard in the disclosure of the economic and financial status of Novabase Group, the Board of Directors decided to present the relevant financial information in accordance with the International Best Practices, Rules and Standards.

Consequently, this Report on 2003 Accounts is presented in 5 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 notes to the referred financial statements.

II. Financial Statements - 2003 and 2002

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.

III. Financial Statements - Pro forma IAS - 2003 and 2002

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.

Results at 31 December 2003 include all material relevant adjustments for the transiction to the IAS, due to the fact that the requirement to present acounts in accordance with IAS in 2005 implies also the presentation 2004 opening values in IAS, thus requiring 2003 values presented under IAS.

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 Statutory auditors report for the Consolidate and Individual Accounts, related to Chapters I and II of this Annual Report.

V. Board Members and Securities issued by the Company and other group Companies held by Board Members

Presents information on Novabase S.G.P.S. Board Members and qualified participations, with the objective of keeping with prevailing legislation, namley artºs 245 of Securities Market Code and 448º of Commercial Companies Code.

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2003 ACCOUNTS

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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 December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	2003			2002
	Total Assets	Depreciations and Provisions	Net Assets	Net Assets
ASSETS				
FIXED ASSETS				
Intangible Fixed Assets				
Start up costs	3 351	822	2 529	529
Research and development costs	9 891	4 812	5 079	4 088
Industrial property and other rights	11 876	5 793	6 083	5 615
Business property rights	6 531	1 209	5 322	5 934
Work in progress	1 915	-	1 915	4 022
Goodwill arising on consolidation	12 346	4 888	7 458	9 477
	45 910	**17 524**	**28 386**	**29 665**
Tangible Fixed Assets				
Buildings and other constructions	971	512	459	551
Basic equipment	9 945	5 753	4 192	3 529
Transport equipment	4 969	3 034	1 935	1 481
Tools and utensils	42	37	5	83
Fixtures and fittings	5 632	4 576	1 056	668
Other tangible fixed assets	24	11	13	6
	21 583	**13 923**	**7 660**	**6 318**
Financial Investments				
Investments in associated companies	808	-	808	1 049
Investments in other companies	18	-	18	18
Bonds and shares	8	-	8	8
	834	**-**	**834**	**1 075**
CURRENT ASSETS				
Inventories				
Raw materials, subsidiary goods and consumables	5 664	339	5 325	6 638
Semi-finished products and work	34	34	-	154
Finished products	1 452	333	1 119	2 427
Merchandise	2 586	531	2 055	152
	9 736	**1 237**	**8 499**	**9 371**
Debtors - Short Term				
Customers current accounts	32 907	-	32 907	31 902
Customers accounts - trade bills	1 101	-	1 101	109
Doubtful debts	3 248	2 449	799	-
Associated companies	125	-	125	274
Other shareholders	214	-	214	308
Advances to suppliers	1 473	-	1 473	1 112
State and other public entities	1 942	-	1 942	2 972
Other debtors	10 627	197	10 430	4 839
	51 637	**2 646**	**48 991**	**41 516**
Marketable Securities				
Marketable securities	612	-	612	622
Other treasury investments	3 636	-	3 636	8 225
	4 248	**-**	**4 248**	**8 847**
Bank Deposits and Cash				
Bank deposits	26 227	-	26 227	20 401
Cash in hand	40	-	40	144
	26 267	**-**	**26 267**	**20 545**
Accruals and Deferrals				
Accrued income	6 019	-	6 019	2 077
Deferred costs	2 211	-	2 211	819
Deferred tax assets	5 992	-	5 992	3 465
	14 222	**-**	**14 222**	**6 361**
Total Depreciation		**31 447**		
Total Provisions		**3 883**		
TOTAL	**174 437**	**35 330**	**139 107**	**123 698**

The accompanying notes are an integral part of these financial statements

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

Consolidated Balance Sheet
as at December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	2003	2002
SHAREHOLDERS' EQUITY		
Share capital	14 128	14 128
Own Shares	(8)	(12)
Share premium	35 153	35 153
Goodwill arising on consolidation	67	84
Reserves arising on consolidation	16 858	11 472
Reserves:		
- Statutory reserves	1 225	752
- Free reserves	2 931	942
Exchange differences arising on consolidation	(2 373)	(2 544)
	67 981	59 975
Net Profit for the Year	580	9 459
Total Equity	**68 561**	**69 434**
Net profit attributable to minority interests	796	738
Reserves attributable to minority interests	5 910	4 269
Total Minority Interests	**6 706**	**5 007**
LIABILITIES		
Provisions for liabilities and charges		
Other provisions for liabilities and charges	1 605	-
	1 605	**-**
Medium and Long Term Liabilities:		
Financial institutions	8 500	6 000
Fixed assets suppliers	1 000	505
	9 500	**6 505**
Short Term Liabilities:		
Financial institutions	1 379	4 235
Advances from customers	1 192	-
Suppliers	22 263	15 888
Fixed assets suppliers	1 684	1 732
Other shareholders in group companies	40	77
State and other public entities	5 682	7 929
Other creditors	1 074	3 403
	33 314	**33 264**
Accruals and Deferrals		
Accrued costs	7 689	6 515
Deferred income	11 633	2 923
Deferred tax liabilities	99	50
	19 421	**9 488**
Total Liabilities	**63 840**	**49 257**
Total Equity and Minority Interests	**75 267**	**74 441**
TOTAL	**139 107**	**123 698**

Lisbon, March 11, 2004

THE CHARTERED ACCOUNTANT **THE BOARD OF DIRECTORS**

The accompanying notes are an integral part of these financial statements

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

Consolidated Income Statement by Nature
for the Years Ended December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	2003		2002	
EXPENSES				
Cost of goods sold		46 694		30 455
External supplies and services		36 794		36 383
Personnel Expenses				
Salaries	28 531		24 765	
Social security charges	5 404		5 104	
Other	670	34 605	487	30 356
		118 093		**97 194**
Depreciation and amortisation	6 778		6 439	
Provisions	5	6 783	590	7 029
		124 876		**104 223**
Taxes	176		95	
Other operating costs	35	211	19	114
(A)		**125 087**		**104 337**
Interest and similar expenses	2 191		1 501	
Financial investments amortisation	1 704	3 895	-	1 501
(C)		**128 982**		**105 838**
Extraordinary expenses		6 418		3 453
(E)		**135 400**		**109 291**
Income tax		1 094		(111)
(G)		**136 494**		**109 180**
Minority interests		796		738
Consolidated net profit for the year		580		9 459
		137 870		**119 377**
INCOME				
Sales of goods	62 171		40 474	
Services rendered	71 353	133 524	73 589	114 063
Own work	1 481		1 672	
Supplementary income	266		238	
Subsidies for operations	145		551	
Other operating income	157	2 049	218	2 679
(B)		**135 573**		**116 742**
Other interest and similar income		965		913
(D)		**136 538**		**117 655**
Extraordinary income		1 332		1 722
(F)		**137 870**		**119 377**

Operating results	**(B) - (A)**	**10 486**	**12 405**
Financial results	**(D - B) - (C - A)**	**(2 930)**	**(588)**
Current results	**(D) - (C)**	**7 556**	**11 817**
Profit before income tax	**(F) - (E)**	**2 470**	**10 086**
Net profit with minority interests	**(F) - (G)**	**1 376**	**10 197**

The accompanying notes are an integral part of these financial statements

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

Individual Balance Sheet
as at December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	2003			2002
	Gross Assets	Depreciations and Provisions	Net Assets	Net Assets
ASSETS				
FIXED ASSETS				
Intangible Fixed Assets				
Start up costs	258	257	1	1
Research and development costs	31	5	26	2
Business property rights	11 445	4 789	6 656	8 131
	11 734	**5 051**	**6 683**	**8 134**
Tangible Fixed Assets				
Buildings and other constructions	544	330	214	222
Basic equipment	46	39	7	10
Transport equipment	21	21	-	-
	611	**390**	**221**	**232**
Financial Investments				
Investments in group companies	35 286	-	35 286	38 416
Loans to group companies	27 688	-	27 688	9 197
Other loans	2	-	2	2
	62 976	**-**	**62 976**	**47 615**
CURRENT ASSETS				
Debtors - Short Term				
Customers current accounts	4 315	-	4 315	6 794
Doubtful debts	434	434	-	-
Group companies	3	-	3	23
Advances to suppliers	927	-	927	921
State and other public entities	-	-	-	277
Other debtors	14 156	-	14 156	19 339
Subscribers of share capital	95	-	95	-
	19 930	**434**	**19 496**	**27 354**
Marketable Securities				
Marketable securities	612	-	612	612
Other treasury investments	3 000	-	3 000	8 225
	3 612	**-**	**3 612**	**8 837**
Bank Deposits and Cash				
Bank deposits	1 315	-	1 315	565
Cash in hand	-	-	-	1
	1 315	**-**	**1 315**	**566**
Accruals and Deferrals				
Accrued income	3	-	3	1 639
Deferred costs	43	-	43	26
	46	**-**	**46**	**1 665**
Total Depreciation		**5 441**		
Total Provisions		**434**		
TOTAL	**100 224**	**5 875**	**94 349**	**94 403**

The accompanying notes are an integral part of these financial statements

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

Individual Balance Sheet
as at December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	2003	2002
SHAREHOLDERS' EQUITY		
Share capital	14 128	14 128
Own Shares	(8)	(12)
Share premium	35 153	35 153
Reserves arising on the equity consolidation	16 925	11 556
- Statutory reserves	1 225	752
- Free reserves	2 931	942
Exchange differences arising on the equity consolidation	(2 373)	(2 544)
	67 981	59 975
Net Profit for the Year	580	9 459
Total Equity	**68 561**	**69 434**
LIABILITIES		
Provision for risks and charges		
Other provisions for risks and charges	902	-
	902	**-**
Medium and Long Term Liabilities:		
Financial institutions	8 500	6 000
Fixed assets suppliers	-	62
	8 500	**6 062**
Short Term Liabilities:		
Financial institutions	-	78
Suppliers	148	1 075
Fixed assets suppliers	21	-
Group companies	45	1 081
State and other public entities	322	436
Other creditors	15 482	15 931
	16 018	**18 601**
Accruals and Deferrals		
Accrued costs	265	256
Deferred income	4	-
Deferred tax liabilities	99	50
	368	**306**
Total Liabilities	**25 788**	**24 969**
Total Equity and Liabilities	**94 349**	**94 403**

Lisbon, March 11, 2004

THE CHARTERED ACCOUNTANT **THE BOARD OF DIRECTORS**

The accompanying notes are an integral part of these financial statements

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

Individual Statement of Income by Nature
for the Years Ended December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	2003		2002	
EXPENSES				
Cost of goods sold		-		-
External supplies and services		564		726
Personnel Expenses				
Salaries	1 506		1 324	
Social security charges	130		146	
Other	7	1 643	11	1 481
		2 207		**2 207**
Depreciation and amortisation	14		1 242	
Provisions	-	14	-	1 242
		2 221		**3 449**
Taxes	4		-	
Other operating costs	18	22	4	4
(A)		**2 243**		**3 453**
Interest and similar expenses	3 789		3 380	
Financial investments amortisation	1 149	4 938	-	3 380
(C)		**7 181**		**6 833**
Extraordinary expenses		1 138		424
(E)		**8 319**		**7 257**
Income tax		227		128
(G)		**8 546**		**7 385**
Net Profit for the year		580		9 459
		9 126		**16 844**
INCOME				
Sales of goods	-		-	
Services rendered	2 860	2 860	4 829	4 829
Own work	-		-	
Supplementary income	45		97	
Subsidies for operations	-		31	
Other operating income	-	45	-	128
(B)		**2 905**		**4 957**
Other interest and similar income		6 163		10 492
(D)		**9 068**		**15 449**
Extraordinary income		58		1 395
(F)		**9 126**		**16 844**

Operating results	**(B) - (A)**	**662**	**1 504**
Financial results	**(D - B) - (C - A)**	**1 225**	**7 112**
Current results	**(D) - (C)**	**1 887**	**8 616**
Profit before income tax	**(F) - (E)**	**807**	**9 587**
Net profit for the year	**(F) - (G)**	**580**	**9 459**

The accompanying notes are an integral part of these financial statements

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

Notes to the Consolidated Balance Sheet and Income Statement
December 31, 2003 and 2002

The following information is numbered sequentially as prescribed by the Portuguese Official Plan of Accounts (POC) for the presentation 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 22 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 Goodwill arising on Consolidation are detailed in Note 4 to the Financial Statements and calculation methods used are presented in Note 1 to the Finantial Statements.

11) All the consolidation procedures applied this year 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 in Notes 2 - leasing, 29 - bank guarantees granted to third parties and 8 - client debts delivered to factoring companies in a form of full factor.

22) Note 29 to the Financial Statements details the responsibilities of the consolidated companies by nature, regarding guarantees given.

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.

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) Start up costs 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 is analysed in Note 20 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 28 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 22 to the Financial Statements.

40) During the year, loans or advances were made by Novabase S.G.P.S., S.A. or its subsidiaries to the members of their statutory boards in the amount of 317 thousand euros. No interests were charged.

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) As of the beginning of 2003 the group started to register the costs with amortization of goodwill under the Financial Costs heading. This costs were registered under the heading amortizations until December 2002. The Income Statement prepared by the Portuguese Accounting Standards maintains the 2002 values, however, the Income Statement presented in Capt. II corrects the 2002 values according to the new criteria.

44) Financial results breakdown is presented in Note 25 to the Financial Statements.

45) Extraordinary Results breakdown is presented in Note 26 to the Financial Statements.

46) The movements under accumulated provisions are detailed in Notes 7, 8, 9 and 19 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.

Notes to The Individual Balance Sheet and Income Statement by Nature
December 31, 2003 and 2002

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 Portuguese Plan of Accounts (POC).

2) As of the beginning of 2003 the group started to register the costs with amortization of goodwill under the Financial Costs heading. This costs were registered under the heading amortizations until December 2002. The Income Statement prepared by the Portuguese Accounting Standards maintains the 2002 values, however, the Income Statement presented in Capt. II corrects the 2002 values according to the new criteria.

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) Deferred taxation is analysed in Note 6 to the Financial Statements.

7) The average number of Novabase S.G.P.S., S.A. employees is referred in Note 22 to the Financial Statements.

8) Start Up Costs and Research & Development costs are detailed in Note 3 to the Financial Statements. The start up costs item mainly includes amounts spent with the creation and capital increases of the company.

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) Novabase S.G.P.S., S.A. doesn't have leasing contracts.

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 balance of "Marketable Securities", do not include securities with the value exceed 5% of the company total 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, loans or advances were made by Novabase S.G.P.S., S.A. or its subsidiaries to the members of their statutory boards in the amount of 317 thousand euros. No interests were charged.

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) There are no liabilities included in the balance sheet that are secured by charges over the assets of the group.

31) All the financial commitments not reflected in the balance sheet, are detailed by company in Note 29.

32) Note 29 to the Financial Statements details the responsibilities of the company by nature, regarding guarantees given.

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, 9 and 19 to the Financial Statements.

35) During the fiscal year, no increase or reduction of share capital occurred, and at the end of 2003 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
Own Shares		(12)	4	-	(8)
Share premium		35 153	-	-	35 153
Reserves arising on the equity consolidation		9 012	5 540	-	14 552
Legal reserves		752	473	-	1 225
Other reserves		942	1 989	-	2 931
Retained earnings		-	-	-	-
Net profit for the year	2002	9 459	-	(9 459)	-
	2003	-	580	-	580
		69 434	**8 586**	**(9 459)**	**68 561**

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 of Novabase S.G.P.S is described in Note 22 to the Financial Statements.

44) Breakdown of net turnover, by geographic market is analysed in Note 20 to the Financial Statements.

45) Financial Results are detailed in Note 25 to the Financial Statements.

46) Extraordinary Results can be analysed in Note 26 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.

Notes to the Consolidated and Individual Statement of Cash Flows
December 31, 2003 and 2002

The following information is numbered sequentially as prescribed by the Portuguese Plan of Accounts and Accounting Directive no. 14 and is applicable to both 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.
The most relevant transaction is the acquisition of Novabase IIS, for 2.084 thousand euros. The balance sheet of the company at the date of the acquisition is presented below:

(Amounts expressed in thousands of Euros)

	2002 Euro'000
Fixed Assets	557
Inventories	1 320
Customers	16 377
Others	546
Total Assets	**18 800**
Equity	1 800
Suppliers	5 155
Accruals and Deferrals	8 789
Other creditors	1 057
Other	1 999
Total Equity & Liabilities	**18 800**

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
December 31, 2003 and 2002

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

Consolidated Balance Sheet
as at December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	Notes	2003	2002
Assets			
Tangible fixed assets	2	7 660	6 318
Intangible fixed assets	3	20 928	20 188
Goodwill arising on consolidation	4	7 458	9 477
Financial investments	5	834	1 075
Deferred tax assets	6	5 992	3 465
Total non Current Assets		42 872	40 523
Inventories	7	8 499	9 371
Customers	8	34 807	32 011
Other debtors	9	14 184	9 505
Accrual and deferral assets	10	8 230	2 896
Marketable securities	11	4 248	8 847
Cash and deposits in banks	11	26 267	20 545
Total Current Assets		96 235	83 175
		139 107	123 698
Shareholders' Equity			
Share capital	12	14 128	14 128
Own shares	14	(8)	(12)
Share premium		35 153	35 153
Reserves and retained earnings	15	18 708	10 706
Consolidated net profit for the year	15	580	9 459
Total Equity		68 561	69 434
Minority interests	16	6 706	5 007
Liabilities			
Financial institutions	17	8 500	6 000
Fixed assets suppliers	18	1 000	505
Provisions	19	1 605	-
Deferred tax liabilities	6	99	50
Total non Current Liabilities		11 204	6 555
Financial institutions	17	1 379	4 235
Fixed assets suppliers	18	1 684	1 732
Suppliers		22 263	15 888
Other creditors	9	7 988	11 409
Accrual and deferral liabilities	10	19 322	9 438
Total Current Liabilities		52 636	42 702
Total Liabilities		63 840	49 257
		139 107	123 698

Lisbon, March 11, 2004

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these financial statements

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

Consolidated Income Statement
for the Years Ended December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	Notes	2003	2002
Sales	20	62 171	40 474
Cost of goods sold		46 694	30 455
Gross Margin		15 477	10 019
Other operating Income			
Services rendered	20	71 353	73 589
Own works		1 481	1 672
Supplementary income and subsidies for operations		411	789
Other operating income		157	218
		73 402	76 268
		88 879	86 287
Other operating Costs			
External supplies and services	21	36 794	36 383
Employee expenses	22	34 605	30 356
Provisions	23	5	590
Other operating costs		211	114
		71 615	67 443
Gross Operating Results (EBITDA)		17 264	18 844
Asset depreciation /amortisation	24	6 778	4 777
Operating Results (EBIT)		10 486	14 067
Financial Gains / (Losses)	25	(1 226)	(588)
Financial investments amortisation	25	(1 704)	(1 662)
Current Results		7 556	11 817
Extraordinary Gains / (Losses)	26	14	101
Non-recurrent costs	26	(5 100)	(1 832)
Results Before Taxes		2 470	10 086
Income tax provision	28	1 078	2 194
Deferred tax provision	28	16	(2 305)
Net profit for the year		1 376	10 197
Minority interests		796	738
Attributable Net Profit for the year		**580**	**9 459**
Net Profit per Share - Average - Euros	12	**0.02 euros**	**0.33 euros**

The accompanying notes are an integral part of these financial statements

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

Individual Balance Sheet
as at December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	Notes	2003	2002
Assets			
Tangible fixed assets	2	221	232
Intangible fixed assets	3	27	3
Business property rights	4	6 656	8 131
Financial investments	5	62 976	47 615
Total non Current Assets		69 880	55 981
Customers	8	4 315	6 794
Other debtors	9	15 181	20 560
Accrual and deferral assets	10	46	1 665
Marketable securities	11	3 612	8 837
Cash and deposits in banks	11	1 315	566
Total Current Assets		24 469	38 422
		94 349	94 403
Shareholders' Equity			
Share capital	12	14 128	14 128
Own shares	14	(8)	(12)
Share premium		35 153	35 153
Reserves and retained earnings	15	18 708	10 706
Net Profit for the year	15	580	9 459
Total Equity		68 561	69 434
Liabilities			
Financial institutions	17	8 500	6 000
Fixed assets suppliers	18	-	62
Provisions	19	902	-
Deferred tax liabilities	6	99	50
Total non Current Liabilities		9 501	6 112
Financial institutions	17	-	78
Fixed assets suppliers	18	21	-
Suppliers		148	1 075
Other creditors	9	15 849	17 448
Accrual and deferral liabilities	10	269	256
Total Current Liabilities		16 287	18 857
Total Liabilities		25 788	24 969
		94 349	94 403

Lisbon, March 11, 2004

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these financial statements

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

Individual Income Statement
for the Years Ended December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	Notes	2003	2002
Other operating Income			
Services rendered	20	2 860	4 829
Supplementary income and subsidies for operations		45	128
		2 905	4 957
		2 905	4 957
Other operating Costs			
External supplies and services	21	564	726
Employee expenses	22	1 643	1 481
Other operating costs		22	4
		2 229	2 211
Gross Operating Results (EBITDA)		676	2 746
Asset depreciation /amortisation	24	(14)	(99)
Operating Results (EBIT)		662	2 647
Financial Gains / (Losses)	25	2 374	7 112
Financial investments amortisation	25	(1 149)	(1 143)
Current Results		1 887	8 616
Extraordinary Gains / (Losses)	26	(1 080)	971
Results Before Taxes		807	9 587
Income tax provision	28	227	128
Deferred tax provision		-	-
Net profit for the year		**580**	**9 459**
Net profit per share - Average - Euros	12	**0.02 euros**	**0.33 euros**

The accompanying notes are an integral part of these financial statements

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

Consolidated and Individual Income Statement by Function
for the Years Ended December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	Consolidated		Invividual	
	2003	**2002**	**2003**	**2002**
Sales and services rendered	133 524	114 063	2 860	4 829
Cost of sales and services rendered	(103 275)	(83 553)	(33)	(103)
Gross Profit	**30 249**	**30 510**	**2 827**	**4 726**
Other operating income	3 900	3 347	80	275
Distribution costs	(1 009)	(760)	(12)	(8)
Administrative costs	(6 032)	(5 364)	(1 684)	(1 606)
Other operating costs	(21 469)	(17 076)	(1 572)	(1 022)
Operating Results	**5 639**	**10 657**	**(361)**	**2 365**
Net finance cost	(1 471)	(460)	(429)	228
Gains / (losses) in subsidiaries and associate companies	(1 693)	(1 648)	1 138	5 598
Gains / (losses) from other investments	(5)	1 537	459	1 396
Current Results	**2 470**	**10 086**	**807**	**9 587**
Income tax before extraordinary items	(1 094)	111	(227)	(128)
Current Results after Income Tax	**1 376**	**10 197**	**580**	**9 459**
Minority Interests	(796)	(738)	-	-
Consolidated Net Profit for the year	**580**	**9 459**	**580**	**9 459**
Net Profit per share - Average - Euros	**0.02 euros**	**0.33 euros**	**0.02 euros**	**0.33 euros**

Lisbon, March 11, 2004

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these financial statements

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

Consolidated and Individual Statement of Cash Flows
for the Years Ended December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	Consolidated		Invividual	
	2003	**2002**	**2003**	**2002**
Cash flows arising from operating activities				
Amounts received from customers	144 851	110 949	5 904	242
Payments to suppliers	(91 830)	(68 995)	(194)	(1 395)
Payments to employees	(35 589)	(30 711)	(1 633)	(1 568)
Cash Flow Generated by Operations	17 432	11 243	4 077	(2 721)
Income tax reimbursed / (paid)	(2 314)	(2 177)	(190)	(274)
Other operating proceeds / (payments)	(1 234)	(30)	(1 141)	(269)
	(3 548)	(2 207)	(1 331)	(543)
Cash Flow generated before extraordinary items	13 884	9 036	2 746	(3 264)
Receipts related to extraordinary items	937	170	1	14
Payments related to extraordinary items	(2 527)	(2 455)	(27)	(18)
	(1 590)	(2 285)	(26)	(4)
Cash Flow generated by operating activities	**12 294**	**6 751**	**2 720**	**(3 268)**
Cash flows arising from investment activities				
Receipts:				
Financial investments	-	1 746	4 128	1 346
Tangible fixed assets	877	-	-	-
Intangible fixed assets	-	-	-	-
State subsidies to investments	55	972	-	-
Interests and similar earnings	934	931	82	281
Dividends	-	-	-	79
	1 866	3 649	4 210	1 706
Payments:				
Financial investments	(3 979)	(500)	(12 090)	(10 798)
Tangible fixed assets	(4 440)	(1 506)	(9)	-
Intangible fixed assets	(1 252)	(5 500)	-	-
	(9 671)	(7 506)	(12 099)	(10 798)
Cash Flow generated by investment activities	**(7 805)**	**(3 857)**	**(7 889)**	**(9 092)**
Cash flows arising from financing activities				
Receipts:				
Loans	2 500	8 350	4 000	8 350
Share capital increases and share premium	-	-	-	-
Own shares disposal	1 508	4 517	1 508	4 517
	4 008	12 867	5 508	12 867
Payments:				
Loans	-	(6 269)	(1 500)	(2 350)
Rents and leasing	-	(954)	-	-
Interests and similar costs	(1 182)	(1 455)	(430)	(16)
Bonus to employees	(571)	(923)	-	-
Own shares acquisitions	(2 807)	(5 698)	(2 807)	(5 698)
	(4 560)	(15 299)	(4 737)	(8 064)
Cash Flow generated by financing activities	**(552)**	**(2 432)**	**771**	**4 803**
Cash and equivalents variation	**3 937**	**462**	**(4 398)**	**(7 557)**
Cash and equivalents at the beginning of the year	**25 542**	**25 080**	**9 325**	**16 882**
Cash and equivalents at the end of the year	**29 479**	**25 542**	**4 927**	**9 325**

The accompanying notes are an integral part of these financial statements

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

Consolidated Statement of Changes in Shareholders' Equity for the Years Ended December 31, 2003 and 2002

(Amounts expressed in thousands of Euros)

	Total Equity	Equity	Share premium	Legal reserves	Other Reserves and retained earnings	Own shares
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)**
Transfer to reserves:						
Legal reserve	-	-	-	473	(473)	-
Employee bonus	(571)	-	-	-	(571)	-
Own shares movements	23	-	-	-	19	4
Consolidated net profit for the year	580	-	-	-	580	-
Consolidation exchange differences	171	-	-	-	171	-
Other consolidation reserves	(1 076)	-	-	-	(1 076)	-
Balance at 31 December 2003	**68 561**	**14 128**	**35 153**	**1 225**	**18 063**	**(8)**

The accompanying notes are an integral part of these financial statements

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

Notes to the Financial Statements

December 31, 2003 and 2002

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 period ended December 31, 2003 and 2002.

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 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 capital, 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 or negative goodwill arising on consolidation

Corresponds to the difference between the acquisition value of the subsidiary companies and the total equity value of the companies at acquisition date. This differences, when positives, are amortised by the straight-line method in the financial expenses heading, over a period of 10 years.

The period of ten years for the amortisation of Goodwill is the period of time estimated by the Board of Directors, to recover the investment made.

Goodwill is periodically reviewed and adjustments related with permanent value losses are made whenever necessary.

Negative goodwill is identified when the fair value of the assets and liabilities of the acquired company are superior to the acquisition cost. The difference is allocated to the non monetary assets of the acquired company, in the proportion of its fair values, being recognized in Profit and Loss statement account according with the life value of the assets identified.

Investments in Foreign Subsidiaries

In the consolidation process, all the assets and liabilities from foreign subsidiaries in foreign currencies have been converted to Euros at the exchange rates on the dates of the balance sheet. The income and expenses 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 financial investments on 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.

According with this method, the participation are initially recorded by its acquisition cost. This cost is increased or reduced by the difference between the price paid and the fair value of the acquired assets. The difference, when positive (goodwill), or negative (negative goodwill) is registered under the heading Intangible Assets - Business Property Rights.

According with the equity method, financial investments in associate companies are annually adjusted by the value correspondent to the participation in the equity of the associate companies. The counterpart of this value is accounted under Profit and Loss. In result, dividends received from this companies are recorded as a reduction to the financial investment value.

Potencial losses with permament caracter are provisioned.

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 are 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 the services are rendered.

Revenues from consulting projects, classified as “turn key” (or “closed contract”) are recognized according with Accounting Directive no. 3 through the percentage of completion method, a ratio between costs incurred, contracted billing, and estimated costs to be incurred 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) Holiday pay and holiday subsidy

In accordance with Portuguese legislation, workers earn annually the right to two months of salary, holiday period and holiday subsidy, acquired in the previous year of the payment. The workers have also the annual right to a Christmas month, acquired during that year and paid each December. These responsibilities are registered in the respective period in which the right is earned, despite the payment date of that right.

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. The purchase price of a good is the sum of its purchase price and all the expenses supported direct or indirectly to bring the good to its actual state.

The costs of improving assets in order to prolong their working life are capitalized, maintenance, conservation and repairs are recorded as costs when incurred.

Depreciation is calculated from the date on which an asset goes into operation, 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 to 50
• Basic equipment	3 to 4
• Tools and utensils	4
• Transport equipment	4
• Fixtures and fittings	3 to 10

i) Intangible fixed assets and amortisations

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 registered by its acquisition value, and 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

Fixed assets in progress refer to the ongoing internal development of software products, its 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) Leasing

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 contracts 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 consolidated financial statements prepared 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.

l) 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.

m) Start-up 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.

n) Subsidies granted to finance fixed assets

Non-repayable subsidies granted to finance fixed assets acquisition 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.

o) Income Tax

Current taxes are calculated in a individual basis, in accordance with the current tax law, considering the amount of tax estimated to be paid. Deferred taxes are calculated at the date of the balance sheet referred to the differences in time between the fiscal and accounting basis, in accordance with IAS nº 12 and Accounting directive no 28.

The company's foreign subsidiaries are taxed according to the local laws.

p) 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, with the exception to note 43 of the consolidated balance sheet and consolidated income statement.

q) Subsidies for Operations

Subsidies for Operations aimed at cost coverage, either registered or incurred, with the development of professional trainning courses. This subsidies are registered as income of the year simultâneously with the related costs, when incurred.

r) Balance Sheet classification

Assets and liabilities with more than one year are recorded under medium and long term assets and liabilities, respectively.

s) Publicity Campaigns

Expenses with publicity campaigns, when related with the launch of new products, are amortised over a period of three years starting at the conclusion of the campaigns.

2. Tangible Fixed Assets

The detail of **Tangible fixed assets** is analysed as follows:

	Group		Individual	
	2003	**2002**	**2003**	**2002**
	Euro'000	**Euro'000**	**Euro'000**	**Euro'000**
Buildings and other constructions	971	994	544	544
Basic equipment	9 945	7 877	46	46
Transport equipment	4 969	3 801	21	21
Tools and utensils	42	125	-	-
Fixtures and fittings	5 632	1 418	-	-
Other tangible fixed assets	24	12	-	-
	21 583	14 227	611	611
Accumulated Depreciation				
Amortisation of the year	(3 908)	(3 021)	(10)	(23)
Previous years amortisation	(10 015)	(4 888)	(380)	(356)
	(13 923)	(7 909)	(390)	(379)
	7 660	6 318	221	232

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	994	26	(49)	-	-	971
Basic equipment	7 877	1 598	(924)	1 394	-	9 945
Transport equipment	3 801	250	(494)	-	1 412	4 969
Tools and utensils	125	-	(86)	-	3	42
Fixtures and fittings	1 418	618	(733)	553	3 776	5 632
Other tangible fixed assets	12	1	-	-	11	24
	14 227	2 493	(2 286)	1 947	5 202	21 583

	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	443	70	(1)	-	-	512
Basic equipment	4 348	2 187	(782)	-	-	5 753
Transport equipment	2 320	1 074	(488)	-	128	3 034
Tools and utensils	42	5	(11)	-	1	37
Fixtures and fittings	750	560	(492)	552	3 206	4 576
Other tangible fixed assets	6	12	-	-	-	11
	7 909	3 908	(1 774)	552	3 335	13 923

Financial Leasing contracts on tangible assets, at Group level, 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 :						
- 2003	4 056	2 316	979	351	1 490	1 892
- 2002	2 476	1 489	643	211	954	1 030

During 2003, 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	46	-	-	-	-	46
Transport equipment	21	-	-	-	-	21
	611	-	-	-	-	611
Accumulated Depreciation :						
Buildings and other constructions	322	8	-	-	-	330
Basic equipment	36	3	-	-	-	39
Transport equipment	21	-	-	-	-	21
	379	11	-	-	-	390

3. Intangible fixed assets

Intangible fixed assets are analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Start up costs	3 351	2 009	258	258
Research and development costs	9 891	7 131	31	3
Industrial property and other rights	11 876	5 844	-	-
Business property rights	6 531	6 415	-	-
Work in progress	1 915	4 022	-	-
	33 564	25 421	289	261
Accumulated Amortisation				
Business property rights amortisations for the year	(728)	(364)	-	-
Intangible assets amortisations for the year	(6 675)	(2 237)	(4)	(76)
Previous years amortisations	(5 233)	(2 632)	(258)	(182)
	(12 636)	(5 233)	(262)	(258)
	20 928	20 188	27	3

During the 2003, 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 :						
Start up costs	2 009	2 404	(2 038)	(557)	1 533	3 351
Research and development costs	7 131	237	(784)	3 307	-	9 891
Industrial property and other rights	5 844	1 253	-	-	4 779	11 876
Business property rights	6 415	116	-	-	-	6 531
Work in progress	4 022	2 590	-	(4 697)	-	1 915
	25 421	6 600	(2 822)	(1 947)	6 312	33 564
Accumulated Amortisation :						
Start up costs	1 480	399	(2 038)	(552)	1 533	822
Research and development costs	3 043	2 554	(785)	-	-	4 812
Industrial property and other rights	229	785	-	-	4 779	5 793
Business property rights	481	728	-	-	-	1 209
	5 233	4 466	(2 823)	(552)	6 312	12 636

The main increases in Industrial property and other rights values concern to the acquisition process of the software Siglo XXI licence rights.

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

Business property rights heading is analysed as follows:

Business	Amortization Years	Novabase Compa	Investment cost Euro'000	Accumulated amortization Euro'000	Net value Euro'000	Net value after extraord. amort. Euro'000
ATX Projects	10 years	NB Consult.	2 794	279	2 515	2 515
Health Web Site	3 years	NB Consult.	400	193	207	100
RH Outsourcing	10 years	NBO	1 678	288	1 390	1 390
Document Management System	10 years	NB ACD	1 245	342	903	903
Interactive TV	10 years	TVLab	414	107	307	307
			6 531	1 209	5 322	5 215

The management decided to increase the amortisation of the Health Web Site in 107 thounsand euros, amount reflected in extraordinary results heading (note 26).

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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 2003, the main projects accounting under this heading were the following:

		Company	Investment Cost Euro'000	Accumulated amortization Euro'000	Net Value Euro'000	Net value after extraord. amort. Euro'000
	Services and Products Development Projects:					
(i)	New Concept	Deltafor	623	138	485	485
	Technical Training	Flag	167	28	139	139
	POSI	Mind	89	15	74	74
(ii)	Innovation and Technology	NB ACD	498	138	360	229
	Value added service	NB ACD	150	4	146	146
	SAP BW Offer	NB BI	88	2	86	86
(iii)	Internationalisation Proj.	NB Consult.	333	120	213	213
(iv)	OS Expand	NB Consult.	721	20	701	581
(v)	Qualify	NB Consult.	198	-	198	198
	IED	NB CFSS	234	175	59	59
(vi)	Implementation in Brazil	NB EA	220	116	104	104
(vii)	Template SAP	NB EA	150	79	71	71
	Novabase ERM	NB EA	56	-	56	56
(viii)	ASP	NB Outsourc.	1 144	672	472	300
(ix)	Interactive TV Phase 1	Octal TV	167	5	162	162
	IRDETO na STB MicroDVB	Octal TV	52	1	51	51
(x)	Mavb	Octal	515	357	158	158
(xi)	Billab	Octal	232	84	148	148
	Adsl	Octal	72	26	46	46
	Uba 2004	Octal	56	9	47	47
	Corporate Audio TV	OnTV	61	2	59	59
(xii)	DivX Implementation	OnTV	68	4	64	64
(xiii)	Media Center	OnTV	65	2	63	63
	eLearning Platform	SAF	61	2	59	59
	Other		3 871	2 813	1 058	446
			9 891	4 812	5 079	4 044

(i) 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.

(ii) 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.

(iii) 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 Consulting.

(iv) OS Expand - investment project of qualification development in new business areas and models.

(v) Qualify project - an enhacement to comercial oportunities management tool, web based tool designed to shorten time-to-maket.

(vi) The implementation project in Brazil consists of the creation of skills in Brazil in the implementation of ERPs, especially SAP.

(vii) The Template SAP – AP project consists on 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.

(viii) 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.

(ix) Interactive TV Phase 1 - software development project that allows to see moovies in div-x format. Drivers and codes aplication development to see digital TV in a PC.

(x) 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.

(xi) 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.

(xii) DivX Implementation - Development of functionalities for DivX reprodution by STB, and application drivers for digitial TV visualization in a PC.

(xiii) USB MassStorage development to connect photo cameras; MP3; TV visualization of Home PC Streaming contents.

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 2003, 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					
	New Concept	Deltafor, S.A.	623	-	(623)	-
	Technical Training	Flag, S.A.	123	44	(167)	-
(i)	Industry	Mind, S.A.	237	237	-	474
(ii)	Libraries	Mind, S.A.	94	77	-	171
	Smart Sketch	Mind, S.A.	33	13	-	46
	Ecodrive	Mind, S.A.	33	8	(41)	-
	New Media	Mind, S.A.	19	12	(31)	-
	Innovation and Technology	Novabase A. C. D., S.A.	150	-	(150)	-
(iii)	Implementation in Brazil	Novabase Brasil	534	9	-	543
	ValiDoctor - Reeng. dados on line	Novabase B. I., S.A.	80	92	-	172
	Outsourcing Project	Novabase Consulting, S.A.	379	342	(721)	-
	SAP - Travel Managment	Novabase Serviços, S.A.	-	47	-	47
	mySAP	Novabase Serviços, S.A.	1 303	-	(1 303)	-
(iv)	Management Central	Octal	-	118	-	118
(iv)	MAVBMinor	Octal	-	82	-	82
(iv)	API-Walking Card	Octal	41	18	-	59
(iv)	Contactless Validator	Octal	-	89	-	89
(iv)	Ticket seeling point	Octal	-	37	-	37
(iv)	Ticket machine	Octal	-	28	-	28
	Other		373	1 337	(1 661)	49
			4 022	2 590	(4 697)	1 915

On going projects are mainly focused in tailor made development of software and products, intended to fulfill several economic activities needs :

(i) Industry - This tailor made ongoing project consists on a specific software development to be used by the shoe industry.

(ii) Lybraries - Specific software for high capacity Lybrary management with one or more sites, with web usage for exchange information between sites.

(iii) 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.

(iv) Within tiketing solutions we have the following projects:

- Ticketing management - Development of an aplicational platform for ticketing central management systems.
- MAVBMinor (automatic ticket selling machine) - Mecanic components and an automatic machine developement that combines information and ticket charge. Software developement intended to automatic ticket selling machine.
- API-Walking card - Software lybrary development to issue tickets, and business rules implementation. Development of an aplicacional platform for personalization and fiscalization points of concactless tickets.
- ContactlessValidador - Mecanic and electronic components development for a ticket validation.
- Ticket selling point - Development of an aplication platform to selling ticket points.
- Ticket machine - Electronic and Mecanic component development for a lower cost automatic machine to recharge and supply tickets.

During 2003, 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 :						
Start up costs	258	-	-	-	-	258
Research and development costs	3	28	-	-	-	31
	261	28	-	-	-	289
Accumulated Depreciation :						
Start up costs	257	-	-	-	-	257
Research and development costs	1	4	-	-	-	5
	258	4	-	-	-	262

4. Goodwill arising on consolidation / Business property rights

On 31 December 2003, the heading Goodwill arising on consolidation / Business property rights, 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 Consulting Esp.	40	(5)	45	-	-	-
Novabase C. F. S. S.	449	(702)	1 151	449	(702)	1 151
NBO	1 088	(790)	1 878	1 088	(790)	1 878
Novabase A. C. D., S.A.	570	(143)	713	570	(143)	713
Novabase B. I., S.A.	2 171	(1 215)	3 386	2 171	(1 215)	3 386
Novabase E. A., S.A.	585	(147)	732	585	(147)	732
Mentor, S.A.	28	(3)	31	28	(3)	31
Praetor II, Lda	380	(239)	619	-	-	-
	5 311	(3 244)	8 555	4 891	(3 000)	7 891
Division Engineering Solutions:						
Novabase Infraestruturas, SGPS, Lda	(307)	322	(629)	-	-	-
Octal	266	(200)	466	266	(200)	466
OnTV, S.A.	184	(123)	307	184	(123)	307
	143	(1)	144	450	(323)	773
Novabase Capital:						
Novabase Capital SGCR, S.A.	696	(554)	1 250	696	(554)	1 250
Flag, S.A.	563	(128)	691	-	-	-
Flag Beat, Lda.	73	(14)	87	-	-	-
Mind, S.A.	365	(243)	608	365	(243)	608
SAPi2 ci	254	(669)	923	254	(669)	923
Manchete, S.A.	51	(34)	85	-	-	-
Dínamo, S.A.	2	(1)	3	-	-	-
	2 004	(1 643)	3 647	1 315	(1 466)	2 781
	7 458	(4 888)	12 346	6 656	(4 789)	11 445
Amortisations for the year		(976)			(1 149)	
Extraordinary amortisations		(1 032)			(1 032)	

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 acquisition of Novabase Gestão Empresarial (actual Novabase E. A.) and Novabase Saúde and a half of SAPi2 net goodwill. 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 1032 thousands of euros is registered under Extraordinary results, note 26.

On 31 December 2003, 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 C. F. S. S.	70.00%	1 151	(702)	869	167	124%
Novabase Consulting Esp.	85.17%	45	(5)	(422)	(427)	(i)
NBO	98.87%	1 878	(790)	5 385	4 595	682%
Novabase A. C. D., S.A.	94.13%	713	(143)	3 686	3 543	2 578%
Novabase B. I., S.A.	93.86%	3 386	(1 215)	4 533	3 318	373%
Novabase E. A., S.A.	86.00%	732	(147)	1 901	1 754	1 293%
Praetor II, Lda	93.86%	619	(239)	856	617	358%
Division Engineering Solutions:						
Octal	100.00%	466	(200)	3 148	2 948	1 574%
Novabase IIS, S.A.	83.40%	(629)	322	2 545	2 867	(ii)
OnTV, S.A.	51.00%	307	(123)	532	409	433%
Novabase Capital:						
Novabase Capital SGCR, S.A.	100.00%	1 250	(554)	607	53	110%
Mind, S.A.	50.00%	608	(243)	162	(81)	(iii)
SAPi2 ci	50.00%	923	(669)	134	(535)	(iv)
Flag, S.A.	100.00%	778	(142)	443	301	312%
Others		119	(38)	-	(38)	-
		12 346	(4 888)	24 379	19 491	

(i) Novabase Consulting Spain is starting a new economic cicle after an operational reestructure, with a growth prediction for the future.

(ii) Nobavase Group recognizes the profit related with this 'negative goodwill', simultaneously with the fiscal results that are being generated by Novabase IIS, in order to use the accumulated fiscal losses existent at the date of acquisition of this company.

(iii) The company Mind is passing through a stabilisation process of its the economic life cycle, a sustained growth is predicted for their results during the next years.

(iv) In a prudent management position, the Board of Directors decided to account the extraordinary amortisation of half of SAPi2 Goodwill, as referred in note 26.

5. Financial investments

This heading is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Investments :				
Subsidiary companies	-	-	35 286	38 416
Associated companies	808	1 049	-	-
Other companies	18	18	-	-
	826	1 067	35 286	38 416
Bonds and Shares :				
Subsidiary companies	-	-	-	-
Other companies	8	8	2	2
	8	8	2	2
Financing Loans :				
Subsidiary companies	-	-	27 688	9 197
	-	-	27 688	9 197
Provisions for financial investments :				
Investments	-	-	-	-
	-	-	-	-
	834	1 075	62 976	47 615

The detail of the values under the heading **Investments** is analysed as follows:

		Group		Individual	
		2003	2002	2003	2002
		Euro'000	Euro'000	Euro'000	Euro'000
	Subsidiary Companies :				
	Division Novabase Consulting :				
	Novabase Consulting, S.A.	-	-	-	2 871
(i)	Novabase B. I., S.A.	-	-	2 704	4 359
	Novabase Saúde, S.A.	-	-	23	628
(ii)	Novabase Core Fin. Software Sol., S.A.	-	-	-	722
	NBO Recursos em TI	-	-	3 985	4 359
(iii)	Novabase A. C. D., S.A.	-	-	4 673	5 271
	Novabase Geoinformação, S.A.	-	-	189	145
	Novabase Outsourcing (ASP), S.A.	-	-	2 980	2 390
	Novabase Consulting Espanha, S.A.	-	-	-	950
	Novabase Gestão de Activos,S.A.	-	-	48	49
	SAF, S.A.	-	-	230	164
(iv)	Novabase E. A., S.A.	-	-	2 312	2 155
	Other	-	-	-	2
	Division Novabase Engineering Solutions :				
	Octal - Engenharia de Sistemas, S.A.	-	-	8 724	6 158
	Octal TV , S.A.	-	-	2 817	2 110
	OnTV, S.A.	-	-	448	497
	TVLab, S.A.	-	-	322	315
	Nbase International Investments B.V.	-	-	152	-
	Novabase Capital:				
	Novabase Capital SGCR, S.A.	-	-	4 027	4 003
	Sapi 2 ci, Consultadoria Informática, S.A.	-	-	56	32
	Mind, S.A.	-	-	314	238
	Novabase Shared Services:	-	-	-	-
	Novabase Serviços, S.A.	-	-	1 282	998
		-	-	35 286	38 416
	Associated Companies and Other:				
	Manchete, S.A.	3	2	-	-
	Clipanúncios, S.A.	-	47	-	-
	Dínamo, S.A.	191	180	-	-
	ATX - Software SA	500	500	-	-
	SAF Espanha	-	10	-	-
	WRC	15	15	-	-
	Tape	4	4	-	-
	GE IT Solutions (Portugal) acquisition costs	-	289	-	-
	Intelcart	2	2	-	-
	Plano B	9	-	-	-
	Octal gmbH	6	-	-	-
	Octal Alemanha	27	-	-	-
	Octal2Mobile	50	-	-	-
	Other	19	18	-	-
		826	1 067	-	-
		826	1 067	35 286	38 416

(i) This company was named Novabase Data Quality S.A., and changed the social object and name.
(ii) This company was named Novabase Porto S.A., and changed the social object and name.
(iii) This company was named Novabase Desenvolvimento à Medida S.A., and changed the social object and name.
(iv) This company was named Cfocus S.A., and changed the social object and name.

The following changes on the Novabase Group consolidated perimeter occurred during 2003:

- Novabase IIS and Novabase Infraestruturas SGPS were acquired in the first half of 2003, and were included in the consolidation by the full consolidation method.
- ES IT International Trade & Services and Nbase International Investments B.V. Were incorporated in the second half of 2003, and were included in the consolidation by the full method.

The companies included by the full consolidation method on 31 December 2003 were the following:

Holding company, Subsidiaries and Associates	Head Office and country	Share Capital Dec 2003 Euros	Equity Dec 2003 Euro'000	Results Dec 2003 Euro'000	Shareholding % Group	Shareholding % Individual
Parent company - Group holding :						
Novabase S.G.P.S.	Lisboa - Portugal	€ 14 127 982	68 561	580	-	-
Division Novabase Consulting :						
Novabase Consulting, S.A.	Lisboa - Portugal	€ 750 000	13 696	(1 524)	74.81%	74.81%
Novabase B. I., S.A.	Lisboa - Portugal	€ 250 000	4 764	(119)	93.86%	93.86%
Novabase Saúde, S.A.	Lisboa - Portugal	€ 2 500 000	22	(1 120)	100.00%	100.00%
Novabase Core Fin. Software Sol., S.A.	Lisboa - Portugal	€ 100 000	82	(640)	70.00%	70.00%
NBO Recursos em TI	Lisboa - Portugal	€ 50 000	4 859	635	98.87%	98.87%
Novabase A. C. D., S.A.	Lisboa - Portugal	€ 750 000	5 457	38	94.13%	94.13%
Novabase Geoinformação, S.A.	Lisboa - Portugal	€ 50 000	189	44	100.00%	100.00%
Novabase Outsourcing (ASP), S.A.	Lisboa - Portugal	€ 2 500 000	3 077	494	100.00%	100.00%
(i) Novabase Brasil	Sº Paulo - Brasil	€ 10 150 000	976	(580)	68.14%	-
(ii) Novabase Consulting Espanha, S.A.	Madrid - Espanha	€ 1 000 000	11	(495)	85.17%	-
Novabase Gestão de Activos,S.A.	Lisboa - Portugal	€ 50 000	48	(1)	100.00%	100.00%
Novabase E. A., S.A.	Lisboa - Portugal	€ 150 000	2 754	835	86.00%	86.00%
(iii) CelFocus, S.A.	Lisboa - Portugal	€ 100 000	2 063	700	47.30%	-
Mentor, S.A.	Lisboa - Portugal	€ 50 000	(217)	(80)	80.00%	80.00%
(iv) Praetor II, Lda	Lisboa - Portugal	€ 6 235	178	168	93.86%	-
SAF, S.A.	Lisboa - Portugal	€ 325 000	450	129	51.00%	51.00%
Division Novabase Engineering Solutions :			-	-		-
(v) Novabase Infraestruturas, SGPS, Lda	Oeiras - Portugal	€ 16 959	5 003	1 455	83.40%	-
(vi) Novabase IIS, S.A.	Oeiras - Portugal	€ 70 500	6 122	1 764	83.40%	-
Octal - Engenharia de Sistemas, S.A.	Lisboa - Portugal	€ 3 000 000	10 342	2 064	100.00%	100.00%
(vii) Octal - Espanha, S.A.	Madrid - Espanha	€ 120 202	43	(65)	63.88%	-
(viii Octal TV , S.A.	Lisboa - Portugal	€ 250 000	8 354	2 003	60.67%	51.00%
OnTV, S.A.	Lisboa - Portugal	€ 100 000	879	42	51.00%	51.00%
TVLab, S.A.	Lisboa - Portugal	€ 525 000	643	14	50.00%	50.00%
(ix) Gedotecome, Lda.	Lisboa - Portugal	€ 25 000	(3)	25	70.00%	-
(x) ES IT International Trade & Services	Fribourg / Suiça	€ 129 748	109	(21)	85.04%	-
(xi) Nbase International Investments B.V.	Amsterd. / Holand	€ 1 220 800	945	(1 034)	85.19%	41.20%
Novabase Capital :						
Novabase Capital SGCR, S.A.	Lisboa - Portugal	€ 2 500 000	3 638	(82)	100.00%	100.00%
(xii) Deltafor, S.A.	Lisboa - Portugal	€ 200 000	786	(188)	100.00%	-
(xiii Flag, S.A.	Lisboa - Portugal	€ 240 000	(75)	(11)	100.00%	-
(xiv Flag Beat, Lda.	Lisboa - Portugal	€ 5 000	434	77	100.00%	-
Sapi 2 ci, Consultadoria Informática, S.A.	Porto - Portugal	€ 60 100	133	(33)	50.00%	50.00%
(xv) Sapi 2 pi, Projectos Informáticos, Lda.	Porto - Portugal	€ 5 000	22	4	50.00%	-
Novabase Shared Services:			-	-		-
Novabase Serviços, S.A.	Lisboa - Portugal	€ 250 000	1 284	312	100.00%	100.00%

(i) Novabase Brasil is held by Novabase Consulting in 80%. Novabase Consulting also holds, transitionally, an additional 19% stake of this company accounted under the heading 'Other Assets' to be transferred to the local management.

(ii) The shares are held entirely by Nbase II B.V.

(iii) 55% of the shares are held by Novabase E.A., S.A..

(iv) The shares are held entirely by Novabase B.I., S.A..

(v) 83% of the shares are held by Octal.

(vi) 100% of the shares are held by Novabase IIS

(vii) 75% of the shares are held by Nbase II B.V.

(viii) 51% of the shares are held by Novabase SGPS and 9.67% by Octal.

(ix) 70% of the shares are held by Octal.

(x) 100% of the shares are held by Nbase II B.V.

(xi) 41% of the shares are held by Novabase SGPS and 59% by Novabase Consulting S.A..

(xii) The shares are held entirely by Novabase Capital.

(xiii) The shares are held entirely by Deltafor.

(xiv) The shares are held entirely by Flag.

(xv) The shares are held entirely by SAPi2 CI.

The following company was included in the consolidation using the proporcional method on 31 December 2003:

Holding company, Subsidiaries and Associates	Head Office and country	Share Capital Dec 2003 Euros	Equity Dec 2003 Euro'000	Results Dec 2003 Euro'000	Shareholding % Group	Shareholding % Individual
Mind, S.A.	Lisbon - Portugal	€ 370 000	628	77	50.00%	50.00%

The companies consolidated using the equity method on 31 December 2003 were as follows:

Holding company, Subsidiaries and Associates	Head Office and country	Share Capital Dec 2003 Euros	Equity Dec 2003 Euro'000	Results Dec 2003 Euro'000	Shareholding % Group	Shareholding % Individual
Superemprego, S. A.	Lisbon - Portugal	€ 500 000	(166)	(73)	36.25%	36.25%
Manchete, S.A.	Lisbon - Portugal	€ 150 000	134	(29)	25.00%	-
Dínamo, S.A.	Lisbon - Portugal	€ 300 000	477	12	40.00%	-

The following companies have been entered at purchase cost:

	Shareholding % Group	Shareholding % Individual	Acquisition Cost Group	Acquisition Cost Individual
ATX Software (i)	19%	0%	500	-
WRC	4%	0%	15	-
Tape	1%	0%	4	-
Intelcart	10%	0%	2	-
Plano B (Dormant) (ii)	75%	0%	9	-
Octal GMBH (Dormant) (ii)	50%	0%	6	-
Octal2Mobile (ii)				

(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, of 500 thousand euros.

ATX Projects activity included in this company related with the program contract established with BES Group, was transferred to the company Novabase CFSS (ex-Novabase Porto).

Financial Investments movements occurred in 2003 are analysed as follows:

1. *Acquisitions*

During 2003, the major acquisitions are analysed as follows :

Purchased company	% shareholding	Purchaser company
Novabase Saúde, S.A.	45.00%	Novabase S.G.P.S.
Novabase Infraestruturas, SGPS, Lda	83.40%	Octal - Engenharia de Sistemas, S.A.
Novabase IIS, S.A.	83.40%	Octal - Engenharia de Sistemas, S.A.
Mentor, S.A.	2.50%	Novabase S.G.P.S.
Novabase Outsourcing (ASP), S.A.	7.50%	Novabase S.G.P.S.
Novabase Consulting Espanha, S.A.	5.00%	Novabase S.G.P.S.
Gedotecome, Lda.	70.00%	Octal - Engenharia de Sistemas, S.A.

2. Disposals

During 2003, disposals are analysed as follows:

Sold company	% shareholding	Vendor company
Novabase Core Fin. Software Sol., S.A.	30.00%	Novabase S.G.P.S.
Clipanúncios	25.00%	Novabase Capital SGCR, S.A.
Novabase A. C. D., S.A.	0.80%	Novabase S.G.P.S.
Novabase B. I., S.A.	2.10%	Novabase S.G.P.S.
NBO Recursos em TI	1.10%	Novabase S.G.P.S.
ATX Software	26.00%	Novabase Consulting, S.A.

3. Incorporations

During 2003, the following companies were incorporated:

	Incorporated company	% shareholding	Incorporator company
	Octal2Mobile	100.00%	Octal - Engenharia de Sistemas, S.A.
	ES IT International Trade & Services	100.00%	Nbase International Investments B.V.
(*)	Nbase International Investments B.V.	100.00%	Novabase S.G.P.S.

(*) 41% of the shares are held by Novabase SGPS and 59% by Novabase Consulting S.A..

4. Mergers

During 2003, the following companies were merged:

Merged company	% shareholding	Merger company
Novabase Gestão Empresarial, S.A.	100%	Novabase E. A., S.A.
Novabase Suporte à Decisão, S.A.	100%	Novabase B. I., S.A.
Praetor III, Lda	100%	Novabase B. I., S.A.
Novabase Integração de Processos, S.A.	100%	Novabase A. C. D., S.A.

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	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Novabase S.G.P.S.	-	-	99	50
Novabase Consulting, S.A.	335	118	-	-
Novabase B. I., S.A.	641	358	-	-
Novabase Core Fin. Software Sol., S.A.	395	167	-	-
NBO Recursos em TI	161	1	-	-
Novabase A. C. D., S.A.	441	111	-	-
Novabase Geoinformação, S.A.	60	54	-	-
Novabase Outsourcing (ASP), S.A.	-	90	-	-
Novabase E. A., S.A.	561	700	-	-
Mentor, S.A.	122	129	-	-
Praetor II, Lda	17	-	-	-
Octal - Engenharia de Sistemas, S.A.	260	41	-	-
Octal TV , S.A.	33	-	-	-
OnTV, S.A.	683	511	-	-
TVLab, S.A.	182	191	-	-
Novabase IIS, S.A.	1 253	-	-	-
Deltafor, S.A.	26	15	-	-
SAF, S.A.	127	213	-	-
Flag, S.A.	188	68	-	-
Novabase Capital SGCR, S.A.	37	96	-	-
Novabase Serviços, S.A.	470	602	-	-
Other	-	-	-	-
	5 992	3 465	99	50

Movements on Deferred tax assets and liabilities are analysed as follows:

	Tax Assets		Tax Liabilities	
	Group Euro '000	Individual Euro '000	Group Euro '000	Individual Euro '000
I&D	1 503	-	-	-
Provisions	461	-	50	50
Fiscal Losses	1 501	-	-	-
Opening balance	3 465	-	50	50
Increases due to:				
Fiscal Losses	(184)	-	-	-
I&D	487	-	-	-
Provisions	170	-	49	49
Consolidation perimeter variations	2 559	-	-	-
Tax reduction	(505)	-	-	-
Change for the year	2 527	-	49	49
Closing balance	5 992	-	99	99

7. Inventories

This heading is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Merchandise	2 586	152	-	-
Finished products	1 452	2 427	-	-
Semi-finished products and work	34	184	-	-
Raw materials, subsidiary goods and consumables	5 664	6 638	-	-
	9 736	9 401	-	-
Provision for inventory depreciation	(1 237)	(30)	-	-
	8 499	9 371	-	-

Movements in Provision for inventory depreciation are analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Opening balance	30	20	-	-
Consolidation perimeter variations	389	-	-	-
Change for the year	829	10	-	-
Utilizations	(11)	-	-	-
	1 237	30	-	-

8. Accounts receivable

This heading is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Clients current acounts	32 907	31 902	4 315	6 794
Clients acounts - trade bills	1 101	109	-	-
Doubtful debts	3 248	1 870	434	434
Provision for doubtful debts	(2 449)	(1 870)	(434)	(434)
	34 807	32 011	4 315	6 794

The movements on **Doubtful debts provision** are analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Opening balance	1 870	1 173	434	463
Consolidation perimeter variations	531	82	-	-
Change for the year	801	722	-	78
Provision Utilization	(753)	(107)	-	(107)
	2 449	1 870	434	434

Until 31 December 2003 were delivered to factoring companies with contracts in a form of full factor (or Without recourse), some client debts in a total amount of 30 691 euros. The values are detailed as follows:

	Factor Company	Type	Value Euro '000
NBO Recursos em TI	Eurogés	Full Factoring	206
NBO Recursos em TI	Lusofactor	Full Factoring	512
Novabase Core Fin. Software Sol., S.A.	Eurogés	Full Factoring	59
Novabase A. C. D., S.A.	Lusofactor	Full Factoring	173
Novabase B. I., S.A.	Eurogés	Full Factoring	825
Novabase B. I., S.A.	Lusofactor	Full Factoring	1 871
Novabase Consulting, S.A.	Eurogés	Full Factoring	382
Novabase Consulting, S.A.	Lusofactor	Full Factoring	5 112
Octal - Engenharia de Sistemas, S.A.	BCP Factoring	Full Factoring	1 529
Octal TV , S.A.	BCP Factoring	Full Factoring	1 085
Octal TV , S.A.	BBVA	Full Factoring	14 338
Novabase IIS, S.A.	Lusofactor	Full Factoring	4 599
			30 691

9. Other debtors and Other creditors

The value under **Other debtors** is detailed as follows:

	Group		Individual	
	2003	2002	2003	2002
	Euro'000	Euro'000	Euro'000	Euro'000
State and other public entities				
- Corporate income tax - IRC	1 715	1 060	-	277
- Value added tax	70	1 760	-	-
- Other taxes	157	152	-	-
Associated companies	125	274	3	23
Other shareholders	214	308	-	-
Other Debtors				
- Advances to suppliers	1 473	1 112	927	921
- Employees	439	233	-	-
- Advances to board members	317	-	317	-
- Financial investments disposals	1 300	1 505	-	-
- Subsidies receivable	2 514	1 066	-	-
- Receiving values from full factoring operations	1 609	488	-	-
- Cash-pooling intra-group	-	-	12 484	13 800
- Other debtors and operations	4 448	1 744	1 450	5 539
	14 381	9 702	15 181	20 560
Provision for other debtors	(197)	(197)	-	-
	14 184	9 505	15 181	20 560

Movements on Doubtful debts provision are analysed as follows:

	Group		Individual	
	2003	2002	2003	2002
	Euro'000	Euro'000	Euro'000	Euro'000
Opening balance	197	197	-	-
Change for the year	-	-	-	-
	197	197	-	-

The value under **Other creditors** is detailed as follows:

	Group		Individual	
	2003	2002	2003	2002
	Euro'000	Euro'000	Euro'000	Euro'000
State and other public entities				
- Corporate income tax - IRC	42	560	157	-
- Personal income tax - withhold at source	1 030	1 079	65	58
- Social Security contributions	963	885	23	29
- Value added tax	3 647	5 405	77	349
- Other taxes	-	-	-	-
Other shareholders in group companies	40	77	45	1 081
Advances on sales	1 192	231	-	-
Other creditors				
- Employees	149	132	-	-
- Creditors from encumbered subscriptions	-	-	821	1 976
- Cash-pooling intra-group	-	-	14 574	12 855
- Payable values from factoring operations	-	1 020	-	-
- Other creditors and operations	925	2 020	87	1 100
	7 988	11 409	15 849	17 448

10. Accruals and Deferrals - Assets and Liabilities

Accruals and deferrals - assets are analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Accrued income:				
- Receiving interests	1	-	1	1
- Subsidies	1 754	-	-	-
- Ongoing projects	3 951	1 936	-	-
- Other accrued income	313	141	2	1 638
	6 019	2 077	3	1 639
Deferred costs:				
- Software maintenance	273	331	-	-
- Rents	68	61	-	-
- Insurance	57	78	25	26
- Pluri-annual maintenance	55	88	-	-
- Publicity	59	83	-	-
- Subcontracts	1 126	53	-	-
- Other deferred costs	573	125	18	-
	2 211	819	43	26
	8 230	2 896	46	1 665

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 next period results.

Accruals and deferrals - **liabilities** are analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Accrued costs:				
- Holidays and holiday subsidies and other personnel costs	4 668	3 473	228	205
- Interest payable	11	18	-	-
- Software licences	507	2 646	-	-
- Support services	33	-	-	-
- Other work in progress	1 191	91	-	-
- Other accrued costs	1 279	287	37	51
	7 689	6 515	265	256
Deferred income:				
- Subsidies	2 303	980	-	-
- Ongoing Projects	8 638	1 926	-	-
- Other deferred income	692	17	4	-
	11 633	2 923	4	-
	19 322	9 438	269	256

11. Cash, Deposits in Banks and Marketable Securities

Cash and cash equivalents heading is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Cash Items:				
- Cash	40	144	-	1
	40	144	-	1
Deposits in Banks:				
- Short term bank deposits	13 173	4 062	1 315	565
- Long term bank deposits	13 054	16 339	-	-
- Other deposits	-	-	-	-
	26 227	20 401	1 315	565
	26 267	20 545	1 315	566

Regarding the consolidate and Individual Cash Flow Statements, the detail and description of **Cash items and Cash equivalents** is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Cash Items:				
- Cash	40	144	-	1
- Deposits in banks	26 227	20 401	1 315	565
- Investment securities	612	622	612	612
	26 879	21 167	1 927	1 178
Cash Equivalents:				
- Other cash investments	3 636	8 225	3 000	8 225
- Overdrafts	(1 036)	(3 850)	-	(78)
	2 600	4 375	3 000	8 147
Cash and Cash Equivalents	29 479	25 542	4 927	9 325

Marketable Securities heading is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Investment securities:				
- Portugal Telecom shares	585	585	585	585
- PT Multimédia shares	27	27	27	27
- Other bonds	-	10	-	-
	612	622	612	612
Other Cash Investments:				
- Finance investments in Portuguese banks	3 636	8 225	3 000	8 225
- Finance investments in foreign banks	-	-	-	-
	3 636	8 225	3 000	8 225
	4 248	8 847	3 612	8 837

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.

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. Own shares

This heading is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Nominal / Book value of Novabase S.G.P.S., S.A. shares	8	12	8	12
Number of shares	15 135 shares	24 966 shares	15 135 shares	24 966 shares
Market value of Novabase S.G.P.S., S.A. shares	89	145	89	145

The number of own shares held by Novabase S.G.P.S. on 31 December 2003 are under the limits established by its statutory rules and in accordance with the Commercial Company Code.

During 2003, the company purchased on the stock market 482 044 shares at the average price of 5.81 Euros, and sold 257 769 shares at the average price of 5.850 Euros.

The net increase in Novabase S.G.P.S portfolio of 224 275 shares allowed the company to trade out of the stock market 234 106 shares. This trades were used as the final payment 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.

In 31 December 2003, Novabase S.G.P.S. held 15 135 own shares, representing 0.054% of total share capital.

15. Reserves, Retained Earnings and Net Profit

This heading is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Legal reserve	1 225	752	1 225	752
Other reserves and retained earnings	2 931	942	2 931	942
Net profit	580	9 459	580	9 459
Consolidation exchange differences	(2 373)	(2 544)	(2 373)	(2 544)
Other consolidation reserves	16 925	11 556	16 925	11 556
	19 288	20 165	19 288	20 165

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.

Novabase 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.

Earning per share is analysed as follows:

	Group		Individual	
	2003	**2002**	**2003**	**2002**
Net profit for the year (in euros)	579 591.07	9 459 990.75	579 591.07	9 459 990.75
Average number of shares	28 255 964	28 255 964	28 255 964	28 255 964
Earnings per share - average (in euros)	0.02 euros	0.33 euros	0.02 euros	0.33 euros

16. Minority interests

This heading is analysed as follows:

	Group	
	2003 Euro'000	**2002 Euro'000**
Opening balance	5 007	3 677
Consolidation perimeter variations	903	592
Minority interests attributable to results	796	738
	6 706	5 007

Minority interests detailed by company is analysed as follows:

	Group	
	2003 Euro'000	**2002 Euro'000**
Division 'Novabase Consulting' :		
Novabase Consulting, S.A.	-	333
Novabase B. I., S.A.	181	184
Novabase Saúde, S.A.	-	306
Novabase A. C. D., S.A.	291	297
NBO Recursos em TI	46	-
Novabase Outsourcing (ASP), S.A.	-	188
Novabase Brasil	311	227
Novabase Consulting Espanha, S.A.	2	50
Novabase E. A., S.A.	227	273
CelFocus, S.A.	1 087	680
Praetor II, Lda	6	-
SAF, S.A.	221	157
Division 'Novabase Engineering Solutions' :		
Novabase IIS, S.A.	987	-
Octal - Espanha, S.A.	15	27
Octal TV , S.A.	2 172	1 384
OnTV, S.A.	431	477
TVLab, S.A.	322	314
ES IT International Trade & Services	16	-
Nbase International Investments B.V.	294	-
'Novabase Capital' :		
Sapi 2 ci, Consultadoria Informática, S.A.	86	102
Sapi 2 pi, Projectos Informáticos, Lda.	11	8
	6 706	5 007

17. Amounts owed to Financial Institutions

This heading is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Current bank liabilities - Short term	1 379	4 235	-	78
Non current bank liabilities - Medium / long term	8 500	6 000	8 500	6 000
	9 879	10 235	8 500	6 078

The heading **Current** bank liabilities - Short term, by company, is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Novabase S.G.P.S.	-	78	-	78
Novabase B. I., S.A.	-	319	-	-
NBO Recursos em TI	147	231	-	-
Novabase A. C. D., S.A.	-	211	-	-
OnTV, S.A.	408	-	-	-
Novabase IIS, S.A.	61	-	-	-
TVLab, S.A.	146	192	-	-
Octal - Engenharia de Sistemas, S.A.	-	2 254	-	-
Octal TV , S.A.	-	8	-	-
Sapi 2 ci, Consultadoria Informática, S.A.	70	186	-	-
Flag, S.A.	223	323	-	-
Mind, S.A.	318	296	-	-
Other companies	6	137	-	-
	1 379	4 235	-	78

The heading **Non Current** bank liabilities - Medium / Long term, by company, is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Loans and credit lines:				
- Novabase S.G.P.S.	8 500	6 000	8 500	6 000
- Other companies	-	-	-	-
	8 500	6 000	8 500	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 consolidated financial statements prepared 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 2003, 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 adjustments made are analysed in note 2 to the financial statements.

19. Provisions for liabilities and charges

Movements on Provisions for liabilities and charges are analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Opening balance	-	-	-	-
Change for the year	1 605	-	902	-
	1 605	-	902	-

The amount recorded in the period relates to provisions created in order to cover the possible impairment of some intangible assets.

20. Turnover

Turnover analysis by activity sector is as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Sales by activity sector :				
Public administration and public service companies	7 193	12	-	-
Hospitals and other health services	508	7	-	-
Banks and insurance	5 324	21	-	-
Industry and services	1 373	8 588	-	-
Transport and mailing	5 158	3 108	-	-
Telecommunications and media	39 999	28 738	-	-
Other entities	2 616	-	-	-
	62 171	40 474	-	-
Services rendered by activity sector :				
Public administration and public service companies	15 657	15 373	-	-
Hospitals and other health services	980	1 709	-	-
Banks and insurance	15 579	15 078	-	-
Industry and services	13 452	13 197	2 860	4 829
Transport and mailing	5 886	3 888	-	-
Telecommunications and media	19 069	23 883	-	-
Other entities	730	461	-	-
	71 353	73 589	2 860	4 829
TOTAL Turnover :				
Public administration and public service companies	22 850	15 385	-	-
Hospitals and other health services	1 488	1 716	-	-
Banks and insurance	20 903	15 099	-	-
Industry and services	14 825	21 785	2 860	4 829
Transport and mailing	11 044	6 996	-	-
Telecommunications and media	59 068	52 621	-	-
Other entities	3 346	461	-	-
	133 524	114 063	2 860	4 829

Turnover by Geographical markets is analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Portugal	128 972	109 040	2 860	4 829
Spain	1 018	636	-	-
Other	3 534	4 387	-	-
	133 524	114 063	2 860	4 829

Services rendered heading is analysed as follows:

	Group		Individual	
	2003	2002	2003	2002
	Euro'000	Euro'000	Euro'000	Euro'000
Software development	7 375	10 406	-	-
Software maintenance	1 656	2 894	-	-
Software licenses	2 521	5 399	-	-
Consulting services	36 954	38 055	95	-
Recruiting, training and resources granted	8 801	8 754	-	-
Infraestructures	8 683	-	-	-
Other services rendered	5 363	8 081	2 765	4 829
	71 353	73 589	2 860	4 829

21. External supplies and services

External supplies and services heading is analysed as follows:

	Group		Individual	
	2003	2002	2003	2002
	Euro'000	Euro'000	Euro'000	Euro'000
Subcontracts :				
Software development	123	195	-	-
Software maintenance	2 654	1 601	-	-
Software licenses	2 232	3 985	-	-
Consulting services	2 059	8 881	-	93
Recruiting, training and resources granted	1 925	373	-	-
Infraestructures	1 087	-	-	-
Other services rendered	4 992	603	-	-
	15 072	15 638	-	93
Supplies and Services :				
Water, electricity and fuel	514	414	35	28
Utility expenses	419	275	5	3
Rentals	2 331	2 699	177	180
Communications	789	750	-	4
Insurance coverage	570	819	53	58
Transportation and travel expenses	1 938	2 205	171	112
Commissions and consultancy	9 045	9 029	30	-
Advertising and promotion	1 009	760	12	8
Specialised services	2 573	2 731	48	145
Other services	2 534	1 063	33	95
	21 722	20 745	564	633
	36 794	36 383	564	726

22. Personnel expenses

Personnel expenses heading is analysed as follows:

	Group		Individual	
	2003	2002	2003	2002
	Euro'000	Euro'000	Euro'000	Euro'000
Board members expenses	3 093	2 328	1 506	1 324
Personnel expenses	25 438	22 437	-	-
Social security charges	5 404	5 104	130	146
Other personnel expenses	670	487	7	11
	34 605	30 356	1 643	1 481

Average number of personnel by class is detailed as follows:

	Group		Individual	
	2003	**2003**	**2003**	**2003**
Board members	37	42	11	11
Management	90	82	-	-
Project managers	91	88	-	-
Consultants	723	651	-	-
Staff and other categories	70	63	-	-
	1 011	926	11	11

23. Provisions

Provision heading is analysed as follows:

	Group		Individual	
	2003	**2002**	**2003**	**2002**
	Euro'000	**Euro'000**	**Euro'000**	**Euro'000**
Provisions for inventories	-	10	-	-
Provisions for doubtful debts	5	580	-	-
	5	590	-	-

24. Depreciation and amortization

Depreciation and amortization heading is analysed as follows:

	Group		Individual	
	2003	**2002**	**2003**	**2002**
	Euro'000	**Euro'000**	**Euro'000**	**Euro'000**
Fixed Assets Depreciation / amortization				
Tangible fixed assets Depreciation:				
Buildings and other constructions	51	36	7	9
Basic equipment	2 187	1 864	3	14
Transport equipment	1 177	947	-	-
Fixtures and fittings	485	160	-	-
Other tangible fixed assets	8	14	-	-
	3 908	3 021	10	23
Intangible fixed assets Amortisation :				
Start up costs	404	440	1	75
Research and development costs	1 691	1 264	3	1
Contract and other rights	775	52	-	-
	2 870	1 756	4	76
	6 778	4 777	14	99

25. Financial Gains / (Losses)

Financial Gains / (Losses) are analysed as follows:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Financial Gains :				
Interest	369	364	520	393
Gains from equity method application	5	4	5 643	10 020
Exchange differences	550	458	-	-
Other financial gains	41	87	-	79
	965	913	6 163	10 492
Financial Losses :				
Interests	879	227	410	5
Interests on leasing contracts	355	213	-	-
Factory interests	361	155	-	-
Other interests	29	27	-	-
Bank guaranties charges	52	22	2	-
Bank services	39	134	19	10
Losses from equity method application	33	73	3 356	3 358
Exchange differences	443	645	-	6
Other financial losses	-	5	2	1
	2 191	1 501	3 789	3 380
	(1 226)	(588)	2 374	7 112
Financial Investments amortisation				
Goodwill				
- Full consolidation method	967	1 289	-	-
- Equity method	9	9	1 149	1 143
Business property rights	728	364	-	-
	1 704	1 662	1 149	1 143
	(2 930)	(2 250)	1 225	5 969

26. Extraordinary Gains / (Losses)

The detail analysis of this heading is the following:

	Group		Individual	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Extraordinary Gains :				
Fixed assets operations	47	1 511	23	1 248
Debts recover	-	51	-	-
Provision and amortisation reductions	167	-	-	29
Prior year operations	830	85	28	67
Other extraordinary gains	288	75	7	51
	1 332	1 722	58	1 395
Extraordinary Losses :				
Fixed assets operations	162	21	79	1
Prior year operations	1 922	529	-	16
Accelerated amortisation				
- Goodwill	1 032	389	1 032	389
- Intangible fixed assets	1 531	479	-	-
Extraordinary provision	1 158	-	-	-
Restructuring costs	452	1 832	-	-
Other extraordinary losses	161	203	27	18
	6 418	3 453	1 138	424
	(5 086)	(1 731)	(1 080)	971

Extraordinary Results were affected by the implementation of the Restructuring plan approved by Board of Directors, with the following action lines: (i) to optimise its operational efficacy adjusting personnel to market needs and focus towards the client, (ii) reduce the number of participated companies in order to reduce costs and increase operational efficacy, (iii) reinforce a conservative accounting policy. The following non recurrent costs are reflected under Extraordinary Results:

- Personnel organisation restructure (functional and commercial) – amounting 452 thousand euros.
- Acceleration of some Intangible assets' amortisation period, in the amount of 1 531 thousand euros.
- Acceleration Novabase E. A. (ex-Novabase Gestão Empresarial) and Novabase Saúde Goodwill amortisation, and half of SAPi2 Goodwill amortization, in the total amount of 1 032 thousand euros, 188 thounsand euros, 544 thounsand euros and 300 thounsand euros respectivly.
- 991 thousand euros related with doubtful debts and inventory provisions
- 1 092 thousand euros related with prior years Consulting division projects contigencies, solved in the end of the 2nd quarter of 2003.

27. 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 2003, 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	10 486	(4 847)	5 639	662	(1 023)	(361)
Financial results	(2 930)	(239)	(3 169)	1 225	(57)	1 168
Current results	7 556	(5 086)	2 470	1 887	(1 080)	807
Extraordinary results	(5 086)	5 086	-	(1 080)	1 080	-
Net profit for the year	1 376	-	1 376	580	-	580

28. Income Tax

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 2000 to 2003 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	
	2003 Euro'000	2002 Euro'000	2003 Euro'000	2002 Euro'000
Income tax provision	1 029	2 194	178	78
Deferred tax assets provision	16	(2 702)	-	-
Other foreign companies tax provision	-	347	-	-
Deferred tax liabilities provision (see note 6)	49	50	49	50
	1 094	(111)	227	128

Reconciliation between the Group's effective and nominal tax rate for the years 2003 and 2002 is analysed as follows:

	2002		2001	
	Income tax Euro '000	Tax rate %	Income tax Euro '000	Tax rate %
Nominal tax rate and income tax	815	33.00%	3 328	33.00%
- Main effects on taxation :				
Jobs (net creation)	(340)	-13.77%	(852)	-8.45%
Research & development Investment	(799)	-32.35%	(909)	-9.01%
Foreign Branches	307	12.43%	(594)	-5.89%
Extraordinary amortizations / goodwill	112	4.53%	677	6.71%
Portuguese Branches	94	3.81%	-	
Other adjustments to taxable amount	840	34.01%	544	5.39%
Effective tax rate and Income tax	**1 029**	**41.66%**	**2 194**	**21.76%**

29. 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	
	2003	2002	2003	2002
	Euro'000	Euro'000	Euro'000	Euro'000
Customer / On going project:				
ERG Transit Systems	2 363	-	2 363	-
ENT	361	-	361	-
IIES	719	795	719	795
TMN	85	653	85	653
CTT	488	448	488	448
CGD	-	514	-	514
ISQ	195	195	195	195
Sociedade Gestora F.P.B.P.	-	125	-	125
DGSP	100	100	100	100
CP	20	-	20	-
Imorendimento	-	51	-	51
Alcatel	6	6	6	6
ARS - Norte	8	8	8	8
Banco de Portugal	-	38	-	38
Carris	1 085	1 085	1 085	1 085
CCRA	25	25	25	25
CCRN	29	29	29	29
Codipor	40	40	40	40
DGV	40	56	40	56
Efacec	-	52	-	52
Hospital Santa Maria	-	29	-	29
INPI	-	97	-	97
POSTLOG	509	509	509	509
PT Prime	48	48	48	48
Silcoge	664	664	664	664
Other	1 909	117	1 909	117
	8 694	5 684	8 694	5 684

The responsibility for guarantees given, by company and financial institution is detailed as follows:

		Group		Individual	
		2003	2002	2003	2002
	Banco	Euro'000	Euro'000	Euro'000	Euro'000
Novabase S.G.P.S.	BPI	154	102	154	102
Novabase S.G.P.S.	CGD	40	40	40	40
Novabase Consulting, S.A.	BPI	1 376	1 247	1 376	1 247
Novabase Consulting, S.A.	BES	1 233	1 334	1 233	1 334
Novabase B. I., S.A.	BPI	164	852	164	852
Novabase B. I., S.A.	BES	163	163	163	163
Novabase Saúde, S.A.	BCP	4	32	4	32
Novabase A. C. D., S.A.	BPI	528	1 165	528	1 165
Novabase A. C. D., S.A.	BES	-	10	-	10
NBO Recursos em TI	BPI	6	15	6	15
Novabase Serviços, S.A.	BPI	3	58	3	58
Novabase Serviços, S.A.	BES	664	664	664	664
Manchete	BPN	3	-	3	-
SAF, S.A.	BPN	3	-	3	-
Novabase Core Fin. Software Sol., S.A.	BPI	2	2	2	2
Octal - Engenharia de Sistemas, S.A.	BCP	668	-	668	-
Octal - Engenharia de Sistemas, S.A.	BES	2 363	-	2 363	-
Octal - Engenharia de Sistemas, S.A.	COSEC	103	-	103	-
Novabase IIS, S.A.	CITIBANK	48	-	48	-
Novabase IIS, S.A.	ATLANTICO	10	-	10	-
Novabase IIS, S.A.	BNP PARIBAS	37	-	37	-
Novabase IIS, S.A.	BES	1 122	-	1 122	-
		8 694	5 684	8 694	5 684

30. 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	Novabase Capital Euro'000	TOTAL Group Novabase Euro'000
Sales	315	61 746	110	62 171
Cost of goods sold	130	46 550	14	46 694
Gross margin	185	15 196	96	15 477
Other Operating Income				
Services rendered	47 187	19 533	4 633	71 353
Own work	286	866	329	1 481
Supplementary income and subsidies for operations	296	85	30	411
Other exploration income	100	32	25	157
	47 869	20 516	5 017	73 402
Other Operating Costs				
External services and supplies	16 260	17 620	2 914	36 794
Personnel expenses	23 137	9 978	1 490	34 605
Provisions	(2)	-	7	5
Other exploration costs	99	68	44	211
	39 494	27 666	4 455	71 615
Gross Operating Results (EBITDA)	8 560	8 046	658	17 264
Depreciation / amortisation	4 912	1 357	509	6 778
Operating Results (EBIT)	3 648	6 689	149	10 486
Financial Gains / (Losses)	(539)	(628)	(59)	(1 226)
Financial investments amortisation	(1 542)	203	(365)	(1 704)
Current Results	1 567	6 264	(275)	7 556
Extraordinary Gains / (Losses)	77	14	(77)	14
Non recurrent Costs	(3 779)	(955)	(366)	(5 100)
Income before taxes	(2 135)	5 323	(718)	2 470
Income taxes provisions	842	165	71	1 078
Deferred taxes provisions	(806)	892	(70)	16
Minority interests	(276)	1 086	(14)	796
Attributable net income	(1 895)	3 180	(705)	580
Other Information :				
Turnover	47 502	81 279	4 743	133 524
EBITDA	8 560	8 046	658	17 264
EBITDA % on Turnover	18.02 %	9.90 %	13.87 %	12.93 %
Income before taxes % on Turnover	-4.49 %	6.55 %	-15.14 %	1.85 %

31. Stock Options Plan

A new Stock Option Plan was approved at the General Meeting of Shareholders of 19 April 2003, as the possibility of offering stock options to employees and members of the Board of Directors of Novabase and other companies in the group under the Stock Option Plan approved in the General Meeting of Shareholders of 22 May 2001 had been ended.

In the previous plan both components applied to admission and/or performance from 2000, 2001 and 2002, while in the current plan admission and/or performance options for the years 2003, 2004 and 2005 may be attributed.

In order to approximate the date of positive performance in a given year and its corresponding reward, the current plan does not involve a one-year waiting period. In this way each option may be exercised without delay in the year following that of performance evaluation. The period for exercising options went to three years in the new plan as opposed to four years in the previous plan.

The options attributed in the different components by December 31st of each year can be exercised in three 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 two on the same day (or on the first subsequent working day) in the following months of May and in blocks corresponding to 1/3 of the number of Options attributed.

This new Stock Option Plan, like the previous one, includes all employees and members of the Board of Directors of Novabase and 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).

In 2001 the first phase of the current Stock Option Plan was implemented and by 25 May 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 this purpose on 1 June 2001. Of the 55,964 shares subscribed, 45,043 were subscribed at 8.50 euros and the remaining 10,921 at 10.40 euros.

In 2002 and 2003, due to the performance of the capital markets, none of the options provided for in the Stock Option Plan were exercised.

The shares corresponding to the options attributed but not yet exercised under the previous Stock Option Plan (referring to 2000 to 2002) and the current Plan (referring to 2003 to 2005) should not at any time exceed the maximum accumulated limit of 25%, corresponding to 12.5% per plan in relation to the total share volume representing Novabase's share capital at that time.

32. Other 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. In 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.

In the beguining of 2004 the company was subject to a lawsuit, from a former employee of one participate company, demanding a compensation in the amount of 35 thousand euros.

Four employees sued participated companies before the Lisbon Labor Courts of law, demanding compensations in the global amount of 230 thousand euros.

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III. FINANCIAL STATEMENTS
PRO FORMA IFRS
for the Years Ended December 31, 2003 and 2002

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Pro forma IFRS consolidated financial information prepared in accordance with International Financial Reporting Standards

Although only mandatory to prepare annual financial statements for a listed company with effect from 1 January 2005, in accordance with International Financial Reporting Standards ("IFRS") , the Board of Directors of Novabase SGPS decided to anticipate the disclosure of some IFRS consolidated pro forma indicators and to present the reconciliation between IFRS and Portuguese GAAP for both Net Profit and ordinary Shareholders' Equity. The disclosure provided is for information purposes only and includes significant IFRS adjustments.

The transition to IFRS 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 - IFRS is analysed as follows:

	2003 Euro'000	2002 Euro'000
Consolidated Net Profit - Portuguese GAAP	580	9 459
Adjustments to IFRS :		
- Start up costs	(364)	114
- Expenses on publicity campaigns	(1 661)	158
- Research and development costs	(1 557)	(234)
- Bonus to employees	208	(956)
- Deferred income taxes	853	(37)
Consolidated Net Profit - IFRS PRO FORMA	(1 941)	8 504

In summary, the Consolidated Pro forma Shareholders' Equity is analysed as follows:

	2003 Euro'000	2002 Euro'000
Shareholders' Equity - Portuguese GAAP	68 561	69 434
Adjustments to IFRS :		
- Start up costs	(854)	(490)
- Expenses on publicity campaigns	(1 661)	-
- Research and development costs	(2 653)	(1 096)
- Bonus to employees	(178)	(956)
- Deferred income taxes	1 404	599
- Fair-value of Investment Bonds	83	(77)
Shareholders' Equity - IFRS PRO FORMA	64 702	67 414

A Pro forma Consolidated Balance Sheet and Pro forma Consolidated Income Statement prepared in accordance with International Financial Reporting Standards are presented in next pages.

Consolidated Balance Sheet - PRO FORMA IFRS

as at December 31, 2003 and 2002

Prepared in accordance with the International Financial Reporting Standards

	2003 Euro'000	2002 Euro'000
Assets		
Non Current		
Tangible assets	7 660	6 318
Intangible assets	15 133	18 162
Goodwill	7 458	9 477
Financial investments	834	1 075
Deferred tax assets	7 419	4 064
Total non Current Assets	38 504	39 096
Current		
Inventories	8 499	9 371
Trade debtors and Accrued income	40 826	34 088
Other debtors and Prepaid expenses	16 402	10 345
Marketable securities	4 332	8 771
Cash and cash equivalents	26 267	20 545
Total current assets	96 326	83 120
Total assets	134 830	122 216
Shareholders' Equity		
Share capital	14 128	14 128
Treasury stock	(8)	(12)
Share premium	35 153	35 153
Reserves and retained earnings	17 370	9 641
Consolidated net profit	(1 941)	8 504
Total Shareholders' Equity	64 702	67 414
Minority Interests	6 087	4 588
Liabilities		
Non Current		
Borrowings	8 500	6 000
	1 000	505
Provision for liabilities and charges	1 605	-
Deferred Tax Liabilities	122	50
Total Non Current Liabilities	11 227	6 555
Current		
Borrowings	1 379	4 235
Trade Creditors	23 947	17 620
Other creditors and accruals	15 855	18 881
Deferred Income	11 633	2 923
Total Current Liabilities	52 814	43 659
Total Liabilities	64 041	50 214
Total Equity and Liabilities	134 830	122 216

Consolidated Statement of Income - PRO FORMA IFRS

for the Years Ended December 31, 2003 and 2002

Prepared in accordance with the International Financial Reporting Standards

	2003 Euro'000	2002 Euro'000
Sales	62 171	40 474
Cost of sales	46 694	30 455
Gross margin	15 477	10 019
Other operating income		
Services rendered	71 353	73 589
Supplementary income and subsidies	411	789
Other operating income	1 489	1 938
	73 253	76 316
	88 730	86 335
Other operating costs		
External services and supplies	45 335	36 448
Staff costs	32 916	30 727
Provisions	1 163	590
Restructuring costs	452	1 832
Other operating expenses	1 529	1 865
	81 395	71 462
Operating profit before depreciation and amortisation (EBITDA)	7 335	14 873
Depreciation	7 204	5 352
Operating profit (EBIT)	131	9 521
Net finance costs	(1 226)	(588)
Profit before income tax	(1 095)	8 933
Provisão para impostos sobre lucros	1 078	2 194
Provisão para impostos diferidos	(837)	(2 269)
Profit after Tax	(1 336)	9 008
Minority Interest	605	504
Net Profit	(1 941)	8 504
Basic earnings per share (expressed in euros)	(0.07) euros	0.30 euros

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IV. REGISTERED AUDITOR IN THE PORTUGUESE STOCK EXCHANGE AUTHORITY AND EXTERNAL AUDITORS DOCUMENTS

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IV. REGISTERED AUDITOR 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

Report and Opinion of the Supervisory Board

Individual Accounts

To the Shareholders,

1 In accordance with the law and our mandate, we herewith present the report on our supervisory activity and our opinion on the Directors' Report and the corresponding Financial Statements of **Novabase – Sociedade Gestora de Participações Sociais,S.A.** with respect to the year ended on 31 December 2003.

2 During the course of the year, we have accompanied the evolution of the company's activities, as and when deemed necessary, and have verified the timeliness and adequacy of the accounting records and supporting documentation. We have also ensured that the law and the company's statutes have been complied with.

3 We have also accompanied the work performed by the statutory auditors, have reviewed their audit report and concur with their conclusions. Furthermore we have considered the Statutory Auditors' Report sent to the Board of Directors in which the audit procedures undertaken are described, as required by Article 451º of the Commercial Companies Code.

4 Within the scope of our mandate, we have verified that:

i) the Balance Sheet, the Statements of Income by nature and by functions and the Notes to the accounts present adequately the financial position and the results of the company;
ii) the accounting policies and valuation methods applied are appropriate;
iii) the Report of the Board of Directors is sufficiently clear as to the evolution of the business and the position of the company and highlights the more significant aspects;
iv) the proposed appropriation of profits is adequately supported.

5 On this basis, and taking into account the information obtained from Board of Directors and the company's employees, together with the conclusions in the statutory auditor's report on the accounts, we are of the opinion that:

i) the Report of the Board of Directors be approved;
ii) the Financial Statements be approved;
iii) the proposed appropriation of profits be approved.

Lisbon, 25 February 2003
The Board of Auditors
Pedro Rebelo de Sousa - Chairman
João Quadros Saldanha
Belarmino Martins, Eugénio Ferreira & Associados, SROC, Lda.
representada por:
Abdul Nasser Abdul Sattar, R.O.C.

Consolidated Accounts

To the Shareholders,

1 In accordance with the law and our mandate, we herewith present the report on our supervisory activity and our opinion on the Directors' Report and the corresponding Financial Statements **Novabase – Sociedade Gestora de Participações Sociais,S.A.** with respect to the year ended on 31 December 2003.

2 During the course of the year, we have accompanied the evolution of the company's and its most relevant subsidiaries activities, as and when deemed necessary, and have verified the timeliness and adequacy of the accounting records and supporting documentation. We have also ensured that the law and the company's statutes have been complied with.

3 We have also accompanied the work performed by the statutory auditors, have reviewed their audit report and concur with their conclusions. Furthermore we have considered the Statutory Auditors' Report sent to the Board of Directors in which the audit procedures undertaken are described, as required by Article 451º of the Commercial Companies Code.

4 Within the scope of our mandate, we have verified that:

i) the Balance Sheet, the Statements of Income by nature and by functions and the Notes to the accounts present adequately the financial position and the results of the company and its subsidiaries;
ii) the accounting policies and valuation methods applied are appropriate;
iv) the Report of the Board of Directors is sufficiently clear as to the evolution of the business and the position of the company and highlights the more significant aspects;
iv) the proposed appropriation of profits is adequately supported.

5 On this basis, and taking into account the information obtained from Board of Directors and the company's employees, together with the conclusions in the statutory auditor's report on the accounts, we are of the opinion that:

i) the Report of the Board of Directors be approved;
iv) the Financial Statements be approved;

Lisbon, 25 February 2003
The Board of Auditors
Pedro Rebelo de Sousa - Chairman
João Quadros Saldanha
Belarmino Martins, Eugénio Ferreira & Associados, SROC, Lda.
representada por:
Abdul Nasser Abdul Sattar, R.O.C.

BELARMINO MARTINS EUGÉNIO FERREIRA & ASSOCIADOS
Sociedade de Revisores Oficiais de Contas

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Portugal
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Facsimile +351 21316 11 12

Report of the Auditors for Statutory and Stock Exchange Regulatory Purposes in respect of the Consolidated Financial Information

Introduction

1 As required by law, we present the Report of the Auditors for Statutory and Stock Exchange Regulatory Purposes in respect of the financial information included in the consolidated Directors' Report and the consolidated financial statements of **Novabase – Sociedade Gestora de Participações Sociais, S.A.**, comprising the balance sheet as at 31 December 2003, (which shows total assets of Euros 139.107 thousand, a total of minority interests of Euros 6.706 thousand and a total of shareholder's equity of Euros 68.561 thousand, including a profit of Euros 580 thousand), the consolidated statements of income by nature and by functions and the consolidated cash flow statement for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare consolidated Directors' Report and consolidated financial statements which present fairly, in all material respects, the financial position of the companies included in the consolidation, the consolidated results of its operations and consolidated cash flows; (ii) to prepare historic financial information in accordance with generally accepted accounting principles in Portugal that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code ("Código dos Valores Mobiliários"); (iii) to adopt adequate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any relevant matters which have influenced the activity, financial position or results of the companies included in the consolidation.

3 Our responsibility is to verify the financial information included in the documents referred to above, namely if, it is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code ("Código dos Valores Mobiliários"), and to issue a professional and independent report based on our audit.

Novabase – Sociedade Gestora de Participações Sociais, S.A.

Scope

4 We conducted our examination in accordance with the Standards and Technical Recommendations approved by the Institute of Statutory Auditors which require that we plan and perform the examination to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. Accordingly, our examination included: (i) verification that the subsidiary's financial statements have been properly examined and for the cases where such an examination was not carried out, verification, on a test basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements, and assessing the reasonableness of the estimates, based on the judgments and criteria of Management used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations and, when applicable, the utilization of the equity method; (iii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) evaluating the overall presentation of the consolidated financial statements; and (vi) assessing whether the consolidated financial information is complete, true, up-to-date, clear, objective and licit

5 Our work also covered the verification of the consistency of the consolidated financial information included in the Directors' Report with the remaining documents referred to above.

6 We believe that our examination provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of **Novabase – Sociedade Gestora de Participações Sociais, S.A.** as at 31 December 2003, the consolidated results of its operations and its consolidated cash flows for the year then ended, in conformity with the generally accepted accounting principles in Portugal, and the information included is complete, true, up-to-date, clear, objective and licit.

Lisbon, February 13, 2004

Belarmino Martins, Eugénio Ferreira & Associados, S.R.O.C., Lda.
represented by:

Abdul Nasser Abdul Sattar, R.O.C.

BELARMINO MARTINS EUGÉNIO FERREIRA & ASSOCIADOS
Sociedade de Revisores Oficiais de Contas

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Report of the Auditors for Statutory and Stock Exchange Regulatory Purposes in respect of the Individual Financial Information

Introduction

1 As required by law, we present the Report of the Auditors for Statutory and Stock Exchange Regulatory Purposes in respect of the financial information included in the Directors' Report and the financial statements of **Novabase – Sociedade Gestora de Participações Sociais, S.A.**, comprising the balance sheet as at 31 December 2003, (which shows total assets of Euros 94.349 thousand and a total of shareholder's equity of Euros 68.561 thousand, including a profit of Euros 580 thousand), the statements of income by nature and by functions and the cash flow statement for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare Directors' Report and financial statements which present fairly, in all material respects, the financial position of the company, the results of its operations and cash flows; (ii) to prepare historic financial information in accordance with generally accepted accounting principles in Portugal that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code ("Código dos Valores Mobiliários"); (iii) to adopt adequate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any relevant matters which have influenced the activity, financial position or results of the company.

3 Our responsibility is to verify the financial information included in the documents referred to above, namely if, it is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code ("Código dos Valores Mobiliários"), and to issue a professional and independent report based on our audit.

Novabase – Sociedade Gestora de Participações Sociais, S.A.

Scope

4 We conducted our examination in accordance with the Standards and Technical Recommendations approved by the Institute of Statutory Auditors which require that we plan and perform the examination to obtain reasonable assurance about whether the financial statements are free of material misstatement. Accordingly, our examination included: (i) verification, on a test basis, of the evidence supporting the amounts included in the financial statements, and assessing the reasonableness of the estimates, based on the judgements and criteria of Management used in the preparation of the financial statements; (ii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iii) assessing the applicability of the going concern basis of accounting; and (iv) evaluating the overall presentation of the financial statements; and (v) assessing whether the financial information is complete, true, up-to-date, clear, objective and licit

5 Our work also covered the verification of the consistency of the financial information included in the Directors' Report with the remaining documents referred to above.

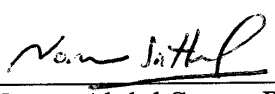
6 We believe that our examination provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of **Novabase – Sociedade Gestora de Participações Sociais, S.A.** as at 31 December 2003, the results of its operations and its cash flows for the year then ended, in conformity with the generally accepted accounting principles in Portugal, and the information included is complete, true, up-to-date, clear, objective and licit.

Lisbon, February 13, 2004

Belarmino Martins, Eugénio Ferreira & Associados, S.R.O.C., Lda.
represented by:



Abdul Nasser Abdul Sattar, R.O.C.

PRICEWATERHOUSECOOPERS

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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.** as of December 31, 2003, the consolidated statements of income by nature and by functions and the consolidated cash flows and the related notes to the accounts for the year then ended. 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 financial position of the companies included in the consolidation of **Novabase – Sociedade Gestora de Participações Sociais, S.A.** as of December 31, 2003 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.

PricewaterhouseCoopers

Lisbon, February 13, 2004

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IV. REGISTERED AUDITOR 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 IFRS pro-forma consolidated balance sheet of **Novabase, SGPS, SA** as at 31 December 2003, the related consolidated IFRS pro-forma income statement for the year then ended, which were **prepared in accordance with International Financial Reporting Standards** and the related pro-forma reconciliation of shareholder's equity and net profit **between International Financial Reporting Standards and generally accepted accounting practice in Portugal**. These statements are the responsibility 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 limited review consists primarily of enquiries 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 required by International Financial Reporting Standards, namely there is no consolidated cash-flow statement or a consolidated statement of shareholder's equity, as well as 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 IFRS financial information of **Novabase, SGPS, SA** is not presented in all material respects, in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers.

Lisbon, March 5, 2004

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V. SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY THE BOARD MEMBERS

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Detail on securities issued by the company and other group companies, held by board members at December 31, 2003

	Share Capital	Total nº of shares	Shares held by board menbers at December 31, 2002	Transactions	Shares held by board menbers at December 31, 2003	% of shares held by board menbers
Novabase SGPS, S.A.	**14 127 982**	**28 255 964**	**16 074 697**	**0**	**16 074 697**	**56.9%**
José Afonso Oom Ferreira de Sousa			3 137 936		3 137 936	11.1%
Pedro Miguel Quinteiro Marques de Carvalho			3 137 756		3 137 756	11.1%
Rogério dos Santos Carapuça			2 352 195		2 352 195	8.3%
Luís Paulo Cardoso Salvado			2 239 846		2 239 846	7.9%
João Nuno da Silva Bento			2 239 746		2 239 746	7.9%
Álvaro José da Silva Ferreira			1 010 676		1 010 676	3.6%
João Filipe dos Santos Teixeira Neto			618 621		618 621	2.2%
João Vasco Tavares da Mota Ranito			618 621		618 621	2.2%
José Carlos de Almeida Pedro de Jesus			460 353		460 353	1.6%
Nuno Miguel Isidoro Duarte			258 947		258 947	0.9%
NB Advanced Custom Development, S.A.	**750 000**	**750 000**	**15 769**	**8 753**	**24 522**	**3.3%**
João Pedro Silva			0	8 753	8 753	1.2%
Pedro Miguel Correia Vala Chagas			15 769		15 769	2.1%
NB Business Intelligence, S.A.	**250 000**	**250 000**	**10 000**	**5 348**	**15 348**	**6.1%**
Luís Miguel Forjaz de Campos Henriques			10 000		10 000	4.0%
João Rafael Leitão Ivo da Silva			0	5 348	5 348	2.1%
NB Consulting S.A.	**750 000**	**750 000**	**188 962**	**0**	**188 962**	**25.2%**
Pedro Miguel Correia Vala Chagas			24 616		24 616	3.3%
João Rafael Leitão Ivo da Silva			35 653		35 653	4.8%
Luís Miguel Forjaz de Campos Henriques			34 328		34 328	4.6%
José Paulo Ribeiro Trigo Delgado			30 000		30 000	4.0%
Nuno Carlos Dias Santos Fornéas			30 000		30 000	4.0%
Luís Miguel Mota da Cunha Lobo			27 503		27 503	3.7%
Jorge Manuel Antunes			6 862		6 862	0.9%
NB Consulting S.L.(Espanha)	**1 000 000**	**10 000**	**500**	**-500**	**0**	**0.0%**
Roberto Haig Junior			500	-500	0	0.0%
NB Core Financial Software Solutions, S.A.	**100 000**	**100 000**	**30 000**	**0**	**30 000**	**30.0%**
Paulo Jor ge Botelho Xardoné			15 000		15 000	15.0%
Fernando Miguel Figueira Tareco			15 000		15 000	15.0%
NB Enterprise Applications, S.A.	**150 000**	**150 000**	**21 000**	**0**	**21 000**	**14.0%**
João Nuno da Silva Bento			15 000		15 000	10.0%
Luís Miguel Mota da Cunha Lobo			6 000		6 000	4.0%
NB Integração Processos, S.A. (*)	**150 000**	**150 000**	**15 000**	**-15 000**	**0**	**0.0%**
João Pedro Silva			15 000	-15 000	0	0.0%
NBO Recursos em TI, S.A.	**50 000**	**10 000**	**0**	**113**	**113**	**1.1%**
Pedro Silva			0	113	113	1.1%
NB Suporte à Decisão, S.A. (**)	**199 520**	**199 520**	**6 946**	**-6 946**	**0**	**0.0%**
João Rafael Leitão Ivo da Silva			6 946	-6 946	0	0.0%
ES IT International Trade & Services, S.A.	**200 000**	**2 000**	**1**	**0**	**1**	**0.1%**
Nuno Miguel Isidoro Duarte			1		1	0.1%
SAPi2, S.A.	**60 100**	**60 100**	**30 000**	**0**	**30 000**	**49.9%**
Paulo Eduardo Simões de Abreu Cascais			7 500		7 500	12.5%
Jorge Humberto Ferreira Moreira			7 500		7 500	12.5%
Carlos Manuel dos Santos Russo			7 500		7 500	12.5%
José Manuel Gomes de Vasconcelos Diniz			7 500		7 500	12.5%
Mind, S.A.	**370 000**	**74 000**	**26 400**	**4 360**	**30 760**	**41.6%**
João Carlos Martins Bernardo			8 800	2 180	10 980	14.8%
Rui Pedro Silva Casteleiro			8 800	2 180	10 980	14.8%
Fernando Manuel Hourtiguet de Vasconcelos			8 800		8 800	11.9%
CelFocus	**100 000**	**100 000**	**3**	**0**	**3**	**0.0%**
Paulo Jorge Barros Pires Trigo			1		1	0.0%
Francisco Manuel Martins Pereira do Valle			1		1	0.0%
José Afonso Oom Ferreira de Sousa			1		1	0.0%
Octal TV	**250 000**	**250 000**	**48 332**	**0**	**48 332**	**19.3%**
José Carlos de Almeida Pedro de Jesus			24 166		24 166	9.7%
Nuno Miguel Isidoro Duarte			24 166		24 166	9.7%
SAF	**325 000**	**325 000**	**34 125**	**0**	**34 125**	**10.5%**
José Maria Dias Miranda			4 875		4 875	1.5%
José Oliveira Santos			4 875		4 875	1.5%
Mário Jacinto S. Oliveira L. Figueira			24 375		24 375	7.5%
OnTV	**100 000**	**100 000**	**22 050**	**0**	**22 050**	**22.1%**
Nuno Guimarães			22 050		22 050	22.1%
FlagBeat, Lda	**5 000**	**5 000**	**200**	**-200**	**0**	**0.0%**
João Vaz Fernandes			100	-100	0	0.0%
Joaquim Alberto da Silveira R. Bandeira			100	-100	0	0.0%

(*) - Incorporated in NB ACD
(**) - Incorporated in NB BI