

2007Relatório e Contas
Annual Report

Novabase



Missão Novabase Novabase Mission

onceber, realizar e gerir soluções de negócio com Tecnologias de Informação

A Novabase é a empresa portuguesa líder em soluções de negócio com Tecnologias de Informação (TI) e uma das empresas europeias do seu sector com maiores taxas de crescimento nos últimos anos (número 217 em 2007 no ranking da organização Europe's 500, referente ao crescimento e à criação de emprego).

Criada em 1989, conta hoje com mais de 1650 colaboradores e realizou em 2007 um volume de negócios de 313M€, 39% dos quais fora de Portugal.

A missão da Novabase é conceber, realizar e gerir soluções de negócio inovadoras que permitam aos seus clientes obter benefícios - lucros, qualidade de serviço, satisfação pessoal - superiores ao seu custo.

Comprometemo-nos, com os nossos Clientes, Colaboradores, Accionistas e com a comunidade em geral, a criar valor num contexto de confiança e parceria.

To design, deploy and manage IT business solutions

Novabase is the leading Portuguese company in Information Technology (IT) business solutions and one of the European IT sector's fastest-growing companies in recent years (ranked 217th in 2007 by Europe's 500 with respect to growth and job creation).

Established in 1989, Novabase today has more than 1,650 employees. Its 2007 turnover was €313 million, 39% of which originated from outside of Portugal.

Novabase's mission is to design, deploy and manage innovative business solutions with customer benefits – profitability, service quality and individual satisfaction – that surpass their cost.

We promise our customers, staff, shareholders and the community at large to create value in a spirit of trust and partnership.

Transparência Cotada na Euronext Lisboa desde Julho de 2000, a Novabase cultiva as melhores práticas de mercado na área de "Corporate Governance". Transparency Listed on the Euronext Lisbon stock exchange since July 2000, Novabase fosters the best market practices in the area of Corporate Governance.

RELATÓRIO DE GESTÃO 2007 ANNUAL REPORT 2007

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Sumário Financeiro Financial Highlights

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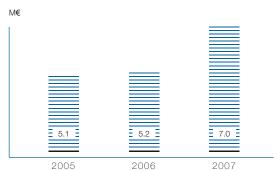
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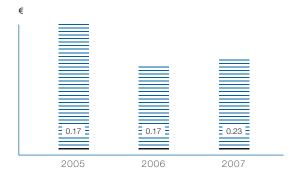


2007

Negócio Internacional 2007
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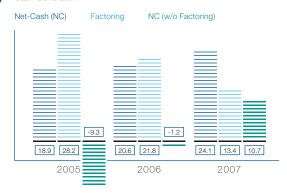
5 Earnings Per Share Earnings Per Share



7 Investigação & Desenvolvimento Research & Development



Geração de Cash Cash Generation



8 Colaboradores Employees









Mensagem do Presidente Chairman's Message

S

enhores Accionistas.

A Novabase tinha definido como objectivo para o ano de 2007 aumentar a rentabilidade e a sustentabilidade dos seus negócios.

Se a rentabilidade é um objectivo fácil de quantificar, a sustentabilidade exige uma definição mais cuidada. Para cada um dos nossos negócios a sustentabilidade passa por ingredientes diferentes. Assim, no negócio de consultoria, maior sustentabilidade significa ofertas mais centradas nas áreas "core" dos clientes e maior internacionalização. Já nos negócios de Outsourcing e Infra-estruturas, maior sustentabilidade significa contratos mais longos e aumento das sinergias entre as duas áreas. Na Digital TV, por seu turno, maior sustentabilidade significa maior capacidade financeira, a fim de fazer crescer o negócio de forma mais rápida para melhor se posicionar num mercado em explosão, no mais curto intervalo de tempo possível. Para a área de Bilhética, maior sustentabilidade significa uma maior padronização da solução, por forma a aumentar a rentabilidade dos projectos e potenciar a internacionalização através de parceiros. Para todos os negócios significa também um investimento sustentado e consequente na busca de mais e melhor talento.

É pois com o maior prazer que vos damos a conhecer o resultado do nosso trabalho no exercício de 2007 agora findo, um ano em que, sem margem para dúvidas, os negócios da Novabase melhoraram a sua rentabilidade e sustentabilidade.

O Volume de Negócios consolidado cresceu 19.8% para os 313M€, o EBITDA cresceu 22.2% para 20M€. Saliente-se um crescimento do EBITDA superior ao crescimento do Volume de Negócios, indicando claramente um crescimento global da rentabilidade operacional. Os Resultados Líquidos cresceram 35.4% para os 7M€. O "cash" gerado no período foi de 11.9M€. O Negócio internacional cresceu 50%, de 81M€ para 122M€, com uma significativa contribuição do negócio de Digital TV.

De entre os vários negócios da Novabase, gostaria de destacar a grande contribuição para o nosso objectivo de aumentar a rentabilidade que foi dada pelos negócios Novabase Consulting (margem EBITDA 16.6%), Novabase Digital TV (margem EBITDA 6.1%) e pela área

Dear Shareholders.

Novabase's goal for 2007 was to increase the profitability and sustainability of its business.

While profitability is an easy goal to quantify, sustainability demands a more careful definition. Sustainability entails different ingredients for each of our businesses. In the consulting business, for example, greater sustainability means products and services with more focus on core customer areas, and greater internationalization. However, in the outsourcing and infrastructures businesses, greater sustainability means longer contracts and increased synergies between these two areas. In digital TV, in turn, greater sustainability means more financial capacity to grow the business more quickly for better positioning in an exploding market in the shortest possible time frame. In the ticketing business, greater sustainability and solidify internationalization through partners. In all of these business areas, it also means a sustained, coherent investment in the search for more and better talent.

It is therefore with great pleasure that we announce the results of our work in 2007, a year in which Novabase, without question, improved the profitability and sustainability of its business.

Our consolidated turnover grew 19.8% to €313 million, and EBITDA grew 22.2% to €20 million. The higher EBITDA growth compared to turnover is particularly noteworthy, as it clearly demonstrates overall growth in operating profitability. Net profit grew 35.4% to €7 million. Cash generated in the year was €11.9 million. International business grew 50%, from €81 million to €122 million, with a significant contribution from the Digital TV business.

Among Novabase's various businesses, I would like to underscore the important contributions toward our profitability goal made by Novabase Consulting (EBITDA margin of 16.6%), Novabase Digital TV (EBITDA margin of 6.1%) and the IT Infrastructures area of Novabase Engineering (EBITDA margin of 5.7%). These areas had world-class operating profitability at the end of 2007 that surpasses that of leading international counterparts. Although Ticketing and Mobility Solutions — also under Novabase Engineering — had negative EBITDA margins (-3.9% and -7%, respectively), it



de IT Infrastructures do negócio Novabase Engineering (margem EBITDA 5.7%). Estas áreas apresentaram no final do ano de 2007 rentabilidades operacionais "world class" que comparam com vantagem com os mais importantes congéneres internacionais. Infelizmente, as áreas de Ticketing e Mobility Solutions, igualmente incluídas no negócio Novabase Engineering, apresentaram margens EBITDA negativas (respectivamente -3.9% e -7%). Apesar disso, foi possível obter um valor do EBITDA consolidado de 20M€ (mais 22.2% que no ano anterior e dentro do intervalo previsto no início do ano e oportunamente divulgado ao mercado).

A Novabase deu também passos largos nos últimos dois anos para cumprir outro dos seus desígnios: a obtenção de um modelo de governo corporativo que apostasse no cumprimento do maior número possível de recomendações da CMVM. Foi assim com grande prazer que vimos esta autoridade reguladora comunicar ao mercado durante este ano que a Novabase é a sociedade cotada portuguesa mais cumpridora daquelas recomendações.

Junto ao final do ano a Novabase mudou a sua sede e a maior parte dos seus colaboradores em Lisboa para um novo edifício. Situada no Parque das Nações, a nova sede da Novabase é um edifício moderno e funcional que projecta uma nova imagem da empresa ao mesmo tempo que cria muito melhores condições de trabalho para os seus colaboradores e para os seus clientes e demais visitantes.

A nossa empresa continua a ser uma referência na contratação de recursos humanos especializados no mercado Português, sendo já hoje um dos principais empregadores de capital humano especializado em Portugal. Reforçamos a nossa aposta na formação especializada através de iniciativas como a Novabase Academy, Consulting Campus e Projecto CMU/Portugal de que somos aderentes desde a primeira hora.

No ano de 2008 que agora se inicia, a Novabase vai continuar a trabalhar para o mesmo desígnio de aumentar a rentabilidade e a sustentabilidade dos seus negócios, fonte imprescindível de crescimento do seu valor accionista. Em primeiro lugar, encontrando uma solução para os negócios que ainda não cumpriram

was still possible to achieve a consolidated EBITDA of €20 million (22.2% more than the previous year, and within the range forecast at the start of the year and disclosed to the market at that time).

Novabase has also made great strides in the last two years toward fulfilling another of its goals: a corporate governance model committed to meeting the highest possible number of CMVM (Portuguese Securities Market Commission) recommendations. It was thus with great pleasure that we saw this regulatory authority notify the market this year that Novabase is the Portuguese listed company that complies most closely with these recommendations.

Toward the end of the year, Novabase moved its head office and most of its Lisbon staff to a new building. Located in Parque das Nações, Novabase's new head office is a modern, functional building that projects a new company image and provides a greatly improved work environment for employees, customers and other visitors.

Our company continues to be a benchmark in attracting specialized human resources in the Portuguese market, and is currently one of the chief employers of specialized human capital in Portugal. Our focus on specialized training is reinforced by initiatives such as the Novabase Academy, Consulting Campus and CMU/Portugal Project, which we joined on day one.

In 2008, Novabase will continue to work toward the same goal of increasing the profitability and sustainability of its business, an essential source of growth for its shareholder value. Firstly, by finding a solution for the business areas that did not meet this goal in 2007. Secondly, by maintaining a standard overall margin for its business, which now operates at high levels of profitability. Thirdly, by continuing to reinforce sustainability by revitalizing its products and services, properly capitalizing its business and underpinning the objective conditions that facilitate internationalization.

Specifically, we will merge our outsourcing (formerly under Novabase Consulting) and IT infrastructures businesses (formerly under Novabase Engineering) into a new area to be called Novabase IMS (Infrastructures and Managed Services). This is our chosen means of leveraging the synergy between these two businesses.

esse desígnio em 2007. Em segundo lugar, mantendo a margem típica global dos negócios que já se encontram a funcionar a níveis elevados de rentabilidade. Em terceiro lugar, continuando a reforçar a sustentabilidade por via do reforço da oferta, da capitalização adequada dos seus negócios e do reforço das condições objectivas que potenciam a internacionalização.

Vamos designadamente efectuar a fusão dos negócios de Outsourcing (até agora integrado na Novabase Consulting) e de IT Infrastructures (até agora incluído na Novabase Engineering) numa nova área a designar por Novabase IMS (Infrastructures and Managed Services). Esta é a forma que escolhemos para potenciar ao máximo a sinergia entre estes dois negócios.

Procurar-se-ão fontes adicionais de financiamento para o negócio de Digital TV (o IPO previsto para Novembro de 2007 teve que ser adiado devido às dificuldades dos mercados accionistas nessa parte do ano). Com efeito, o negócio de Digital TV é um negócio com características próprias, muito diferente dos restantes negócios da Novabase e com necessidades de financiamento importantes que devem ser resolvidas com recurso a meios adequados ao tipo de risco em causa e sem o recurso exclusivo a meios financeiros próprios da Novabase. O negócio de Ticketing, tendo características muito próximas dos restantes negócios típicos da Novabase, tem que melhorar o seu desempenho, optando por uma maior padronização da oferta e por melhorias operacionais significativas. O Negócio Novabase Consulting vai continuar o seu esforço de sofisticação da oferta a que temos assistido nos últimos anos, procurando manter os elevadíssimos padrões de rentabilidade que já hoje possui.

Iremos ainda em 2008 fechar o ciclo de renovação das instalações na cidade de Lisboa através da criação de um novo centro de operações que substituirá as instalações de Carnaxide. Pretende-se que este centro esteja mais próximo da sede, embora em local adequado a uma operação de qualidade a custo controlado.

Continuaremos a optimizar as nossas áreas funcionais centrais, hoje já totalmente centralizadas, procurando fazer mais pelo mesmo custo, absorvendo mesmo uma parte do incremento de custo da mudança de instalações.

Acredito que a Novabase será em 2008, conforme planeámos, uma empresa melhor, mais rentável, com negócios mais sustentáveis, com uma imagem de maior prestígio, com um cada vez maior grau de satisfação dos nossos clientes e elevando o nível de motivação e satisfação dos nossos colaboradores.

We will pursue additional sources of financing for the Digital TV business (the IPO scheduled for November 2007 had to be postponed due to difficulties in the capital markets at this time of the year). The Digital TV business has unique characteristics — highly divergent from Novabase's other business areas - with significant financing needs that must be addressed with resources suited to the type of risk involved, and beyond Novabase's own exclusive financial means. The Ticketing business — whose characteristics are similar to those of Novabase's other regular business areas — must improve its performance through more standardized products and services, and through major operating improvements. Novabase Consulting will continue its efforts toward refining its products and services, as in recent years, to maintain its current superior levels of profitability.

Likewise, in 2008, we will close the renovation cycle of our facilities in Lisbon by creating a new centre of operations, which will replace the facilities in Carnaxide. Our aim is for this centre to be closer to the head office, while still at a suitable location for quality operations at a controlled cost.

We will continue to optimize our core functional areas — now completely centralized — seeking to do more at the same cost, and even absorbing part of the additional costs of changing facilities.

I believe that Novabase will be — as we have planned — a better, more profitable company in 2008, with a more sustainable business, an image of greater prestige and increasingly greater degrees of customer satisfaction, thus increasing levels of employee motivation and fulfillment.

Rogério Carapuça Presidente do Conselho de Administração Chairman and CEO

Áreas de Negócio Business Areas

	NOVA	BASE	
NOVABASE CONSULTING	NOVABASE ENGINEERING	NOVABASE DIGITAL TV	NOVABASE CAPITAL
Financial Services	IT Infrastructures		
Government & Healthcare	Ticketing Solutions		
Telecommunications & Media	Mobility Solutions		
Business & IT Consulting			
Advanced Custom Development			
Business Intelligence			
Enterprise Applications & Integration			

Multisourcing Services

Crescimento A Novabase é a maior empresa portuguesa de soluções de negócio com tecnologias de informação, com um volume de negócios de 313.2M€ em 2007. A crescer em média 29% ao ano nos últimos 7 anos, está entre as 500 empresas que mais crescem na União Europeia. Novabase is the leading Portuguese company in Information Technology business solutions, with a turnover of 313.2M€ in 2007. With average annual growth of 29% in the last 7 years, Novabase is among the European Union's 500 fastest-growing companies.

NOVABASE CONSULTING

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área de Consultoria da Novabase opera como consultora de negócio e de soluções tecnológicas, com uma presença incontornável no mercado nacional e uma experiência internacional relevante.

A missão nesta área é endereçar os desafios estratégicos dos Clientes, desenvolvendo e gerindo processos de negócio suportados por Soluções inovadoras e de excelência tecnológica, adaptadas às suas reais necessidades.

Actualmente as organizações estão confrontadas com mercados voláteis, novos desafios de negócio, maior competição global e um vasto leque de oportunidades resultantes de novas gerações de tecnologia. A Novabase oferece aos Clientes um forte domínio tecnológico e conhecimento das suas necessidades, aliados à flexibilidade necessária para os acompanhar nos seus desafios de negócio, para construir, com eles, a geração de Soluções do Futuro.

Nesta óptica, a área de Consultoria tem uma estrutura matricial em que se cruzam, de uma forma consistente mas flexível, o conhecimento sectorial dos principais mercados - Telecomunicações, Sector Financeiro, Administração Pública & Saúde e Energia & Utilities - com uma forte especialização tecnológica, organizada em torno das seguintes linhas de competência:

- Business & IT Consulting
- Advanced Custom Development
- Business Intelligence
- Enterprise Applications & Integration
- Multisourcing Services

O foco na aplicação prática da tecnologia para a resolução eficaz dos desafios de negócio dos Clientes permitiu a evolução de um forte domínio em áreas de tecnologia avançada para uma consultora de oferta alargada, que hoje trabalha directamente com as maiores empresas e organismos nacionais, nos principais sectores, e que beneficia já de um conjunto relevante de experiências internacionais em regiões tão diversas como a Europa, o Médio Oriente e a América Latina.

NOVABASE CONSULTING

Novabase Consulting is a technology solutions and business consulting firm with a paramount position in the domestic market and a solid international track record.

This business area's mission is to address strategic customer challenges by developing and managing business processes supported by innovative, premium technology solutions tailored to customers' real needs.

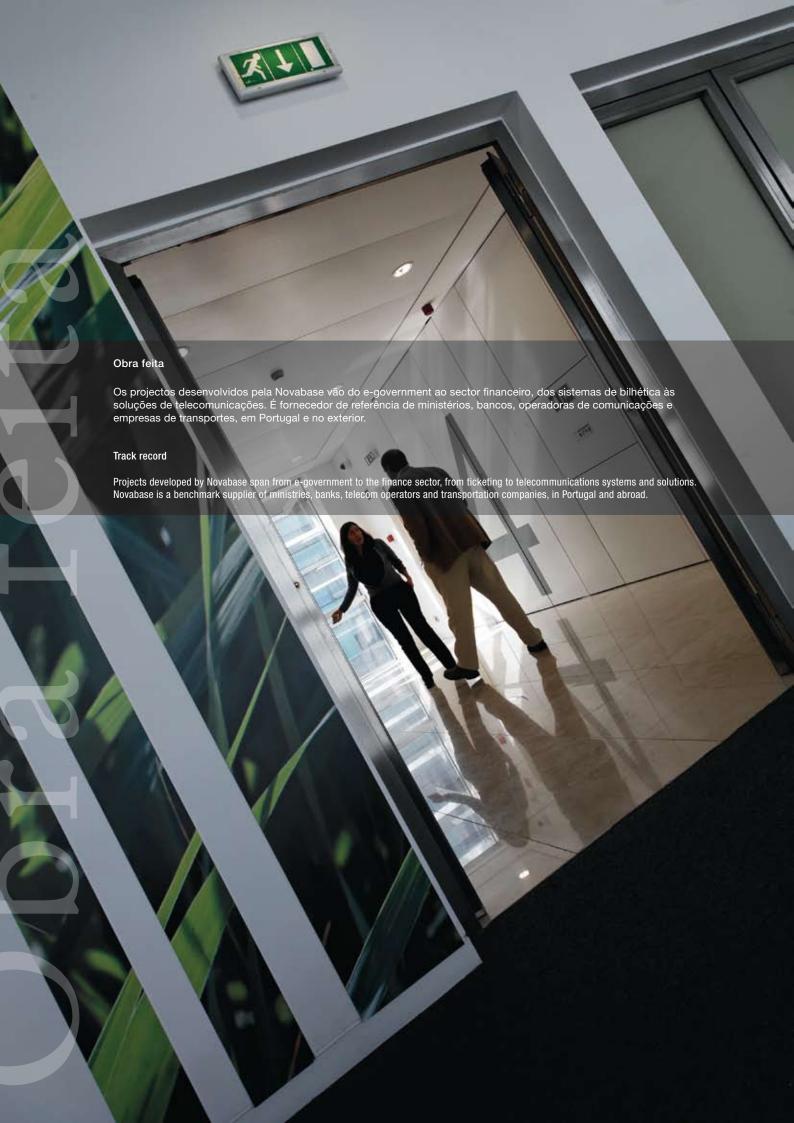
These days, organizations are faced with volatile markets, new business challenges, greater global competition and a vast array of opportunities arising from new technology generations. Novabase offers its customers solid technology expertise and knowledge of their needs, combined with the flexibility required to assist them in their business challenges and build the next generation of "Future Solutions"

Along these lines, Novabase Consulting has a matrix structure combining, in a consistent yet flexible manner, sector-specific knowledge of primary markets (telecommunications, finance, public administration, healthcare, energy and utilities) with solid technology specialization organized around the following competencies:

- Business & IT Consulting
- Advanced Custom Development
- Business Intelligence
- Enterprise Applications & Integration
- Multisourcing Services

Its focus on practical, efficient technology solutions for our customers' business challenges has allowed Novabase Consulting to evolve from a specialist in advanced technologies to a highly versatile consulting firm. It now works directly with the largest companies and institutions from Portugal's primary economic sectors and has a solid international track record in diverse regions such as Europe, the Middle East and Latin America.





NOVABASE IT INFRASTRUCTURES

área de Infra-estruturas da Novabase lidera o ranking Português dos integradores de sistemas globais de Tecnologias de Informação, tendo actualmente uma base de operação instalada em Espanha.

Esta área desenvolve a sua actividade na prestação de serviços de gestão e administração de infra-estruturas de tecnologias de informação e telecomunicações, nomeadamente no outsourcing, no suporte à gestão e desenvolvimento do ciclo de vida das infra-estruturas inteligentes de informação nas componentes de consultoria, planeamento, concepção, suporte, optimização e gestão.

A Novabase é nesta área especialista na consultoria, desenho, implementação e operação de Infra-estruturas Inteligentes de Informação ou 3I.

As Infra-estruturas 3I ou Infra-estruturas Inteligentes de Informação são o veículo de migração do mercado empresarial para a nova realidade da utilização das TIs. Estas caracterizam-se por grande flexibilidade, capacidade e versatilidade na resposta imediata à alteração, adaptação ou construção de novos processos de negócio.

As Infra-estruturas 3I respondem à convergência e consolidação da tecnologia IP, à necessidade de disponibilização de serviços Triple Play, aos requisitos de arquitecturas aplicacionais orientadas a serviços e à crescente necessidade de virtualização, optimização e gestão de capacidade dos recursos disponíveis.

A Novabase disponibiliza serviços e soluções globais nas seguintes áreas:

- Physical Infrastructure
- Unified Communications & Intelligent Networks
- Data Center
- Intelligent Data Storage & Protection
- Application & Service Integration
- IT Security
- Operation & Service Management
- Managed Services & Outsourcing
- Telecommunications Infrastructures NGN Next Generations Networks e Value Added Next Generation Applications
- NG-OSS Next Generation Operational Support System Services

Em 2008 será lançada a Novabase IMS – Infrastructures and Managed Services, que irá agregar esta oferta de IT Infrastructures e a área de serviços Multisourcing que se encontra na Novabase Consulting, de forma a criar uma oferta integrada nesta área.

NOVABASE IT INFRASTRUCTURES

Novabase IT Infrastructures leads Portugal's ranking of global IT systems integrators, and currently has an operating base in Spain.

This business area provides services in IT and telecommunications infrastructure management and administration, namely outsourcing and life cycle management and development for intelligent IT infrastructures in the areas of consulting, planning, design, support, optimization and management.

Novabase is a specialist in this area involving intelligent IT infrastructure — or "31" infrastructure — consulting, design, deployment and operation.

3I infrastructures, or Intelligent IT Infrastructures, are the tool for migrating from the enterprise market to the new reality of IT use. They are characterized by their great flexibility, capacity and versatility in immediately responding to changes and adaptations to, or the launch of, new business processes.

3I infrastructures address the convergence and consolidation of IP technology, the need for triple play services, the requirements of service-oriented application architectures and the growing need to virtualize, optimize and manage the capacity of available resources.

Novabase provides global services and solutions in the following areas:

- Physical Infrastructure
- Unified Communications & Intelligent Networks
- Data Centers
- Intelligent Data Storage & Protection
- Application & Service Integration
- IT Security
- Operation & Service Management
- Managed Services & Outsourcing
- Telecommunications Infrastructures: NGN (Next Generation Networks) and Value-Added Next Generation Applications
- NG-OSS (Next Generation Operational Support System Services)

Novabase IMS – Infrastructures and Managed Services will be launched in 2008 to combine these IT infrastructures offerings with the area of multisourcing services, under Novabase Consulting, to create an integrated product and service offering in this area.

NOVABASE MOBILITY SOLUTIONS



área de Mobilidade da Novabase tem como objectivo disponibilizar ao mercado soluções para a área das comunicações móveis, integrando toda a cadeia de valor.

Esta área apresenta uma capacidade de inovação em aplicações e serviços, garantindo a disponibilização de um pipeline continuado de funcionalidades para os utilizadores.

Os desenvolvimentos mais recentes, até 2007, foram a confirmação da implantação da plataforma Windows Mobile, fazendo já parte do dia-a-dia das empresas e até do grande público, e a comprovação através do grande crescimento do volume de vendas, de que os PDA Phone Windows Mobile são já uma peça importante no portfolio dos operadores e das grandes cadeias de retalho.

O core diário de actividade deste negócio tem estado mais focado na distribuição destas plataformas aos operadores móveis e grandes distribuidores no espaço ibérico e menos na área de desenvolvimento de aplicações.

Esta área apresenta margens operacionais negativas em 2007, sendo o objectivo para 2008 encontrar uma solução viável para este negócio.

NOVABASE MOBILITY SOLUTIONS

Novabase Mobility Solutions' goal is to offer solutions for mobile communications integrating the entire value chain.

This business area has the capacity to provide innovative applications and services, ensuring a constant pipeline of user features.

Recent developments through 2007 include the implementation of the Windows Mobile platform, which is now a day-to-day routine among companies and even the general public, and the affirmation of Windows Mobile PDA Phones as an important part of operator and major retail chain portfolios through their substantial increase in sales.

This area's core daily business has focused primarily on the distribution of these platforms to mobile operators and major distributors in the Iberian market, as opposed to applications development.

The operating margins in this area were negative in 2007, and one of the goals for 2008 is to find a viable solution for this business.



Inovação Com uma cultura de inovação, a Novabase está entre os maiores investidores portugueses em I&D, tendo sido pioneira em múltiplas áreas. Do business intelligence às soluções multi-canal, da TV Digital aos sistemas de pagamento sem contacto, passando por soluções de negócio VoIP, a Novabase soube ao longo da sua existência criar e desenvolver projectos inovadores nos principais sectores de actividade. Innovation With a culture of innovation, Novabase is among Portugal's largest investors in R&D, and is a pioneer in a number of areas. From Business Intelligence to multi-channel solutions, digital TV, no-contact payment systems and VOIP business solutions, Novabase has, over the course of its existence, created and developed innovative projects in its primary business sectors.

NOVABASE TICKETING SOLUTIONS



área de Bilhética da Novabase detém uma posição de mercado inigualável devido aos casos de sucesso que tem acumulado na implementação de soluções inovadoras em Clientes de várias áreas - de onde se destacam os operadores de transportes e recintos desportivos, em Portugal e no estrangeiro.

Em Portugal, a Novabase tem um histórico único de implementações bem sucedidas de soluções integradas de bilhética, com soluções end-to-end customizáveis às necessidades dos Clientes, baseadas em tecnologia própria best-of-breed (a maioria das componentes das soluções fornecidas são baseadas em tecnologia própria, o que tem permitido aumentar o valor acrescentado e o controlo da qualidade das ofertas).

As oportunidades de crescimento desta oferta centram-se na internacionalização da tecnologia Novabase para outras geografias. Os primeiros passos foram já dados nos últimos anos, também com os primeiros projectos internacionais.

A Novabase disponibiliza nesta área sistemas integrados de atendimento, controlo de acessos, monitorização operacional e gestão financeira, com uma oferta end-to-end que abrange os dispositivos e sistemas necessários à realização do ciclo de vida de um bilhete, desde a sua produção até ao apuramento e distribuição de receitas no back-office.

Em 2008 o objectivo da área de Bilhética é o de continuar a inovar e a lançar novas soluções flexíveis mas padronizadas, que permitam endereçar as necessidades específicas dos seus Clientes (operadores de transporte) com custos e tempos de implementação mais reduzidos.

NOVABASE TICKETING SOLUTIONS

Novabase Ticketing Solutions has an unique position in the market thanks to its solid track record in successfully deploying innovative solutions for customers in diverse areas of business, particularly transportation operators and sports facilities, both in Portugal and abroad.

In Portugal, Novabase has a unique history of successfully deploying integrated ticketing solutions, with end-to-end solutions tailored to customer needs, based on exclusive best-of-breed technologies (the majority of solutions offered are based on exclusive technologies developed by the company, thereby enhancing their added value and inherent quality).

Growth opportunities in this area are centered on the internationalization of Novabase technology in other regions. Recent years have witnessed the first steps in this direction, together with the first international projects.

In this area, Novabase offers integrated systems for customer service, access control, operations monitoring and financial management, with end-to-end solutions covering devices and systems needed to complete the life cycle of a ticket, from production to back-office revenue calculation and distribution.

Novabase Ticketing Solutions' goal in 2008 is to continue to innovate and launch new flexible, yet standardized, solutions addressing specific customer (transportation operator) needs more quickly and cost-effectively.







NOVABASE DIGITAL TV

A

área de Digital TV da Novabase é um dos principais players a nível europeu, com um volume de negócios superior a 100 milhões de euros em 2007, marcado pelo aumento do negócio internacional e por uma melhoria significativa na performance operacional.

O portfolio de oferta nesta área integra todas as set-topbox disponíveis no mercado e soluções baseadas em PC suportando os diferentes tipos de recepção (PC, TV e IPTV) e transmissão (DVB-C, DVB-S, DVB-T e IPTV). Integra ainda equipamento receptor PC e TV e soluções como módulos de recepção e plataformas de middleware.

A Novabase é um dos líderes tecnológicos no mercado de set-top-box, com um histórico de inovação e lançamento no mercado de novos produtos de grande valor para os Clientes (primeiro receptor DVB de tamanho reduzido, primeiro receptor FTA em formato scart, entre outros).

Os Clientes nesta área são fabricantes de set-top-box (no mercado OEM/ODM), operadores de cabo e pay TV (no mercado de operadores) e clientes residenciais (no mercado de retalho). A Novabase é fornecedor de todos os principais operadores de TV por cabo e pay TV na Alemanha (o maior mercado de TV a nível europeu).

Estima-se que o mercado global de set-top-box para Digital TV cresça a ritmos muito elevados, impulsionado pelo fim de operação do sistema analógico, a ocorrer até 2012 na Europa, de acordo com o determinado pelos reguladores.

Esta é uma área de negócio com elevado potencial de crescimento, que necessita de financiamento significativo, estável e de longo prazo, pelo que foi decidido pela Novabase procurar uma solução que pode passar pela preparação de um IPO ou pela alienação a um player de relevo com capacidade financeira.

Com efeito, no final de 2007 a Novabase e os restantes accionistas optaram pela via da colocação em bolsa deste negócio de Digital TV na Bolsa de Frankfurt, que no entanto teve de ser adiada devido à situação difícil nos mercados de capitais internacionais no que respeita aos IPO, apesar da reacção dos investidores durante o road-show ter sido positiva.

NOVABASE DIGITAL TV

Novabase Digital TV is one of the leading players in Europe, with a turnover exceeding \in 100 million in 2007, marked by a growing international business and significant improvements in operating performance.

This area's product and service portfolio includes all set-top boxes available on the market and PC-based solutions supporting different types of reception (PC, TV and IPTV) and transmission (DVB-C, DVB-S, DVB-T and IPTV). It also includes PC and TV receiving equipment and solutions such as receiver modules and middleware platforms.

Novabase is a technology leader in the set-top box market, with a history of innovation and of launching new products of great customer value on the market (first compact DVB receiver, first FTA receiver in SCART format, among others).

Customers in this area include set-top box manufacturers (OEM/ODM market), cable and pay TV operators (operator market) and residential customers (retail market). Novabase is the supplier for all the major cable and pay TV operators in Germany (the largest TV market in Europe).

It is estimated that the global set-top box market for digital TV is growing at an extremely fast pace, driven by upcoming switch-off of the analogue system in Europe in 2012, as determined by regulatory authorities.

This business area has extremely high growth potential requiring significant, stable, long-term financing. For this reason, Novabase chose to pursue a solution along the lines of an IPO launch or sale to a key player with suitable financial capacity.

At the end of 2007, Novabase and other shareholders ultimately chose the route of listing the Digital TV business on the Frankfurt Stock Exchange. However, this had to be postponed due to the difficult circumstances in the international capital markets with regard to IPOs, notwithstanding investors' positive reaction during the road show.



Modelo de Governo Corporativo Corporate Governance Model

R

esumo do governo das sociedades (corporate governance) Novabase 2007

A NOVABASE é uma empresa cotada desde Julho de 2000 que funciona de acordo com um modelo de governo, em permanente evolução, cujo objectivo é o de procurar contribuir para a optimização do seu desempenho e favorecer todos os stakeholders, as pessoas cujos interesses estão envolvidos na actividade societária—nomeadamente os accionistas e investidores, os clientes e parceiros e os colaboradores.

A CMVM publicou, em 2007, um relatório sobre a divulgação de informação relativa ao governo das sociedades que avaliou o grau de cumprimento das recomendações da CMVM sobre o governo societário das sociedades cotadas no Eurolist da Euronext em 31 de Dezembro de 2006 e que coloca a NOVABASE como a empresa mais cumpridora entre as sociedades cotadas.

Este relatório sobre a divulgação de informação relativa ao governo das sociedades da CMVM teve por base o relatório sobre a estrutura e as práticas de governo societário elaborado pelas sociedades no final de cada exercício e que é elaborado conforme modelo constante do anexo ao Regulamento da CMVM nº 7/2001 (com as alterações introduzidas pelo Regulamento da CMVM n.º 11/2003, pelo Regulamento da CMVM n.º 10/2005 e pelo Regulamento da CMVM n.º 3/2006). A NOVABASE surge como a cotada com maior grau de cumprimento, tendo atingido 92% de cumprimento em 2006, o que demonstrou uma clara evolução face ao ano de 2005 cujo grau de cumprimento foi de 38%.

Face à evolução das boas práticas do Governo das Sociedades, bem como às Recomendações da CMVM sobre o Governo das Sociedades Cotadas e tendo em conta a experiência da NOVABASE desde a sua admissão à negociação no Mercado de Cotações Oficiais da Euronext Lisbon, foi aprovada pelos accionistas na última Assembleia Geral em 12 de Abril de 2007 o modelo de governo anglo saxónico que aperfeiçoou o modelo de governo existente em 2006.

Novabase 2007 Corporate Governance Summary

Novabase has been a listed company since July 2000. It operates according to a constantly-evolving corporate governance model, aimed at optimizing its performance and benefiting all of its stakeholders - the people interested in its corporate activities, namely shareholders, investors, customers, partners and employees.

In 2007, the CMVM (Portuguese Securities Market Commission) published a report evaluating levels of compliance with CMVM recommendations on the corporate governance of companies listed on the Eurolist of Euronext on 31 December 2006. It ranked Novabase as the most compliant of these listed companies.

This CMVM report was based on reports on corporate governance structure and practices, prepared by companies at the end of each year following the model in the Annex to CMVM Regulation 7/2001, (as amended by CMVM Regulation 11/2003, CMVM Regulation 10/2005 and CMVM Regulation 3/2006). Novabase was the listed company with the highest degree of compliance, reaching 92% in 2006, a clear upturn compared to 38% in 2005.

Shareholders approved an Anglo-Saxon corporate governance model at the Annual General Meeting of 12 April 2007, refining the model from 2006, in light of trends in best corporate governance practices, CMVM recommendations on the management of listed companies and Novabase's experiences since its admission to trading on the Euronext Lisbon Official Stock Exchange.

A CMVM considerou em 2007 a Novabase como a empresa cotada portuguesa com maior grau de cumprimento das suas recomendações (92%).

In 2007, the CMVM (Portuguese Securities Market Commission) considered Novabase to be the Portuguese listed company with the highest degree of compliance with its recommendations (92%).



Ponto I Point I

Principais alterações ao governo de 2006 aprovadas na AG de 12 de Abril de 2007 que vigoraram em 2007 Main changes to the 2006 governance model approved at the Annual General Meeting of 12 April 2007, effective in 2007

Sabendo que o Modelo de Governo é um processo dinâmico e em constante aperfeiçoamento e definição, as principais alterações ao modelo de governo de 2006 implementadas em 2007 (aprovadas na última Assembleia Geral de 12 de Abril de 2007):

Since the corporate governance model is a dynamic process under constant refinement and definition, the main changes to the 2006 governance model, implemented in 2007 (approved at the last Annual General Meeting of 12 April 2007), are as follows:

Modelo/Órgão Model/Board Alterações Implementadas em 2007 Changes Implemented in 2007

Modelo Anglo Saxónico

Adopção do modelo de governo anglo saxónico - Face à reforma do Código das Sociedades Comerciais, levada a cabo pelo Decreto-Lei n.º 76-A/2006, de 29 de Março, o Conselho de Administração apresentou na última Assembleia Geral uma proposta de alteração de estatutos que visou a adopção pela Novabase do modelo de governo anglo saxónico através da institucionalização da Comissão de Auditoria enquanto órgão estatutário de fiscalização da sociedade, e a consequente extinção do Conselho Fiscal. O modelo de governo da sociedade passou a ser estruturado por um Conselho de Administração, compreendendo uma Comissão de Auditoria, e um revisor oficial de contas.

Anglo-Saxon Model

Adoption of the Anglo-Saxon corporate governance model: in light of amendments to the Company Code under Decree-Law no. 76-A/2006 of 29 March, the Board of Directors submitted, at the last Annual General Meeting, a proposal to change the articles of association so that Novabase could adopt the Anglo-Saxon corporate governance model by institutionalizing the Audit Committee as a board according to the articles of association for supervising company activities, consequently eliminating the Board of Auditors. In this way, the company's new corporate governance model was comprised of a Board of Directors including an Audit Committee and a statutory auditor.

Assembleia Geral

O Conselho de Administração propôs na última Assembleia Geral a redução do número mínimo de acções de mil para apenas uma para efeitos de exercício de direito de voto por parte dos accionistas. Assim a cada acção corresponde um voto. Esta alteração estatutária já se encontra alinhada com o novo Código do Governo das Sociedades da CMVM que foi aprovado em 2007 e entrará em vigor em 1 de Janeiro de 2009.

Annual General Meeting

At the last Annual General Meeting, the Board of Directors proposed reducing the minimum number of shares from 1,000 to 1 for the purposes of shareholder voting. One share thus corresponds to one vote.

This amendment to the articles of association is in accordance with the new Corporate Governance Code of the CMVM (Portuguese Securities Market Commission), which was approved in 2007 and will come into force on 1 January 2009.

Ponto II Point II

Resumo da Declaração de Cumprimento da Novabase às Recomendações propostas pela CMVM Summary of Novabase's Declaration of Compliance with CMVM recommendations

Resumo da Declaração de Cumprimento da Novabase às Recomendações propostas pela CMVM (Regulamentos da CMVM N.º 07/2001, com as alterações introduzidas pelo Regulamento da CMVM Nº 11/2003, pelo Regulamento da CMVM Nº 10/2005 e pelo Regulamento da CMVM Nº 3/2006).

Indicam-se, discriminadamente, as recomendações da CMVM sobre o Governo das Sociedades Cotadas adoptadas e não adoptadas (entendendo-se como não adoptadas as recomendações não seguidas na íntegra).

Summary of Novabase's Declaration of Compliance with CMVM recommendations (CMVM Regulation 07/2001, as amended by CMVM Regulation 11/2003. CMVM Regulation 10/2005 and CMVM Regulation 3/2006).

CMVM recommendations on the management of listed companies, adopted and not adopted (defining not adopted as those recommendations which were not followed in their entirety), are detailed below.

I - Divulgação de Informação

Disclosure of Information

Recomendação

A sociedade deve assegurar a existência de um permanente contacto com o mercado, respeitando o princípio da igualdade dos accionistas e prevenindo as assimetrias no acesso à informação por parte dos investidores. Para tal deve a sociedade criar um gabinete de apoio ao investidor.

Recommendation

1. The company must ensure that it has permanent contact with the market, that the principle of equality among shareholders is upheld and that uneven access of investors to information is prevented. To these ends, companies should set up an investor support office.

Grau de Cumprimento

Total

Degree of Fulfillment

Complete

Comentário

A Novabase assegura um apoio permanente ao mercado de capitais. O Gabinete de Relações com Investidores representa 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, o investidor dispõe de links de interesse contendo a informação relevante atribuída ao seu perfil (informação financeira, calendário financeiro; informação privilegiada, espaço reservado a Assembleias Gerais, e o modelo de voto por correspondência e de voto electrónico, este último disponível desde 2006, entre outros).

Remarks

Novabase provides permanent support to the capital market. The Investor Relations Office represents Novabase in its dealings with the CMVM and investors, including contact with private and institutional, foreign and Portuguese investors.

The office provides information through Novabase's website, with links of interest for investors with relevant information by investor profile (financial information, financial calendar, priviledged information, area reserved for Annual General Meetings and the postal/electronic voting model available since 2006, among others).

II - Exercício do Direito de Voto e Representação de Accionistas The Exercise of Voting Rights and Representation of Shareholders

Recomendação

Não deve ser restringido o exercício activo do direito de voto, quer directamente, nomeadamente por correspondência, quer por representação. Considera-se, para este efeito, como restrição do exercício activo do direito de voto:

- a) a imposição de uma antecedência do depósito ou bloqueio das acções para a participação em Assembleia Geral superior a 5 dias úteis;
- b) qualquer restrição estatutária do voto por correspondência;
- c) a imposição de um prazo de antecedência superior a 5 dias úteis para a recepção da declaração de voto emitida por correspondência;
- d) a não existência de boletins de voto à disposição dos accionistas para o exercício do voto por correspondência.

Recommendation

- 2. The active exercising of voting rights, whether directly, by post or by proxy, should not be restricted. To this end, the following examples are considered to restrict the active exercise of voting rights:
- a) The imposition of a period of more then 5 working days between the deposit or blocking of shares and permission to participate in the General Meeting;
- b) Any restriction in the articles of association on postal voting;
- c) The imposition of a requirement that postal votes be received more than 5 days in advance;
- d) The non-availability of voting slips for shareholders wishing to submit their vote by post.

II - Exercício do Direito de Voto e Representação de Accionistas The Exercise of Voting Rights and Representation of Shareholders

continuação

Grau de Cumprimento

Degree of Fulfillment

Total

Complete

Comentário

Remarks

Os estatutos da Novabase actualmente já não prevêem qualquer limitação no livre exercício de direito de voto, sendo possível exercer o referido direito por representação, por correspondência e por voto electrónico.

The current articles of association of Novabase do not provide for any restriction on voting rights, and votes may be cast by proxy, by post on electronically.

A Novabase cumpre assim integralmente com a presente recomendação da CMVM.

Novabase therefore fulfills this CMVM recommendation in its entirety.

III - Regras Societárias

Corporate Rules

Recomendação

Recommendation

A sociedade deve criar um sistema interno de controlo, para a detecção eficaz de riscos ligados à actividade da empresa, em salvaguarda do seu património e em benefício da transparência do seu governo societário.

It is recommended that companies establish an internal control system, for the efficient detection of risks linked to their activity, as a means of safeguarding their assets and enhancing the transparency of their corporate governance practices.

Grau de Cumprimento

Grau de Cumprimento

Total

Complete

Comentário

Remarks

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.

Novabase has an internal audit team whose job is to conduct audits of the financial departments of Novabase's affiliates.

Na área da gestão de risco de projecto a Novabase dispõe de uma metodologia de qualificação de projectos, mediante a análise de determinados parâmetros.

Where project risk management is concerned, Novabase has a project qualification methodology which analyzes various specific parameters.

Na área de gestão da Oferta procede à análise da indústria com o objectivo de detectar as tendências que se formam e de promover o desenvolvimento de competências dentro da Novabase para endereçar as mesmas. Controla riscos típicos do sector das Tl's como obsolescência tecnológica; riscos das soluções não se revelarem adequadas e do timing do desenvolvimento e proposta de novas soluções ser menos ajustado em relação às exigências do mercado.

The offer management unit analyses the industry in order to detect current trends and promote the development of skills within Novabase to address these trends. It controls typical risks in the IT sector, such as technology obsolescence, the risk that solutions may not be suitable, and the timing of the development and proposal of new solutions not being right for the market.

4

III - Regras Societárias

Corporate Rules

continuação

Recomendação

As medidas que sejam adoptadas para impedir o êxito de ofertas públicas de aquisição devem respeitar os interesses da sociedade e dos seus accionistas. Consideram-se nomeadamente contrárias a estes interesses as cláusulas defensivas que tenham por efeito provocar automaticamente uma erosão no património da sociedade em caso de transição de controlo ou de mudança da composição do órgão de administração, prejudicando dessa forma a livre transmissibilidade das acções e a livre apreciação pelos accionistas do desempenho dos titulares do órgão de administração.

Recommendation

Measures adopted to prevent the success of takeover bids should respect the interests of the company and its shareholders. Measures considered contrary to these interests include defensive clauses intended to cause an automatic erosion of company assets in the event of the transfer of control or changes to the composition of the board which prove detrimental to the free transferability of shares and the free assessment by shareholders of the performance of board members.

Grau de Cumprimento

Parcial

Degree of Fulfillment

Partial

Comentário

Não se encontram previstas nos estatutos da sociedade quaisquer medidas que visem impedir o êxito de ofertas públicas de aquisição. Existe um Acordo Parassocial entre um núcleo de accionistas que termina em Abril de 2009 (cujo conteúdo foi divulgado em 27 de Abril de 2006). A CMVM considera que estes Acordos são susceptíveis de prejudicar a livre transmissibilidade das acções e a livre apreciação pelos accionistas do desempenho dos titulares do órgão de administração. A Novabase entende que a simples celebração do acordo parassocial não constitui por si uma medida defensiva e lesiva dos interesses dos accionistas, uma vez que contribui para assegurar a estabilidade na gestão da sociedade, salvaguardando assim o interesse social e accionista da Novabase.

Remarks

No measures aimed at preventing the success of takeover bids exist in Novabase's articles of association. There is a shareholders' agreement among a group of shareholders which expires in April 2009 (whose content was disclosed on 27 April 2006). The CMVM considers that these Agreements could be detrimental to the free transferability of shares and the free assessment by shareholders of the performance of members of the board. Novabase believes that the existence of a shareholders' agreement in itself does not constitute a defensive measure contrary to shareholder interests, since it ensures stability in the management of the company, therefore safeguarding Novabase's corporate and shareholder interests.

IV - Órgão de Administração

Board of Directors

Recomendação

O órgão de administração deve ser composto por uma pluralidade de membros que exerçam uma orientação efectiva em relação à gestão da sociedade e aos seus responsáveis.

Recommendation

The board should be composed of a number of members who provide effective guidance for the management of the company and the persons responsible for said management.

Grau de Cumprimento

Total

Degree of Fulfillment

Complete

Comentário

O Conselho de Administração da Novabase é composto por uma pluralidade de membros que exercem um controlo efectivo na orientação da vida societária. Durante o exercício de 2007, o referido Conselho reuniu regularmente, pelo menos uma vez por mês, garantindo o controlo efectivo da gestão da sociedade.

Remarks

Novabase's Board of Directors is composed of a number of members who effectively control and guide the company's activities. In 2007, this board met regularly, at least once a month, thus ensuring effective control of the company's management.

Recomendação

O órgão de administração deve incluir um número suficiente de administradores não executivos cujo papel é o de acompanhar e avaliar continuamente a gestão da sociedade por parte dos membros executivos. Titulares de outros órgão sociais podem desempenhar um papel complementar ou, no limite, sucedâneo, se as respectivas competências de fiscalização forem equivalentes e exercidas de facto.

Recommendation

The board of directors should include a sufficient number of non-executive directors, whose role it is to continuously monitor and assess the management of the company by the executive members of the board. Members of other corporate bodies may exercise ancillary roles or, at the very most, substitute board members, if the supervisory powers involved are equivalent and exercised in fact.

Grau de Cumprimento

Total

Degree of Fulfillment

Complete

Comentário

A composição do Conselho de Administração inclui 4 administradores não executivos, sendo que 3 deles são independentes e compõem a Comissão de Auditoria. Pela via deste órgão estes administradores independentes exercem funções de acompanhamento e avaliação continua da gestão da sociedade, têm o direito de propor a nomeação de auditores externos e de acompanhar a execução do plano estratégico e do Orçamento da Novabase em cada exercício e da acção da Comissão Executiva no exercício das suas funções de gestão corrente da Novabase. Pelo acima exposto, a Novabase cumpre igualmente com esta recomendação.

Remarks

The composition of the Board of Directors includes 4 non-executive directors, 3 of whom are independent and comprise the Audit Committee. It is through this body that these independent directors monitor and assess the management of the Company on a continuous basis. They are empowered to propose the appointment of external auditors, monitor the implementation of Novabase's Strategic and Budgetary Plan each year and the activities of the Executive Committee in performing its duties involving the everyday running of Novabase. In view of the above, Novabase has fulfilled this recommendation.

Recomendação

De entre os membros não executivos do órgão de administração deve incluir-se um número suficiente de membros independentes. Quando apenas exista um administrador não executivo este deve ser igualmente independente. Titulares independentes de outros órgãos sociais podem desempenhar um papel complementar ou, no limite, sucedâneo, se as respectivas competências de fiscalização forem equivalentes e exercidas de facto.

Recommendation

The non-executive members of the board of directors must include a sufficient number of independent members. When there is only one non-executive director, he/she must also be independent. Independent members of other corporate bodies may exercise ancillary roles or, at the very most, substitute board members, if the supervisory powers involved are equivalent and exercised in fact.



Grau de Cumprimento

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Degree of Fulfillment

Total

Complete

Comentário

Remarks

O Conselho de Administração da Novabase integra actualmente três administradores independentes nos termos do número 2 do artigo 1º do Regulamento da CMVM n.º 7/2001, para acompanhar e fiscalizar, em termos informados, a gestão societária, pelo que a Novabase cumpre integralmente a presente recomendação.

Novabase's Board of Directors is currently comprised of three, independent directors under the terms of Article 1 (2) of CMVM Regulation 7/2001, to monitor and supervise the management of the company on an informed basis. Novabase thus fulfills this recommendation in its entirety.

Recomendação

Recommendation

O órgão de administração deve criar comissões de controlo internas com atribuição de competências na avaliação da estrutura e governo societários.

The board of directors should create internal control committees, with the power to assess the corporate structure and its governance.

Grau de Cumprimento

Degree of Fulfillment

Total

Complete

Comentário

Remarks

Na última Assembleia Geral Anual foi aprovada uma proposta de alteração de estatutos que visou a adopção pela sociedade do modelo de governo "anglo-saxónico", através da criação estatutária da Comissão de Auditoria no interior do Conselho de Administração.

A proposal to change the articles of association so that the company could adopt the Anglo-Saxon corporate governance model, through the creation in the articles of association of the Audit Committee within the Board of Directors, was approved at the last Annual General Meeting.

A composição desta comissão foi aprovada em AG.

The composition of this Committee was approved at the Annual General Meeting.

Recomendação

Recommendation

8

A remuneração dos membros do órgão de administração deve ser estruturada por forma a permitir o alinhamento dos interesses daqueles com os interesses da sociedade e deve ser objecto de divulgação anual em termos individuais.

The remuneration of members of the board of directors should be structured in such a way as to permit the interests of board members to be in line with those of the company, and should be disclosed annually in individual terms.

IV - Órgão de administração	Board of Directors continuação
Grau de Cumprimento	Degree of Fulfillment
Total	Complete
Comentário	Remarks
Foram criados mecanismos que asseguram o alinhamento de interesses entre os seus administradores e os accionistas da sociedade, através de uma remuneração variável que por um lado depende da performance financeira anual da Novabase e que por outro lado depende da performance bolsista do titulo Novabase. A Novabase acolheu expressamente a recomendação relativa à divulgação em termos individuais das remunerações dos membros do órgão de administração, no sentido da publicação das remunerações dos elementos do Conselho de Administração de forma individualizada.	Mechanisms have been created to align the interests of company's directors and shareholders by means of varia remuneration, which depends both on Novabase's and financial performance and the performance of Novabas stock. Novabase has explicitly adopted the recommendation to publindividualized information on remuneration of members managing boards (i.e. by publishing individualized information or remuneration of members of the Board of Directors).
Recomendação	Recommendation
Deve ser submetida à apreciação pela assembleia geral anual de accionistas uma declaração sobre política de remunerações dos órgãos sociais.	A declaration on the policy for remunerating members of company's corporate bodies should be submitted to attention of shareholders at the annual general meeting.
Grau de Cumprimento	Degree of Fulfillment
Total	Complete
Comentário	Remarks
Foram apresentados pela Comissão de Vencimentos e aprovados na Assembleia Geral Anual de 2006, os critérios gerais a seguir nesta avaliação durante o triénio 2006-2008. Anualmente, a Comissão de Vencimentos apresenta à Assembleia Geral um relatório sobre a aplicação desta política relativo ao exercício precedente. No presente exercício, tal relatório é apresentado em anexo ao Relatório e Contas.	The general criteria to be followed in this evaluation for the ye 2006 to 2008 were presented by the Remuneration Commit and approved at the 2006 Annual General Meeting. Each year, the Remuneration Committee submits a report the Annual General Meeting on the application of this policity the previous year. In 2007 this report is an annex to the Annual Report Accounts.
Recomendação	Recommendation
Os membros da comissão de remunerações ou equivalente devem ser independentes relativamente	Members of the remuneration committee or equivalent she be independent as regards the members of the board
aos membros do órgão de administração.	directors.

Complete

Total

IV - Órgão de administração

Board of Directors

continuação

Comentário

A Novabase cumpre integralmente com a presente recomendação, sendo a actual Comissão de Vencimentos, objecto de aprovação pela Assembleia Geral Anual de 2006, composta por Francisco Luís Murteira Nabo, Pedro Rebelo de Sousa e por Fernando Eduardo Ribeiro Marques, todos membros independentes face à Administração e restantes orgãos sociais.

Remarks

Novabase fulfills this recommendation in its entirety, since the current members of the Remuneration Committee, subject to the approval of last year's Annual General Meeting, are independent, namely Francisco Luís Murteira Nabo, Pedro Rebelo de Sousa and Fernando Eduardo Ribeiro Marques.

Recomendação

Deve ser submetida à assembleia geral a proposta relativa à aprovação de planos de atribuição de acções, e/ou de opções de aquisição de acções ou com base nas variações do preço das acções, a membros do órgão de administração e/ou trabalhadores. A proposta deve conter todos os elementos necessários para uma avaliação correcta do plano. A proposta deve ser acompanhada do regulamento do plano ou, caso o mesmo ainda não tenha sido elaborado, das condições gerais a que o mesmo deverá obedecer.

Recommendation

A proposal should be submitted to the general meeting with regard to the approval of plans for the allotment of shares, and/or options to purchase shares or based on variations in share prices, to members of the board of directors and/or employees. Said proposal should contain all information necessary to ensure that the plan is correctly assessed. The proposal should be accompanied by the rules of procedure for the plan, or, if these have not yet been drafted, by the general conditions for the plan.

Grau de Cumprimento

Total

Degree of Fulfillment

Complete

Comentário

Todas as propostas dos planos de atribuição de acções e/ou de opções de aquisição de acções a membros do órgão de administração e/ou a trabalhadores submetidas à Assembleia Geral da Novabase continham todos elementos necessários para uma avaliação correcta do plano, tendo sido devidamente acompanhadas do respectivo regulamento.

Remarks

All proposals for plans to grant shares and/or options for the purchase of shares to members of the board and/or workers submitted at Novabase's Annual General Meeting did include all the elements required for the correct evaluation of the proposal in question and were duly accompanied by their corresponding regulations.

Recomendação

A sociedade deve adoptar uma política de comunicação de irregularidades alegadamente ocorridas no seio da sociedade, com os seguintes elementos: indicação dos meios através dos quais as comunicações de práticas irregulares podem ser feitas internamente, incluindo as pessoas com legitimidade para receber comunicações, indicação do tratamento a ser dado às comunicações, incluindo tratamento confidencial, caso assim seja pretendido pelo declarante. As linhas gerais desta política devem ser divulgadas no relatório do governo das sociedades.

Recommendation

The company should adopt a policy whereby alleged irregularities occurring within the company are reported, containing the following information: the method through which the irregular practices are reported internally, including the persons permitted to receive such information, the manner in which such reports are to be dealt with, including confidential treatment of the information, if such is the wish of the person making the declaration. The general direction of this policy should be disclosed in the corporate governance report.

10Δ

continuação

Board of Directors

IV - Órgão de administração

Ponto III Point III

Órgãos estatutários e não estatutários Boards according to the Articles of Association and Other Boards

Órgãos da Sociedade Corporate Bodies

Órgãos Estatutários Boards according to the Articles of Association

Assembleia Geral (AG) Annual General Meeting

Órgão social constituído pelos accionistas com direito de voto. São accionistas com direito de voto todos os accionistas da NOVABASE que detenham pelo menos uma acção da Sociedade.

Corporate board comprised of shareholders with voting rights. Novabase shareholders owning at least one share have voting rights.

Conselho de Administração (CA)

Board of Directors

Os seus membros poderão ser executivos ou não executivos. Os Administradores executivos integram uma Comissão Executiva criada pelo Conselho de Administração. Entre os Administradores não pertencentes à Comissão Executiva, há três membros independentes nos termos do número 5 do artigo 414.º do Código das Sociedades Comerciais. Os referidos três administradores são ainda considerados independentes nos termos do Regulamento n.º 7/2001 (com as alterações introduzidas pelo Regulamento da CMVM n.º 11/2003, pelo Regulamento da CMVM n.º 10/2005 e pelo Regulamento da CMVM n.º 3/2006). Neste actual mandato, o CA é composto por 3 membros independentes, são eles:

Luís Fernando de Mira Amaral Manuel Alves Monteiro João Francisco Quadros Saldanha

Members of the Board of Directors may be executive or non-executive. Executive directors make up an Executive Committee created by the Board of Directors. Three directors not belonging to the Executive Committee are independent under the terms of number 5 Article 414 of the Portuguese Company Code and under the terms of CMVM Regulations 7/2001, 11/2003, 10/2005 and 3/2006. The Board of Directors is comprised of the following 3 independent members in its current term:

Luís Fernando de Mira Amaral Manuel Alves Monteiro João Francisco Quadros Saldanha

Comissão Executiva (CE)

Executive Committee

A CE, cuja composição é aprovada pelo CA, possui, à data de 31 de Dezembro, sete membros deste órgão de administração. Compete-lhe a gestão corrente da Sociedade podendo praticar todos os actos necessários a esse desígnio, respeitando as competências próprias do Conselho de Administração quanto aos actos que terão de ser a ele submetidos para aprovação, nomeadamente as matérias previstas nas alíneas a) a d), f), l) e m) do artigo 406º do Código das Sociedades Comerciais. A Comissão Executiva define a estrutura organizacional da Sociedade, nomeia colaboradores para exercer cargos de gestão nos órgãos dessa estrutura, e gere todas as áreas funcionais da empresa.

The composition of the Executive Committee is approved by the board of Directors and includes, on 31 December, seven members of this board. It is responsible for the day-to-day running of the company and may perform all actions required to this end, respecting the powers of the Board of Directors with regard to actions which must be submitted for its approval, namely the matters specified in Article 406, Items a) through d), f), I) and m) of the Portuguese Company Code. The Executive Committee defines the company's organizational structure, appoints employees to perform management duties in the corporate boards of this structure and manages all of the company's functional areas.

Comissão de Auditoria (CAUD)

Audit Committee

Criada estatutariamente, os seus 3 membros integram o Conselho de Administração como administradores não executivos independentes. Compete-lhe fiscalizar a actividade da sociedade por forma a garantir o cumprimento da lei e dos estatutos. Efectuou, no ano de 2007, as reuniões estatutariamente previstas e desenvolveu os trabalhos de verificação de contas que entendeu necessários no cumprimento das suas obrigações, tendo procedido às análises e formulado as sugestões que entendeu adequadas.

Created by the articles of association, its three members are non-executive independent members of the Board of Directors. Responsible for supervising company activities to ensure compliance with the law and articles of association. It held the compulsory number of meetings in 2007 as required by the articles of association and made all examinations of the accounts that it saw fit as part of its duties. It conducted analyses and made suggestions as deemed necessary.

Para além dos Órgãos Estatutários (Assembleia Geral, Conselho de Administração, Comissão Executiva e Comissão de Auditoria), existe ainda a Comissão de Vencimentos, resumindo-se de seguida as respectivas actividades:

In addition to the boards according to the articles of association (Annual General Meeting, Board of Directors, Executive Committee and Audit Committee), there is also a Remuneration Committee, whose activities are summarized below:

Órgãos da Sociedade	Corporate Bodies
Órgãos Não Estatutários	Other Boards
Comissão de Vencimentos (CV)	Remuneration Committee

Este órgão delibera sobre as condições de remuneração dos membros dos órgãos sociais. A actual composição desta Comissão para o triénio 2006-2008 foi estabelecida pela Assembleia Geral de 20 de Abril de 2006. Preside à CV Francisco Luís Murteira Nabo. Fazem igualmente parte desta comissão Pedro Rebelo de Sousa e Fernando Eduardo Ribeiro Marques.

The Remuneration Committee decides upon the remuneration of corporate board members. Its current members for the three-year period of 2006-2008 were decided in the Annual General Meeting of 20 April 2006. Presiding at the Remuneration Committee is Francisco Luís Murteira Nabo. Pedro Rebelo de Sousa and Fernando Eduardo Ribeiro Marques are also part of this committee.

Os actuais membros desta Comissão são independentes nos termos do n.º 9 do Capítulo 1 do Anexo ao Regulamento da CMVM n.º 7/2001.

All of its members are independent under the terms of Chapter 1, Item 9 of the Annex to CMVM Regulation 7/2001.

Performance Financeira e Bolsista

Financial and Stock Performance

ANÁLISE ECONÓMICO-FINANCEIRA Economic and Financial Analysis

V

olume de Negócios Turnover

O volume de negócios da Novabase, em 2007, atingiu os 313.2M€ (milhões de euros), o que corresponde a um aumento de 19.8% face aos 261.5M€ registados em 2006. Este valor ultrapassa o objectivo estabelecido no início do ano, de atingir em 2007 os 290M€ de volume de negócios.

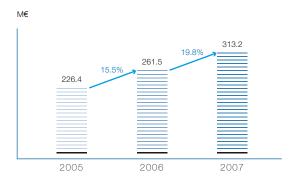
Novabase's turnover in 2007 was ≤ 313.2 million, an increase of 19.8% compared to ≤ 261.5 million in 2006.

This figure surpasses the goal laid out at the beginning of the year of reaching €290 million in turnover in 2007.

Deste volume de negócios, 38.9% são gerados fora de Portugal, ou seja 122.0M€, o que representa um crescimento significativo face aos 81.0M€ registados em 2006. O crescimento fora de Portugal ocorreu fundamentalmente na área Novabase Digital TV, embora importe destacar que na área Novabase Consulting as vendas internacionais já representam 15.3% da sua facturação.

38.9% (or €122.0 million) of this turnover originates from outside of Portugal, a significant increase compared to €81.0 million in 2006. Growth outside of Portugal occurred primarily through Novabase Digital TV, although it is important to note that international business now accounts for 15.3% of sales at Novabase Consulting.

Volume de Negócios Turnover



C

ash Flow Operacional (EBITDA) Operating Cash Flow (EBITDA)

O EBITDA atingiu 20.0M \in em 2007, mais 22.2% face aos 16.4M \in obtidos em 2006. Este valor está a meio do intervalo estabelecido no início do ano, de atingir um EBITDA entre os 19M \in e os 21M \in .

EBITDA reached $\[\in \] 20.0 \]$ million in 2007, 22.2% more than the previous year's $\[\in \] 16.4 \]$ million. This figure falls in the middle of the EBITDA range of $\[\in \] 19-21 \]$ million laid out at the beginning of the year.





esultados Net Results

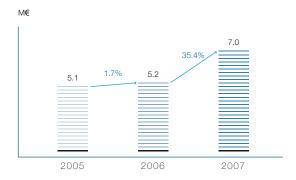
Os Resultados Operacionais (EBIT) atingiram os 13.9M€, um acréscimo de 61.0% face a 2006 (8.6M€). Os Resultados Antes de Impostos (RAI) são neste período de 10.4M€, registando um crescimento de 87.4% versus os 5.5M€ registados em 2006.

Os Resultados Líquidos Consolidados, depois de interesses minoritários, atingiram 7.0M€, tendo crescido 35.4% face ao valor de 5.2M€ registado em 2006.

Operating Results (EBIT) were \in 13.9 million, an increase of 61.0% compared to 2006 (\in 8.6 million). Earnings Before Taxes (EBT) in 2007 were \in 10.4 million, which reflects an increase of 87.4% compared to \in 5.5 million in 2006.

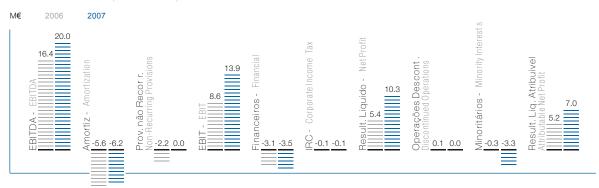
Consolidated Net Profit after minority interests was \in 7.0 million, 35.4% more than the previous years' \in 5.2 million.

Resultados Líquidos Consolidados Net Results



A evolução comparativa do EBITDA para os Resultados Líquidos é a seguinte: Trends in EBITDA to net profit were as follows:

EBITDA para Resultados Liquidos 2007 vs 2006 From EBITDA to Net Profit (2007 vs. 2006)







s Amortizações cresceram 10.7% e fixaram-se em 6.2M€ (inclui 0.5M€ relativas à saída das instalações).

Os Resultados Financeiros atingiram o valor líquido negativo de 3.5M€, que compara com o valor líquido negativo de 3.1M€, obtido em 2006. Esta deterioração no 4Q ocorreu essencialmente no negócio de Digital TV que foi penalizado com 0.6M€ de perdas com diferenças cambiais.

O Imposto corrente ascendeu a -1.1M \in enquanto o Imposto diferido activo resultou num proveito de imposto que ascendeu a 1.0M \in , pelo que o IRC (imposto sobre o rendimento) de 2007 se fixou em -0.1M \in . O recurso a candidaturas de SIFIDE (sistemas de incentivos fiscais à Investigação & Desenvolvimento Empresarial) teve um impacto de 3.6M \in e permitiu reduzir o IRC (imposto sobre o rendimento) de 2007 de -3.7M \in para -0.1M \in .

Os Interesses Minoritários em 2007 de -3.3M€ comparam com 0.3M€ no período homólogo. A diferença provém dos resultados da Digital TV, que em 2006 tinham sido negativos, situação invertida em 2007 em que são positivos.

Assim, os Resultados Líquidos Consolidados, depois de interesses minoritários e dos resultados das operações descontinuadas são, neste período, de 7.0M€, representando um acréscimo de 35.4% face aos 5.2M€ apurados em 2006.

Amortization grew 10.7% at ϵ 6.2 million (including ϵ 0.5 million for the facilities change).

The Financial Results were minus \in 3.5 million net compared to minus \in 3.1 million net in 2006. This downturn in the fourth quarter occurred primarily in the Digital TV business, which was penalized with \in 0.6 million in losses due to exchange differences.

Current taxes rose to minus $\in 1.1$ million, while active deferred taxes resulted in a tax gain of $\in 1.0$ million for a 2007 corporate income tax (IRC) of minus $\in 0.1$ million. The use of SIFIDE research and development tax incentives had an impact of $\in 3.6$ million, reducing 2007 corporate income tax (IRC) from minus $\in 3.7$ to minus $\in 0.1$ million.

2007 minority interests were minus ϵ 3.3 million compared to ϵ 0.3 million in the previous year. This difference stems from the results of Digital TV, which were negative in 2006 but positive in 2007.

Consolidated Net Profit, after minority interests and earnings from discontinued operations, was €7.0 million for the year, which represents an increase of 35.4% compared to €5.2 million in 2006.

INVESTIMENTO

de c primo

valor do investimento recorrente consolidado ascendeu, em 2007, a 3.2M€. Este valor, que corresponde a saída de cash do Balanço, decompõe-se em três parcelas, uma primeira parcela relativa a imobilizado em curso no valor de 0.4M€ referente ao desenvolvimento de projectos ainda em curso, uma segunda parcela, no valor de 0.7M€ relativa a imobilizado incorpóreo referente a projectos capitalizados de l&D e ainda uma terceira parcela, no valor de 2.1M€, relativa a imobilizado corpóreo diverso, como equipamento e software informático e mobiliário.

O investimento não recorrente é negativo, no valor total de -2.2M€, correspondendo na sua maioria a parcelas relativas a desinvestimentos, que incluem abates, variações de perímetro, transferências e reclassificações que são non-cash itens. No entanto, este valor total de -2.2M€ inclui ainda um investimento corpóreo de 2.6M€ relativo à mudança de instalações que corresponde a uma saída de cash do Balanço.

Houve portanto uma saída total de cash de 5.8M, da qual 3.2M é recorrente e 2.6M é não recorrente.

CAPITAL EXPENDITURE

Consolidated recurring investment reached $\varepsilon 3.2$ million in 2007. This amount, which corresponds to a cash write-off, is divided into three parts: the first pertains to work in progress, in the amount of $\varepsilon 0.4$ million, related to the development of projects that are still under construction; the second, in the amount of $\varepsilon 0.7$ million, pertains to intangible assets related to capitalized R&D projects; and the third, in the amount of $\varepsilon 2.1$ million, pertains to miscellaneous tangible fixed assets, such as IT equipment and software, and furnishings.

Non-recurring investment is negative, totaling minus \in 2.2 million, and for the most part pertains to disinvestments, including write-offs, perimeter variations, transfers and reclassifications (non-cash items). However, this total figure of minus \in 2.2 million also includes a tangible investment of \in 2.6 million for the facilities relocation, corresponding to a cash write-off.

Cash write-offs thus totaled $\in
 5.8$ million, of which $\in
 3.2$ million is recurring and $\in
 2.6$ million is non-recurring.

2007

Investimento Capital Expenditure		Não Recorrente Non-Recurring	Recorrente Recurring	Total Total
Imobilizado em curso - Work in Progress				
Imobilizado em curso - Work in Progress			0.4	0.4
Transferência p/ Imob. Firme Transfer to Tangible Fixed Assets		-1.1		-1.1
	Sub-total (1) Subtotal (1)	-1.1	0.4	-0.7
Imobiliz. Incorpóreo - Intangible Assets				
I&D - R&D		-0.4	0.7	0.3
Propriedade Industrial Out. Direitos Industrial Property and Other Rights		0.1		0.1
	Sub-total (2) Subtotal (2)	-0.3	0.7	0.4
Imobiliz. Corpóreo - Tangible Fixed Assets				
Eq. Transporte/leasing/aov Transport Equipment/Leasing/OR		-0.2		-0.2
Corpóreos relativos a mudança de instalações Tangible/Facilities Relocation		2.6		2.6
Outros Corpóreos - Tangible/Other		-1.4	2.1	0.6
	Sub-total (3) Subtotal (3)	1.0	2.1	3.0
	Total - Total	-0.4	3.2	2.8
Variação Perímetro		-1.8		-1.8
Perimeter Variation				
	Total - Total	-2.2	3.2	1.0

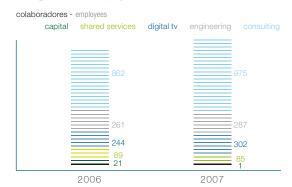
RECURSOS HUMANOS HUMAN RESOURCES



m termos de Recursos Humanos, a Novabase teve em média, em 2007, 1650 colaboradores, o que representa um acréscimo de 11.7% face a 2006 (1477). A distribuição de colaboradores pelas várias áreas da Novabase é a que se mostra na figura seguinte:

In terms of human resources, Novabase had an average of 1,650 employees in 2007, an increase of 11.7% compared to 1,477 in 2006. The following table shows the breakdown of employees among Novabase's various business areas:

Número Médio de colaboradores Average Number of Employees



Novabase Annual Report 2007



ANÁLISE ECONÓMICO-FINANCEIRA POR ÁREA DE NEGÓCIO ECONOMIC AND FINANCIAL ANALYSIS BY BUSINESS AREA

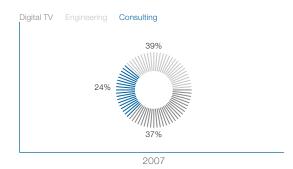
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ovabase Consulting Novabase Consulting

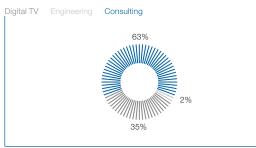
A Novabase Consulting apresentou em 2007 uma equipa de 975 consultores e contribuiu com 24% do volume de negócios total da Novabase e 63% do EBITDA total gerado em 2007.

Novabase Consulting had a team of 975 consultants in 2007, and generated 24% of Novabase's total turnover and 63% of the total EBITDA in 2007.

Volume de Negócios Turnover



EBITDA FRITDA

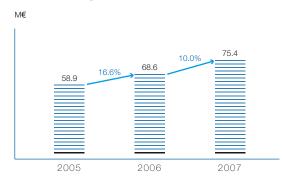


2007

Esta área de negócio apresentou um forte crescimento em 2007, cresceu 10.0% num enquadramento de fraco crescimento da economia e também do negócio de IT, o qual segundo os analistas terá sido inferior a 4%.

This business area showed strong growth in 2007, growing 10.0% in an environment of weak economic and IT growth of less than 4% according to analysts.

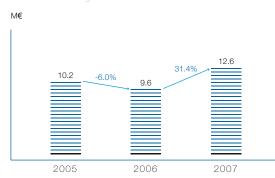
Volume de Negócios Novabase Consuting Novabase Consulting Tumover



O EBITDA da Novabase Consulting em 2007 aumentou 31.4% (de 9.6M \in para 12.6M \in), acima do aumento das vendas de 10.0%, fixando-se a margem EBITDA nos 16.6%.

Novabase Consulting's EBITDA grew 31.4% in 2007 (from ϵ 9.6 to ϵ 12.6 million), above the 10.0% sales increase, for an EBITDA margin of 16.6%.

EBITDA Novabase Consuting Novabase Consulting EBITDA



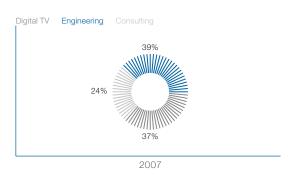
N

ovabase Engineering Novabase Engineering

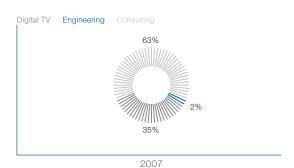
Em 2007, a Novabase Engineering dispôs de uma força laboral de 287 colaboradores e contribuiu com 39% do volume de negócios e apenas 2% do EBITDA total gerado pela Novabase.

Novabase Engineering had a workforce of 287 employees in 2007, and generated 39% of Novabase's total turnover and just 2% of the total EBITDA.

Volume de Negócios Turnover



EBITDA EBITDA





O volume de negócios global desta área de negócios atingiu 122.0M€, o que representa um crescimento de 13.9% face ao valor de 2006. Este crescimento deve-se, essencialmente, à área de IT Infrastructures.

This business area's total turnover reached €122.0 million, an increase of 13.9% compared to 2006. This growth was primarily due to the IT Infrastructures area.

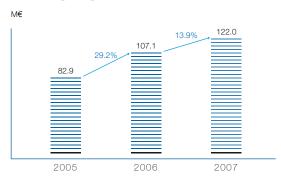
O EBITDA da Novabase Engineering em 2007 diminuiu 81.8%, essencialmente devido à redução acentuada de rentabilidade da área de Mobility Solutions, embora o negócio de maior dimensão da Novabase Engineering, IT Infrastructures, tenha melhorado para o melhor nível de sempre (margem passou de 2.9% para 5.7%).

Ainda nesta área, o negócio de Ticketing já iniciou a recuperação da rentabilidade no 4Q07 e espera-se que continue a recuperação durante 2008. O negócio de Mobility Solutions suscita maior preocupação, estando a administração a tomar medidas para conseguir a sua estabilização.

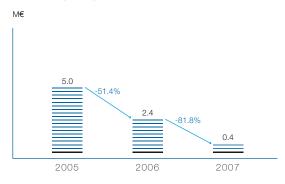
Novabase Engineering's EBITDA fell 81.8% in 2007, mainly due to a sharp decline in the profitability of the Mobility Solutions area. However, Novabase Engineering's largest business, IT Infrastructures, had its best performance ever (increase in margin from 2.9% to 5.7%).

Also in this business area, the Ticketing business began to recover profitability in the fourth quarter of 2007, which is expected to continue in 2008. Greater concerns have emerged in the Mobility Solutions business, where management is pursuing measures to achieve greater stability.

Volume de Negócios Novabase Engineering Novabase Engineering Turnover



EBITDA Novabase Engineering Novabase Engineering EBITDA



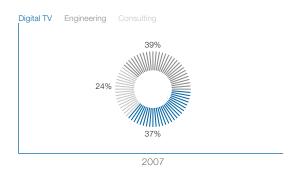


ovabase Digital TV Novabase Digital TV

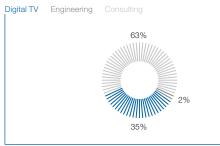
Em 2007 a Novabase Digital TV dispõe de uma massa crítica de 302 colaboradores e contribui com 37% do volume de negócios e 35% do EBITDA gerados em 2007 da Novabase.

Novabase Digital TV had a critical mass of 302 employees in 2007, generating 37% of Novabase's turnover and 35% of its EBITDA.

Volume de Negócios Turnover



EBITDA EBITDA



2007

A área de negócio Digital TV da Novabase é uma das mais significativas a nível Mundial (quota de mercado mundial de 2.5%) situando-se entre as dez maiores do Mundo. Em 2007 este negócio cresceu 38.5% e atingiu 115.8M€. Este crescimento é tanto mais significativo quanto, tal como já era previsto, se verificou uma redução de vendas no mercado nacional.

Novabase's Digital TV area, globally ranked among the top ten, is one of the most important in the world (worldwide market share of 2.5%). This business grew 38.5% to $\epsilon 115.8$ million in 2007. This growth is even more noteworthy in light of the decrease in domestic market sales, in line with earlier predictions.

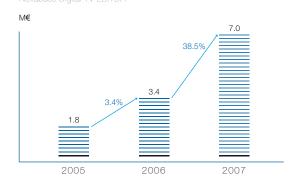
Volume de Negócios Novabase Digital TV Novabase Digital TV Tumover



O EBITDA da Novabase Digital TV em 2007 aumentou 105.4% para 7.0M€, o que consolida a recuperação da rentabilidade neste negócio, já iniciada em 2006.

Novabase Digital TV's EBITDA grew 105.4% to ϵ 7.0 million in 2007, consolidating this business' recovery of profitability which began in 2006.

EBITDA Novabase Digital TV Novabase Digital TV FBITDA



C

omportamento Bolsista Stock Performance

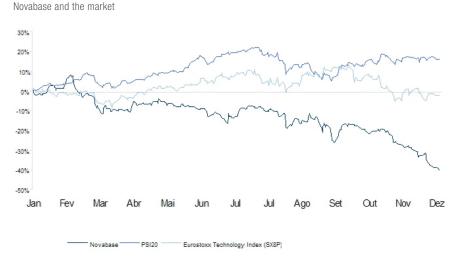
O ano de 2007 foi caracterizado por uma apreciação do índice PSI20, que valorizou 16.0%.

A cotação da acção Novabase desvalorizou-se no período 40.2%, o que compara com uma desvalorização de 2.4% ocorrida no índice EuroStoxx Technology. Em 2007, a rotação representou 64.2% do capital da Novabase, tendo sido transaccionadas 20.2 milhões de acções, valores próximos dos ocorridos em 2006 (rotação de 65.5% do capital, tendo sido transaccionados 20.6 milhões de acções). A Novabase saiu do índice PSI20 no final do 1º semestre de 2007, como resultado da entrada em bolsa de novos players com níveis de liquidez bastante superiores.

2007 was marked by gains in the PSI20 Index, which was up 16.0%.

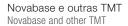
Novabase's share price fell 40.2% during the year, compared to a 2.4% drop in the EuroStoxx Technology Index. Rotation represented 64.2% of Novabase's capital in 2007, with 20.2 million shares traded, similar to the figures for 2006 (turnover of 65.5% of capital, with 20.6 million shares traded). Novabase left the PSI20 Index at the end of the first half of 2007 due to the entry of new market players with significantly higher liquidity layers.

Novabase e o mercado



Ao comparar a cotação da Novabase com um conjunto de outras empresas similares do sector de TI na Europa, observamos que a performance da acção Novabase em 2007 foi inferior relativamente à performance das outras empresas, mostrando uma menor volatilidade.

When comparing Novabase's share price with other similar companies from Europe's IT sector, one can see that the Novabase share's performance in 2007 was lower than that of other companies, with less volatility.





A cotação média, ponderada pela quantidade, do título Novabase em 2007 cifrou-se em 5.17 euros por acção. Foram transaccionados 20.2 milhões de acções em todas as 255 sessões de bolsa em 2007, correspondentes a um valor de transacção de 103.3M€.

O número médio diário de acções transaccionadas em 2007 fixou-se em 79.1 mil títulos, correspondente a um valor médio diário de cerca de 0.4M€.

A cotação no último dia de bolsa de 2007, dia 31 de Dezembro de 2007, fixou-se nos 3.27 euros, o que representa uma desvalorização de cerca de 40.5% face aos 5.50 euros com que a Novabase se fixou no final de 2006.

A cotação de fecho máxima ocorrida em 2007 atingiu os 5.91 euros, enquanto que o valor mínimo de fecho registado fixou-se nos 3.27 euros. A capitalização bolsista no final de 2007 fixou-se em 102.7M€.

The average Novabase share price weighted by quantity in 2007 was 5.17 euros per share. 20.2 million shares were traded in all 255 stock exchange sessions in 2007, corresponding to a trading value of €103.3 million.

The daily average number of shares traded in 2007 was 79.1 thousand shares, corresponding to a daily average value of about $\in 0.4$ million.

The share price on the last day of trading, 31 December 2007, was 3.27 euros, which represents a loss of around 40.5% compared to the 5.50 euros that Novabase shares registered at the end of 2006.

The highest closing price achieved in 2007 was 5.91 euros, while the lowest closing price recorded was 3.27 euros. Market capitalization at the end of 2007 was €102.7 million.

Resumo - Summary	2007	2006	2005	2004	2003	2002	
Cotação mínima - Minimum price Cotação máxima - Maximum price	3.27 5.91	5.22 7.27	5.45 6.96	5.01 7.80	5.10 6.26	4.06 8.45	
Cotação média ponderada - Average weighted price Nº títulos transaccionados (milhões)	5.17 20.2	5.91 20.6	6.16 8.5	6.13 5.5	5.81 4.0	6.32 7.0	
Number of shares traded (million) Capitalização Bolsista no último dia (M€) Market capitalization on last day (million €)	102.7	172.7	182.4	178.1	166.7	163.9	

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Proposta de Aplicação de Resultados Proposal for the Allocation of Profits

No exercício de 2007, a Novabase SGPS, SA apresentou um resultado líquido consolidado de € 6.996.311,73 (seis milhões novecentos e noventa e seis mil, trezentos e onze euros e setenta e três cêntimos) e um resultado líquido negativo de €1.523.597,64 (um milhão quinhentos e vinte e três mil, quinhentos e noventa e sete euros e sessenta e quatro cêntimos) nas contas individuais, (que não reflectem os resultados das suas participadas).

Nos termos das disposições legais e estatuárias, o Conselho de Administração propõe que os resultados líquidos, a título individual, apurados no exercício de 2007, no valor negativo de € 1.523.597,64, sejam integrados na rubrica de Resultados Transitados.

O CONSELHO DE ADMINISTRAÇÃO BOARD OF DIRECTORS

Rogério dos Santos Carapuça

João Nuno da Silva Bento

Luís Mira Amaral

José Áfonso Oom de Sousa

Álvaro losé da Silva Ferreira

João Quadros Saldanha

Pedro Miguel Quinteiro Marques de Carvalho

Manuel Tavares Festas

Manuel Alves Monteiro

_u'ís Paulo Cardoso Salvado

Joaquim Sérvulo Rodrigues

In 2007, Novabase SGPS, SA recorded a consolidated net profit of \in 6.996.311,73 (six million, nine hundred and ninety six thousand three hundred and eleven euros and seventy three cents) and a net loss of \in 1.523.597,64 (one million, five hundred and twenty three thousand five hundred and ninety seven euros and sixty four cents) in the individual accounts, (which do not reflect the results of its affiliates).

Pursuant to the provisions of the law and the articles of association, the Board of Directors proposes that the net loss for 2007, in the amount of ϵ 1,523,597.64, be allocated on an individual basis to Retained Earnings.

ÓRGÃOS SOCIAIS CORPORATE BOARDS

Mesa da Assembleia Geral Officers of the General Meeting of Shareholders

Pedro Rebelo de Sousa (Presidente/Chairman) Maria José Santana (Secretário/Secretary)

Comissão de Auditoria Audit Committee

Luís Mira Amaral (Presidente/Chairman) Manuel Alves Monteiro João Quadros Saldanha

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
José Carlos de Almeida Pedro de Jesus *
João Vasco Tavares da Mota Ranito *
Manuel Saldanha Fortes Tavares Festas
Joaquim Manuel Jordão Sérvulo Rodrigues
Luís Fernandes de Mira Amaral
Manuel Alves Monteiro

* Renunciou ao mandato em 28 de Setembro 2007

João Francisco Ferreira de Almeida e Quadros Saldanha

* Resigned from office on 28 September 2007

Lisboa, 3 de Abril de 2008



- 1 João Quadros Saldanha
- 2 João Nuno da Silva Bento
- 3 Joaquim Sérvulo Rodrigues
- 4 Luís Mira Amaral
- 5 Pedro Miguel Quinteiro Marques de Carvalho
- 6 Manuel Alves Monteiro
- 7 Manuel Tavares Festas
- 8 José Afonso Oom de Sousa
- 9 Luís Paulo Cardoso Salvado
- 10 Rogério dos Santos Carapuça (Presidente/Chairman)
- 11 Álvaro José da Silva Ferreira



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Demonstrações Financeiras Financial Statements

BALANÇO CONSOLIDADO CONSOLIDATED BALANCE SHEET

(Valores expressos em milhares de Euros)

(Amounts in thousands of Euros)

Activo	Assets	31.12.07	31.12.06
Activos Não Correntes Activos fixos tangíveis Activos fixos intangíveis Investimentos em empresas associadas Activos por impostos diferidos Total de Activos Não Correntes	Non current assets Property plant and equipment Intangible assets Investments in associates Deferred income tax assets Total Non current assets	8.447 34.737 4.925 11.111 59.220	6.091 36.959 3.623 9.829 56.502
Activos Correntes Inventários Clientes e outras contas a receber Imposto sobre o rendimento a receber Acréscimos de proveitos Outros activos correntes Activos financeiros disponíveis para venda Caixa e equivalentes a caixa Total de Activos Correntes	Current assets Inventories Trade and other receivables Income tax receivable Accrued income Other current assets Available-for-sale financial assets Cash and cash equivalents Total Current assets	20.864 120.155 1.486 14.357 3.180 - 38.335 198.377	23.611 92.158 1.268 14.799 3.221 839 39.563 175.459
Total do Activo	Total assets	257.597	231.961
Capitais Próprios	Equity		
Capital social Acções próprias Prémios de emissão Reservas e resultados acumulados Resultado líquido Capitais Próprios atribuíveis aos accionistas	Share capital Treasury shares Share premium Reserves and retained earnings Profit for the year attributable to equity holders Total Equity attributable to the company's equity holders	15.701 (249) 49.213 29.199 6.997 100.861	15.701 (260) 49.213 24.890 5.169 94.713
Interesses minoritários	Minority interest	13.641	11.211
Capitais Próprios totais	Total equity	114.502	105.924
Passivo Passivos Não Correntes Empréstimos Provisões Passivos por impostos diferidos Total de Passivos Não Correntes	Non current liabilities Borrowings Provisions Deferred income tax liabilities Total Non current liabilities	5.762 1.662 392 7.816	9.182 1.072 157 10.411
Passivos Correntes Empréstimos Fornecedores e outras contas a pagar Imposto corrente sobre o rendimento a pagar Proveitos diferidos e outros passivos correntes Total dos Passivos Correntes	Current liabilities Borrowings Trade and other payables Income tax payable Deferred income and other current liabilities Total Current liabilities	12.692 105.409 131 17.047 135.279	16.671 83.490 41 15.424 115.626
Total do Passivo	Total liabilities	143.095	126.037
Total dos Capitais Próprios e Passivo	Total equity and liabilities	257.597	231.961



DEMONSTRAÇÃO DOS RESULTADOS POR NATUREZAS PROFIT AND LOSS STATEMENT

(Valores expressos em milhares de Euros) (Amounts in thousands of Euros)

Operações em continuação	Continuing Operations	12 M * 31.12.07	12 M * 31.12.06
Vendas Prestação de serviços Custo das vendas Fornecimentos e serviços externos Gastos com o pessoal Outras perdas líquidas Amortizações e depreciações Resultados Operacionais	Sales Services rendered Cost of goods sold External supplies and services Employee benefit expense Other losses - net Depreciation and amortisation Operating profit	204.030 109.167 (178.223) (49.586) (64.018) (1.348) (6.164) 13.858	154.780 106.723 (133.778) (55.741) (54.916) (2.893) (5.570) 8.605
Proveitos financeiros Custos financeiros Perdas em associadas Resultados Antes de Impostos	Finance income Finance costs Losses of associates Profit before income tax	3.745 (7.228) (25) 10.350	1.930 (4.616) (397) 5.522
Imposto sobre o rendimento	Income tax expense	(59)	(78)
Resultados das operações em continuação	Profit for the year from continuing operations	10.291	5.444
Operações descontinuadas	Discontinued operations		
Resultados das operações descontinuadas Resultado líquido	Profit for the year from discontinued operations Profit for the period	10.291	68 5.512
Atribuível a:	Attributable to:		
Accionistas Interesses minoritários	Equity holders of the Company Minority interest	6.997 3.294	5.169 343
		10.291	5.512
Resultado por acção das operações em continuação atribuível aos accionistas (€ por acção) - básico e diluído	Earning per share for profit from continuing operations attributable to the equity holders of the Company during the year (expressed in EUR per share) - basic and diluted.	0.23€	0.17€
Resultado por acção das operações descontinuadas atribuível aos accionistas (€ por acção) - básico e diluído	Earning per share for profit from discontinued operations attributable to the equity holders of the Company during the year (expressed in EUR per share) - basic and diluted.	Zero €	Zero €
12 M * - período de 12 meses findo em	12 M * - period of 12 months ended		

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Parecer da Comissão de Auditoria Sobre a Informação Financeira Consolidada Opinion of the Audit Committee on the Consolidated Financial Information

S

enhores Accionistas,

Nos termos da lei, do mandato que nos foi conferido pelos Senhores Accionistas e conforme previsto na g) do artigo 423°-F do Código das Sociedades Comerciais, apresentamos sucinto relato da actividade fiscalizadora desenvolvida e damos Parecer sobre o Relatório de Gestão e as Demonstrações Financeiras Consolidadas apresentados pelo Conselho de Administração da Novabase SGPS, SA relativamente ao exercício findo em 31 de Dezembro de 2007.

Esta comissão realizou ao longo do ano de 2007 diversas reuniões, quer formais quer informais sob a forma de reuniões ah-doc, quer ainda com órgãos de gestão responsáveis pelos Negócios da Novabase, tendo procedido à fiscalização:

- da Administração da Sociedade, seja no tocante à observância do cumprimento da lei, do contrato de sociedade e demais regulamentação em vigor, seja no tocante à sua actividade de gestão, às políticas prosseguidas e à conduta transparente, rigorosa e credível;
- da eficácia dos sistemas de gestão de riscos, e das acções de controlo interno e de auditoria interna; e
- dos mecanismos, procedimentos e acções desenvolvidos na preparação e divulgação de informação financeira, assim como na revisão da exactidão dos documentos de prestação de contas, das políticas contabilísticas e critérios valorimétricos adoptados pela Sociedade, por forma a assegurar que os mesmos correspondem a uma correcta avaliação do património e dos seus resultados.

No âmbito das competências que nos foram conferidas verificámos que:

• o relatório consolidado de gestão evidencia de forma correcta, clara e completa os aspectos mais significativos da evolução dos negócios e da situação patrimonial da Sociedade; igualmente, encontram-se devidamente identificados todos os riscos existentes, quer aqueles de natureza operacional, quer aqueloutros de natureza financeira; e

Dear Shareholders,

Pursuant to the law, the mandate from our shareholders and the provisions of Article 423-F, Item g) of the Portuguese Company Code, we now present a brief summary of our supervisory activities, together with our opinion on the Annual Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the year ending 31 December 2007.

Over the course of 2007, the Audit Committee held various formal meetings, informal ad-hoc meetings and meetings with Novabase management to supervise the following:

- Company management, in terms of compliance with the law, the memorandum of association and other regulations in force, as well as in relation to management activities, policies pursued and the transparency, diligence and credibility of conduct;
- The efficacy of risk management systems and internal control and auditing activities; and
- Mechanisms, procedures and activities employed in preparing and disclosing financial information and reviewing the accuracy of the accounting documentation, accounting policies and valuation criteria used by the Company, to ensure that these entail an accurate assessment of the Company's assets and results.

Under the powers given to us, we have confirmed that:

- The Consolidated Annual Report accurately, clearly and fully reflects the most significant aspects of the Company's business and financial situation; similarly, all existing risks of both an operational and financial nature have been duly identified; and
- The Consolidated Financial Statements and corresponding Annex truly and fairly reflect the Company's financial situation.

Therefore, in light of the information received from the Board of Directors and the Company's various departments, together with the conclusions of the Statutory Auditors Report, it is our opinion that:

• as demonstrações financeiras consolidadas e o respectivo anexo dão uma imagem verdadeira e apropriada da situação financeira da Sociedade.

Nestes termos, tendo em consideração as informações recebidas do Conselho de Administração e dos diversos Departamentos da sociedade, bem como, as conclusões constantes da Certificação Legal das Contas, somos do parecer que:

- seja aprovado o Relatório de Gestão;
- sejam aprovadas as Demonstrações Financeiras Consolidadas.

Lisboa, 03 de Abril de 2008

- The Annual Report be approved;
- The Consolidated Financial Statements be approved.

Lisbon, 03 April 2008

A Comissão de Auditoria The Audit Committee

Luis Mira Amaral (Presidente/ Chairman)

João Quadros Saldanha (Vogal/ Member)

Manuel Alves Monteiro (Vogal/ Member)

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CERTIFICAÇÃO LEGAL DAS CONTAS E RELATÓRIO DE AUDITORIA SOBRE A INFORMAÇÃO FINANCEIRA CONSOLIDADA STATUTORY AUDITORS REPORT IN RESPECT OF THE CONSOLIDATED FINANCIAL INFORMATION

Introdução

Nos termos da legislação aplicável, apresentamos a Certificação Legal das Contas e Relatório de Auditoria sobre a informação financeira contida no Relatório de gestão e nas demonstrações financeiras consolidadas anexas da Novabase SGPS, SA, as quais compreendem o Balanço consolidado em 31 de Dezembro de 2007, (que evidencia um total de 257.597 milhares de euros, e um total de capital próprio de 114.502 milhares de euros, o qual inclui interesses minoritários de 13.641 milhares de euros), a Demonstração consolidada dos resultados por naturezas, a Demonstração de alterações no capital próprio consolidado e a Demonstração consolidada dos fluxos de caixa do exercício findo naquela data, e o correspondente Anexo.

Responsabilidades

- 2 É da responsabilidade do Conselho de Administração da empresa (i) a preparação do Relatório de gestão e de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira do conjunto das empresas incluídas na consolidação, as alterações no capital próprio consolidado, o resultado consolidado das suas operações e os fluxos de caixa consolidados; (ii) que a informação financeira histórica seja preparada em conformidade com as normas internacionais de relato financeiro (IFRS) tal como adoptadas na União Europeia e que seja completa, verdadeira, actual, clara, objectiva e lícita, conforme exigido pelo Código dos Valores Mobiliários; (iii) a adopção de políticas e critérios contabilísticos adequados; (iv) a manutenção de sistemas de controlo interno apropriados; e (v) a divulgação de qualquer facto relevante que tenha influenciado a actividade do conjunto das empresas incluídas na consolidação, a sua posição financeira ou resultados.
- 3 A nossa responsabilidade consiste em verificar a informação financeira contida nos documentos de prestação de contas acima referidos, designadamente sobre se é completa, verdadeira, actual, clara, objectiva e lícita, conforme exigido pelo Código dos Valores Mobiliários, competindo-nos emitir um relatório profissional e independente baseado no nosso exame.

Âmbito

4 O exame a que procedemos foi efectuado de acordo com as Normas Técnicas e as Directrizes de Revisão/ Auditoria da Ordem dos Revisores Oficiais de Contas, as

Introduction

As required by law, we present the Statutory Auditors Report in respect of the Consolidated Financial Information included in the Board of Directors' Report and the consolidated financial statements of Novabase SGPS, SA, comprising the consolidated balance sheet as at 31 December 2007, (which shows total assets of Euros 257.597 thousand, total minority interests of Euros 13.641 thousand and a total shareholder's equity of Euros 114.502 thousand including a net profit of Euros 6.997 thousand), the consolidated statement of income by nature, the consolidated statement of changes in equity 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 the Directors' Report and consolidated financial statements which present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated changes in equity, the consolidated result of their operations and their consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the EU and which is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (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, the financial position or results of the company and its subsidiaries.
- 3 Our responsibility is to verify the consolidated financial information included in the documents referred to above, namely if it is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue an independent and professional report based on our audit.

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 sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements, and assessing the reasonableness of the estimates, based on the

quais exigem que o mesmo seja planeado e executado com o objectivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras consolidadas não contêm distorções materialmente relevantes. Para tanto o referido exame incluíu: (i) a verificação de as demonstrações financeiras das empresas incluídas na consolidação terem sido apropriadamente examinadas e, para os casos significativos em que o não tenham sido, a verificação, numa base de amostragem, do suporte das quantias e divulgações nelas constantes e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração, utilizadas na sua preparação; (ii) verificação das operações de consolidação e da aplicação do método da equivalência patrimonial; (iii) a apreciação sobre se são adequadas as políticas contabilísticas adoptadas e a sua divulgação, tendo em conta as circunstâncias; (iv) a verificação da aplicabilidade do princípio da continuidade; (v) a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras consolidadas; e (vi) a apreciação se a informação financeira consolidada é completa, verdadeira, actual, clara, objectiva e lícita.

- O nosso exame abrangeu ainda a verificação da concordância da informação financeira consolidada constante do relatório de gestão com os restantes documentos de prestação de contas.
- 6 Entendemos que o exame efectuado proporciona uma base aceitável para a expressão da nossa opinião.

Opinião

7 Em nossa opinião, as referidas demonstrações financeiras consolidadas apresentam de forma verdadeira e apropriada, em todos os aspectos materialmente relevantes, a posição financeira consolidada de Novabase SGPS, SA em 31 de Dezembro de 2007, as alterações no capital próprio consolidado, o resultado consolidado das suas operações e os fluxos consolidados de caixa no exercício findo naquela data, em conformidade com as normas internacionais de relato financeiro (IFRS) tal como adoptados na União Europeia e a informação nelas constante é completa, verdadeira, actual, clara, objectiva e lícita.

Lisboa, 3 de Abril de 2008

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PricewaterhouseCoopers & Associados, S.R.O.C., Lda. representada por:

Abdul Nasser Abdul Sattar, R.O.C.

judgements 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) assessing the overall presentation of the consolidated financial statements; and (vi) assessing whether the consolidated financial information is complete, true, timely, clear, objective and licit.

- 5 Our examination also covered the verification that the consolidated financial information included in the Board of Director's report is in agreement 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 SGPS, SA as at 31 December 2007, the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the information included is complete, true, timely, clear, objective and licit.

Lisbon, 3 April 2008

PricewaterhouseCoopers & Associados, S.R.O.C., Lda. represented by:

Abdul Nasser Abdul Sattar, R.O.C.

PricewaterhouseCoopers & Associados Sociedade de Revisores Oficiais de Contas, Lda. Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3°, 1050 - 217 Lisboa Matriculada na Conservatória do Registo Comercial sob o nº 506 628 752 (ex nº. 11912)

Inscrita na lista dos Revisores Oficiais de Contas sob o nº 183 NIPC 506 628 752 Capital Social Euros 245.500 Inscrita na Comissão de Valores Mobiliários sob o nº 9077



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Shareholdings of Corporate Board Members (Article 447, Item 5 of the Company Code)

Shareholders	No. Shares	% capital	% Voting Rights
José Afonso Oom Ferreira de Sousa	2.498.746	7,96%	8,09%
Pedro Miguel Q. Marques de Carvalho	2.498.697	7,96%	8,09%
Rogério dos Santos Carapuça	1.884.787	6,00%	6,10%
Luís Paulo Cardoso Salvado	1.786.790	5,69%	5,79%
João Nuno da Silva Bento	1.783.563	5,68%	5,78%
Álvaro José da Silva Ferreira	804.866	2,56%	2,61%
Manuel Saldanha Fortes Tavares Festas	74.946	0,24%	0,24%
Manuel Alves Monteiro	5.000	0,02%	0,02%
TOTAL	11.337.395	36,11%	36,69%

Shareholdings (Article 448, Item 4 of the Company Code)

Shareholder	Partial No.	No. Shares	% Capital	% Voting Rights
ES TECH VENTURES, SGPS, SA	1,792,144			
Other companies controlled by or part of the Novabase Group	1,200,395			
Corporate Board members	170			
Banco Espírito Santo, SA Group (under the terms of Article 20, Item 1 of the Securities Code) (*)		2,992,709	9.53%	9.68%
José Afonso Oom Ferreira de Sousa		2,498,746	7.96%	8.09%
Pedro Miguel Q. Marques de Carvalho		2,498,697	7.96%	8.09%
Rogério dos Santos Carapuça		1,884,787	6.00%	6.10%
Luís Paulo Cardoso Salvado		1,786,790	5.69%	5.78%
João Nuno da Silva Bento		1,783,563	5.68%	5.77%
Caixagest - Técnicas de Gestão de Fundos, SA (*)		1,465,828	4.67%	4.74%
Millennium Acções Portugal Fund	675,802			
Millennium PPA Fund	621,378			
Millennium BCP - Gestão de Fundos, SA (under the terms of Article 20, Item 1 of the Securities Code) (*)		1,297,180	4.13%	4.20%
Santander Gestão de Activos - Sociedade Gestora F.I.M., SA (*)		947,950	3.02%	3.07%
BPI – own portfolio	160,064			
Funds managed by BPI – Gestão de Activos SGFIM, SA	734,440			
BPI customers with discretionary portfolio management	1000			
Banco BPI, SA Group (under the terms of Article 20, Item 1 of the Securities Code) (*)		895,504	2.85%	2.90%
Álvaro José da Silva Ferreira		804,866	2.56%	2.60%
Manuel Saldanha Tavares Festas		74,946	0.24%	0.24%
TOTAL		18,931,566	60.29%	61.26%

^(*) Shareholdings correspond to last positions notified to the company as of 31 December 2007.

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Introduction

Novabase has chosen to attach a separate annex to the 2007 Annual Report and Accounts, devoted entirely to the management of the listed company, as required by CMVM (Portuguese Securities Market Commission) Regulation 07/2001 on the Management of Listed Companies, as amended by CMVM Regulation 11/2003, CMVM Regulation 10/2005 and CMVM Regulation 3/2006.

In addition, this report aims to fulfil the obligation to annually disclose the detailed structure and practices of corporate governance, under the terms of Article 245-A of the Securities Code, applicable to the issuers of shares admitted to trading in regulated markets.

This annex 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.

Novabase has been a publicly-traded company since July 2000. It operates according to a constantly-evolving corporate governance model, aimed at optimizing its performance and benefiting all of its stakeholders - those interested in its corporate activities, namely shareholders, investors, customers, partners and employees.

In 2007, the CMVM published a report on the disclosure of information involving corporate governance which evaluated degrees of compliance with CMVM recommendations on the corporate governance of companies listed on the Eurolist of Euronext on 31 December 2006. It ranked Novabase as the most compliant of these listed companies.

This CMVM report on the disclosure of information involving corporate governance was based on reports on corporate governance structure and practices, prepared by companies at the end of each year following the model in the Annex to CMVM Regulation 7/2001 (as amended by CMVM Regulation no. 11/2003, by CMVM Regulation no. 10/2005 and by CMVM Regulation no. 3/2006). Novabase was the listed company with the highest degree of compliance, having reached 92% in 2006, a clear upturn compared to 38% in 2005.

Shareholders approved an Anglo-Saxon corporate governance model at the Annual General Meeting of 12 April 2007, refining the model from 2006, in light of trends in best corporate governance practices, CMVM recommendations on the management of listed companies and Novabase's experiences since its admission to trading on the Euronext Lisbon Official Stock Exchange.

Since the corporate governance model is a dynamic process under constant refinement and definition, the main changes to the 2006 governance model, implemented in 2007 (approved at the last Annual General Meeting of 12 April 2007), are as follows:

Model/Board	Changes Implemented in 2007
Anglo-Saxon Model	Adoption of the Anglo-Saxon corporate governance model: in light of amendments to the Company Code under Decree-Law no. 76-A/2006 of 29 March, the Board of Directors submitted, at the last Annual General Meeting, a proposal to change the articles of association so that Novabase could adopt the Anglo-Saxon corporate governance model by institutionalizing the Audit Committee as a board according to the articles of association for supervising company activities, consequently eliminating the Board of Auditors. In this way, the company's new corporate governance model was comprised of a Board of Directors including an Audit Committee and a statutory auditor.
General Meeting	At the last Annual General Meeting, the Board of Directors proposed reducing the minimum number of shares from 1,000 to 1 for the purpose of shareholders exercising their voting rights. Each share thus corresponds to one vote. This amendment to the articles of association is now aligned with the new CMVM Corporate Governance Code, which was approved in 2007 and will become effective on 1 January 2009.

Chapter 0 - Declaration of Compliance

Summary of Novabase's Declaration of Compliance with CMVM recommendations (CMVM Regulation 07/2001, as amended by CMVM Regulation 11/2003, CMVM Regulation 10/2005 and CMVM Regulation 3/2006).

CMVM recommendations on the management of listed companies, adopted and not adopted (defining not adopted as those recommendations which were not followed in their entirety), are itemized below.

Recommendation	Degree of Fulfilment	Remarks
I - Disclosure of Information 1. The company must ensure that it has permanent contact with the market, that the principle of equality among shareholders is upheld and that uneven access of investors to information is prevented. To these ends, companies should set up an investor support office.	TOTAL	Novabase provides permanent support to the capital market. The Investor Relations Office represents Novabase in its dealings with the CMVM and investors, including contact with private and institutional, foreign and Portuguese investors. The office provides information through Novabase's website, with links of interest for investors with relevant information by investor profile (financial information, financial calendar, reserved information, area reserved for Annual General Meetings and the postal/electronic voting model – the latter available since 2006 – among others).
Representation of Shareholders 2. The active exercising of voting rights, whether directly, by post or by proxy should not be restricted. To this end, the following examples are considered to restrict the active exercise of voting rights: a) The imposition of a period of more then 5 working days between the deposit or blocking of shares and permission to participate in the general meeting; b) Any restriction in the articles of association on postal voting; c) The imposition of a requirement that postal votes be received more than 5 days in advance; d) The non-availability of voting slips for shareholders wishing to submit their vote by post.	TOTAL	As they stand, Novabase's articles of association do not provide for any restriction on voting rights, and votes may be cast by proxy, by post or electronically. Novabase therefore fulfils this CMVM recommendation in its entirety.
III - Corporate Rules3. It is recommended that companies establish an internal control system,	TOTAL	Novabase has an internal audit team whose job is to conduct audits of the financial departments of Novabase's affiliates.

for the efficient detection of risks linked to their activity, as a means of safeguarding their assets and enhancing the transparency of their corporate governance practices.

Where project risk management is concerned, Novabase has a project qualification methodology which analyzes various specific parameters.

The offer management unit analyses the industry in order to detect current trends and promote the development of skills within Novabase to address these trends. It controls typical risks in the IT sector, such as technology obsolescence, the risk that solutions may not be suitable, and the timing of the development and proposal of new solutions not being right for the market.

4. Measures adopted to prevent the success of takeover bids should respect the interests of the company and its shareholders. Measures considered contrary to these interests include defensive clauses intended to cause an automatic erosion of company assets in the event of the transfer of control or changes to the composition of the board which prove detrimental to the free transferability of shares and the free assessment by shareholders of the performance of members of the board.

PARTIAL

No measures aimed at preventing the success of takeover bids exist in Novabase's articles of association. There is a shareholders' agreement among a group of shareholders which expires in April 2009 (whose content was disclosed on 27 April 2006).

The CMVM believes that these agreements mav prove detrimental to the free transferability of shares and the free assessment by shareholders οf the performance of members of the board. Novabase believes that the existence of a shareholders' agreement does not constitute a defensive measure contrary to shareholder interests in itself, since it ensures stability in the management of the company, therefore safeguarding Novabase's corporate shareholder interests.

IV - Board of Directors

TOTAL

Novabase's Board of Directors is composed of a number of members who effectively control and guide the company's activities. In 2007, this board met regularly, at least once a month, thus ensuring effective control of the company's management.

5. The board should be composed of a number of members who provide effective guidance for the management of the company and the persons responsible for said management.

TOTAL

The composition of the Board of Directors includes 4 non-executive directors, 3 of whom are independent and comprise the Audit Committee. It is through this body that these independent directors monitor and assess the management of the Company on a continuous basis. They are empowered to propose the appointment of external auditors, supervise the implementation of Novabase's strategic and budgetary plan each year, and monitor the activities of the Executive Committee in performing its duties involving the day-to-day running of Novabase. In view of the above, Novabase has fulfilled this recommendation.

5-A. The board of directors should include a sufficient number of non-executive directors, whose role it is to continuously monitor and assess the management of the company by the executive members of the board. Members of other corporate bodies may exercise ancillary roles or, at the very most, substitute board members, if the supervisory powers involved are equivalent and exercised in fact.

6. The non-executive members of the board of directors must include a sufficient number of independent members. When there is only one non-executive director, he/she must also be independent. Independent members of other corporate bodies may exercise ancillary roles or, at the very most, substitute board members, if the supervisory powers involved are equivalent and exercised in fact.	TOTAL	Novabase's Board of Directors is currently comprised of three independent directors (more than 25% of all members of the board) under the terms of Article 1 (2) of CMVM Regulation 7/2001, to monitor and supervise the management of the company on an informed basis. Novabase thus fulfils this recommendation in its entirety.
7. The board of directors should create internal audit committees, with the power to assess the corporate structure and its governance.	TOTAL	A proposal to change the articles of association so that the company could adopt the Anglo-Saxon corporate governance model, through the creation in the articles of association of the Audit Committee within the Board of Directors, was approved at the last Annual General Meeting. The composition of this Committee was approved at the Annual General Meeting.
8. The remuneration of members of the board of directors should be structured in such a way as to permit the interests of board members to be in line with those of the company, and should be disclosed annually in individual terms.	TOTAL	Mechanisms have been created to align the interests of the company's directors and shareholders by means of variable remuneration, which depends both on Novabase's annual financial performance and the performance of Novabase's stock. Novabase has explicitly adopted the recommendation to publish individualized information on remuneration of members of managing boards (i.e. by publishing individualized information on remuneration of members of the Board of Directors).
8-A. A declaration on the policy for remunerating members of a company's corporate bodies should be submitted to the attention of shareholders at the annual general meeting.	TOTAL	The general criteria to be followed in this evaluation for the three-year period of 2006-2008 were presented by the Remuneration Committee and approved at the 2006 Annual General Meeting. Each year, the Remuneration Committee submits a report to the Annual General Meeting on the application of this policy in the preceding year. This year, this report is an annex to the Annual Report and Accounts.
9. Members of the remuneration committee or equivalent should be independent as regards the members of the board of directors.	TOTAL	Novabase fulfils this recommendation in its entirety, since the current members of the Remuneration Committee, subject to the approval of the 2006 Annual General Meeting, are independent from management and other corporate boards, namely Francisco Luís Murteira Nabo, Pedro Rebelo de Sousa and Fernando Eduardo Ribeiro Marques.
10. A proposal should be submitted to	TOTAL	All proposals for plans to allot shares and/or

the general meeting with regard to the options for the purchase of shares to members approval of plans for the allotment of of the board and/or workers submitted at shares, and/or options to purchase Novabase's Annual General Meeting did shares or based on variations in include all the elements required for the share prices, to members of the board correct evaluation of the proposal in question of directors and/or employees. Said and were duly accompanied by their proposal should contain corresponding regulations. information necessary to ensure that the plan is correctly assessed. The proposal should be accompanied by the rules of procedure for the plan, or, if these have not yet been drafted, by the general conditions for the plan. TOTAL **10-A**. The company should adopt a The 2006 Annual General Meeting approved policy whereby alleged irregularities the creation of a system for communicating occurring within the company are reported, containing the following information: the method through irregular practices. This system provides for any reports to be routed to the Audit Committee. In 2006 Novabase sought the which the irregular practices are approval of this system from the CNPD reported internally, including the persons permitted to receive such Comissão Nacional de Protecção de Dados information, the manner in which such (Portuguese Data Protection Authority). reports are to be dealt with, including confidential treatment of the Novabase delivered an urgent request for this information, if such is the wish of the assessment in 2007. person making the declaration. The general direction of this policy should Novabase is still waiting for authorization from be disclosed in the corporate the Portuguese Data Protection Authority to governance report. implement the system. V. Institutional Investors N/A N/A **11.** *Institutional investors should take* into consideration their responsibility to contribute to the diligent, efficient and critical use of the rights conferred on them by the securities they hold or whose management has been entrusted to them, particularly with regard to information and voting rights.

Chapter I – Disclosure of Information

1.1. Division of Powers between the Company's Boards and Departments in Corporate Decision Making

This report contains detailed information on Novabase's structure and corporate governance model. The adoption of an Anglo-Saxon corporate governance model was approved at the Annual General Meeting of 12 April 2007. In light of amendments to the Company Code under Decree-Law no. 76-A/2006 of 29 March, the Board of Directors submitted a proposal at this Annual General Meeting (which was approved) to change the articles of association so that Novabase could adopt the Anglo-Saxon corporate governance model by institutionalizing the Audit Committee as a board according to the articles of association for supervising company activities, consequently eliminating the Board of Auditors. In this way, the company's new corporate governance model included a Board of Directors, which elects an Executive Committee, an Audit Committee and a statutory auditor.

The powers, operation and composition of the boards according to the articles of association – namely, the Annual General Meeting, Board of Directors, Executive Committee, Audit Committee and Statutory Auditor – are described later in this chapter.

Novabase was organized into three business areas in 2007:

- _ Novabase Consulting
- _ Novabase Engineering
- _ Novabase Digital TV

Novabase Consulting's corporate governance model includes partners responsible for primary markets and practices.

These markets are as follows:

- Financial Services
- _Government & Healthcare
- Telecommunications & Media

The practices – structures responsible for product and service development and delivery – are as follows:

- _ Business & IT Consulting
- _ Advanced Custom Development
- _ Business Intelligence
- _ Enterprise Applications & Integration
- _ Multisourcing Services

Novabase Engineering operated with the following practices in 2007:

- _ IT Infrastructures
- _ Ticketing Solutions
- _ Mobility Solutions
- Multisourcing Services

In 2007, Novabase Digital TV continued to streamline and consolidate its business to create synergies and economies of scale between Germany (affiliate Technotrend) and its TV assets in Portugal.

Novabase Capital

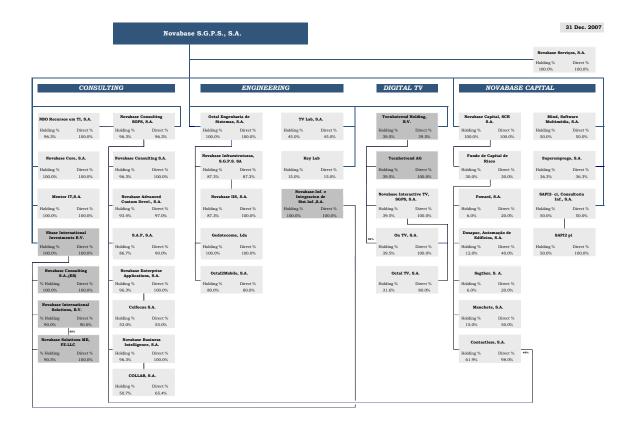
Novabase Capital is not a business area, but rather a support structure that serves the needs of Novabase business. It combines Novabase's Corporate Venture function with the area of Mergers and Acquisitions, and is able to respond to the needs of the other areas in this dominion. It also manages the Risk Capital Fund called FCR-Novabase Capital/FIC, established in partnership with the IAPMEI -Instituto de Apoio às Pequenas e Médias Empresas Industriais (Institute for the Support of Small and Medium Enterprises) of the Ministry of the Economy.

Novabase SGPS / Novabase Services

Novabase SGPS and Novabase Services control the central functional areas: Marketing and Communication, Finance Accounting, Legal, Administration and Logistics, Human Resources and IT. Novabase SGPS directly controls the Investor Relations function.

1.1.1. 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.



1.1.2. Novabase Corporate Bodies and Governance Model

The corporate and coordinating boards at Novabase SGPS, S.A. are as follows:

<u>Annual General Meeting:</u> Novabase's highest decision-making board. In 2007, it was presided over by Pedro Rebelo de Sousa.

The Annual General Meeting met once in 2007 (12 April) to examine, discuss and vote on the following matters:

- 1) Decide on the election of members of the Annual General Meeting, following the end of service of former members, to complete the current three-year term from 2006-2008;
- 2) Decide on the 2006 Annual Report and Accounts;
- 3) Decide on the proposal for the allocation of profits;
- 4) Conduct a general appraisal of the company's administration and auditing;
- 5) Decide on the elimination of Article 2 Item 2; the alteration of Article 7 Item 1, Article 8 Items 1 and 3, Article 9 Item 5, Articles 13, 18 and 19, and Article 21 (formerly Article 20) Item 2; and the amendment of Article 9 Item 9, Article 17 Item 4, Article 20 and Article 23 of the articles of association of Novabase, SGPS, S.A.;
- 6) Decide on the election of members of the Audit Committee, with the appointment of a chairman, to complete the current three-year term from 2006-2008;
- 7) Appoint the acting and substitute Statutory Auditor for the current three-year term from 2006-2008;
- 8) Decide on the renewal of powers granted to the Board of Directors by Article 4 Item 2 of Novabase's articles of association;
- 9) Decide on the elimination of shareholders' right of preference in the capital increase to be decided on by the Board of Directors in support of the Novabase Group's existing Stock Option Plan;
- 10) Decide on the acquisition and sale of treasury shares.

Shareholders owning more than 50% of the share capital attended the meeting and all the items on the agenda were approved by more than 2/3 of the votes.

Rules governing the appointment and substitution of members of the board of directors and the amendment of the Company's Memorandum and Articles of Association

Constitutive and decision-making quorum for the Annual General Meeting

The Annual General Meeting can, whether it meets on first or second notice, decide on the appointment and replacement of members of the board of directors, by a majority of votes cast, no matter what percentage of the share capital is represented there, with abstentions not being counted.

When amendments to the Memorandum and Articles of Association are under consideration, the Annual General Meeting decides by a two-thirds majority of votes cast.

However, should shareholders representing at least half the share capital be present or represented on second notice, the decision on amendments to the memorandum and articles of association can be taken by an absolute majority of votes cast, and a two-thirds majority is not required.

<u>Audit Committee:</u> Comprised of independent members of the Board of Directors appointed by the General Meeting of Shareholders, the Audit Committee is responsible for supervising company management and compliance with the law and articles of association,

and for issuing an opinion on management's annual report and accounts. Its supervisory powers ensure the independence and quality of company audits in accordance with the best international standards. It also ensures the efficacy of the company's internal control system and monitors the company's fulfilment of principles and best practices involving corporate governance.

It held the compulsory number of meetings in 2007 as required by the articles of association and made all examinations of the accounts that it saw fit as part of its duties. It conducted analyses and made suggestions as deemed necessary. It is currently comprised of Luís Fernando de Mira Amaral (Chairman), João Francisco Quadros Saldanha and Manuel Alves Monteiro, all of whom are non-executive voting members, independent from the Board of Directors.

The Report from the Audit Committee is reproduced in its entirety as an annex to this document.

<u>Board of Directors:</u> Responsible for ensuring the general interests of the company, exercising all powers under the law and the articles of association, and performing all actions necessary or appropriate toward the pursuit of its corporate purpose. 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 Board of Directors has general powers to act in the pursuit of the Company's corporate and business interests, within the confines of the law, the memorandum and articles of association and the decisions of the General Meeting and, in particular, to:

- a) Acquire, encumber and sell any rights or movable property as well as to acquire and encumber and sell immovable property, whenever it is deemed appropriate for the Company;
- b) Take out loans and carry out any other financing operations in the interest of the Company, under such terms and conditions that it deems fit;
- c) Appoint representatives of the Company;
- d) Delegate powers to its members, pursuant to Article 14, Item 4 of the Articles of Association;
- e) Hire employees, set their conditions of employment and exercise disciplinary power;
- f) Represent the Company in and out of court, actively and passively, file lawsuits, and make admissions and conciliate in them and withdraw from them, and engage in arbitration;
- g) Open, operate and close any of the Company's bank accounts, deposit and withdraw money, issue, accept, draw and endorse cheques, bills and promissory notes, invoice statements and any other securities;
- h) Decide on investments in the capital of other companies or on participating in other businesses;
- Run the Company's businesses and carry out any acts and transactions relating to the corporate object that do not fall within the jurisdiction of other Company bodies;
- j) Co-opt directors;
- k) Ask the Chairman of the General Meeting to call General Meetings;
- 1) Decide on the annual reports and accounts;
- m) Decide that Novabase may provide collateral, personal guarantees and security in rem:
- n) Open or close establishments or major parts thereof;
- o) Undertake important expansion or reduction in the business operations of Novabase;
- p) Implement important modifications in the organization of Novabase;
- q) Establish or end important long-term cooperation with other companies;
- r) Change the registered office and increase the share capital pursuant to the provisions in the memorandum and articles of association;

- s) Undertake projects to merge, demerge and transform Novabase;
- t) Undertake any other matter on which a Director seeks a decision from the Board of Directors.

Regarding decisions to increase capital, the Board of Directors can, by a two-thirds majority of the votes of its members, increase the share capital one or more times by cash payments, up to a ceiling of twenty-eight million two hundred thousand euros, setting the terms and conditions of each increase of capital and the form and time limits for subscribing.

The following figure illustrates the composition of the Board of Directors elected for the three-year period of 2006-2008, together with the primary responsibilities of its members in 2007.

Rogério Santos Carapuça	Chairman and CEO
José Afonso Oom Ferreira de Sousa	Novabase Capital and Legal Management
Pedro Miguel Quinteiro Marques de Carvalho	CIO and Administrative and Logistics Management
Luís Paulo Cardoso Salvado	CFO/CHO and CEO Novabase Consulting
João Nuno da Silva Bento	CEO Novabase Digital TV
Álvaro José da Silva Ferreira	Novabase Consulting and Novabase Engineering /IT Infrastructures
José Carlos de Almeida Pedro de Jesus	Novabase Engineering/Ticketing
João Vasco Tavares da Mota Ranito	Novabase Engineering/Mobility Solutions
Manuel Saldanha Fortes Tavares Festas	IR – Investor Relations
Joaquim Sérvulo Rodrigues	Non-executive
Luís Fernando de Mira Amaral	Non-executive and independent
Manuel Alves Monteiro	Non-executive and independent
João Francisco Quadros Saldanha	Non-executive and independent

The Board of Directors' composition includes three qualified, non-executive independent members, under the terms of Article 1, Item 2 of CMVM Regulation no. 7/2001, namely Luís Fernando de Mira Amaral, Manuel Alves Monteiro and João Francisco Quadros Saldanha.

Luís Paulo Salvado became the CFO in 2007 (replacing José Afonso de Sousa). Novabase thus fulfilled the recommendation of frequent CFO turnover.

Members José Carlos de Almeida Pedro de Jesus and João Vasco Tavares da Mota Ranito resigned from office on 28 September 2007.

Executive Committee: Responsible for the day-to-day running of the company and may perform all actions required to this end, respecting the powers of the Board of Directors with regard to actions which must be submitted for its approval, namely the matters specified in Article 406, Items a) through d), f), l) and m) of the Portuguese Company Code.. The Executive Committee defines the company's organizational structure, appoints employees to perform management duties in the corporate boards of this structure and manages all of the company's operating areas.

Following the approval of the current corporate governance model at the last Annual General Meeting, the Executive Committee was created by the Board of Directors, and is currently comprised of the following members as of 31 December 2007: Rogério Santos

Carapuça, 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 and Manuel Saldanha Fortes Tavares Festas.

<u>Statutory Auditor:</u> The Statutory Auditor is responsible for examining the company's accounts, together with supervisory duties involving the ongoing pursuit of the company's corporate purpose. Its active member is the official auditing firm PricewaterhouseCoopers & Associados, represented by Abdul Nasser Abdul Sattar (acting statutory auditor) and César Abel Rodrigues Gonçalves (substitute statutory auditor).

Remuneration Committee: The board decides upon the remuneration of corporate board members. Its current members for the three-year period of 2006-2008 were decided in the Annual General Meeting of 20 April 2006. Presiding at the Remuneration Committee was Murteira Nabo Pedro Rebelo de Sousa and Fernando Eduardo Ribeiro Marques are also part of this committee. All of its members are thus independent under the terms of Chapter 1, Item 9 of the Annex to CMVM Regulation 7/2001.

Chapter III Point no. 3.3 of this report describes the internal procedures adopted by Novabase for risk control in its business activities.

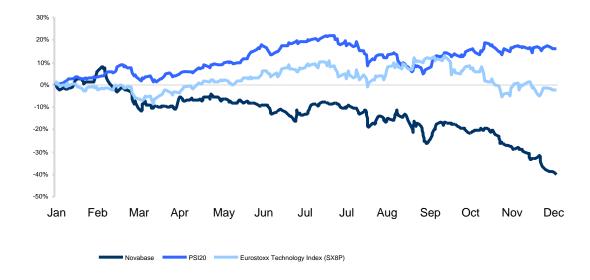
1.2. Changes in Novabase's Share Prices

2007 was marked by gains in the PSI20 Index, which was up 16.0%. Novabase's share price fell 40.2% during the year, compared to a 2.4% drop in the EuroStoxx Technology Index.

Share turnover accounted for 64.2% of Novabase's capital in 2007, with 20.2 million shares traded, similar to the figures for 2006 (turnover of 65.5% of capital, with 20.6 million shares traded).

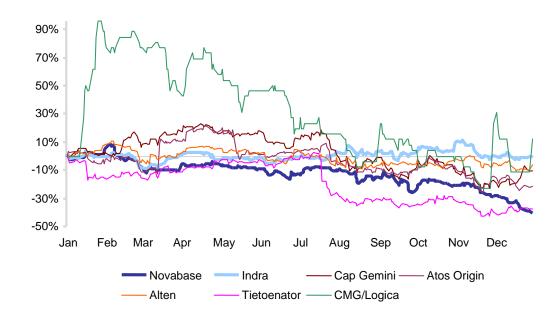
Novabase left the PSI20 Index at the end of the first half of 2007 due to the entry of new market players with significantly higher liquidity levels.

Novabase and the Market



In comparing Novabase's share price with other similar companies from Europe's IT sector, one can see that the Novabase share's performance in 2007 was lower than that of other companies, with less volatility.

Novabase and other TMTs



The average Novabase share price weighted by quantity in 2007 was 5.17 euros per share. 20.2 million shares were traded in all 255 stock exchange sessions in 2007, corresponding to a trading value of €103.3 million.

The daily average number of shares traded in 2007 was 79.1 thousand shares, corresponding to a daily average value of about €0.4 million.

The share price on the last day of trading, 31 December 2007, was 3.27 euros, which represents a loss of around 40.5% compared to the 5.50 euros that Novabase shares registered at the end of 2006.

The highest closing price achieved in 2007 was 5.91 euros, while the lowest closing price recorded was 3.27 euros. Market capitalization at the end of 2007 was €102.7 million.

Summary	2007	2006	2005	2004	2003	2002
Minimum price (EUR)	3.27	5.22	5.45	5.01	5.10	4.06
Maximum price (EUR)	5.91	7.27	6.96	7.80	6.26	8.45
Average price weighted by quantity (EUR)	5.17	5.91	6.16	6.13	5.81	6.32
Number of shares traded (millions)	20.2	20.6	8.5	5.5	4.0	7.0
Market capitalization on last day of period (millions of euros)	102.7	172.7	182.4	178.1	166.7	163.9

1.2.1. Relevant Occurrences and Presentation of Results

Novabase published the following relevant occurrences and results in 2007:

2007-11-27

Listing of shares held by Novabase in the share capital of Techno Trend NV rescheduled for early 2008

Novabase – Sociedade Gestora de Participações Sociais, S.A. (hereinafter "Novabase") announces the decision to postpone the announced Initial Public Offer ("IPO") of the shares of its subsidiary in the Digital TV area, the Dutch company Techno Trend NV ("TTNV"), in the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange planned for 30 November 2007.

2007-11-09

Price range disclosure for the IPO of Techno Trend NV

Novabase announces the price range for the IPO of Techno Trend NV.

2007-11-06

Listing of shares held by Novabase in the share capital of Techno Trend NV

Novabase announces its decision to participate in the Initial Public Offer ("IPO") of the shares representing the share capital of its subsidiary in the Digital TV area.

2007-10-29

Novabase - SGPS, SA announces the consolidated results of the first nine months of 2007

Turnover reaches €218.8 million (€183.1 million in 9M06), EBITDA reaches €15.0 million (€13.6 million in 9M06) and Net Profit reaches €5.1 million (€5.0 million in 9M06).

2007-10-23

Qualified Holdings

Novabase announces having been notified by Millennium bcp – Gestão de Fundos de Investimento, S.A., BCP Group that the participation of the portfolios it manages in Novabase, SGPS, S.A.'s capital stock increased to 1,297,180 shares following a purchase of 31,474 shares on 5 April 2007.

2007-10-01

Novabase reduces the composition of its Executive Committee

Novabase announces that it has received the resignations of Mr. José Carlos de Almeida Pedro de Jesus and Mr. João Vasco Tavares da Mota Ranito as members of the Board of Directors and, subsequently, as members of the Executive Committee.

2007-09-21

Qualified Holdings

Novabase announces having been notified by Millennium bcp – Gestão de Fundos de Investimento, S.A., BCP Group that the participation of the portfolios it manages in Novabase, SGPS, S.A.'s capital stock increased to 1,154,190 shares.

2007-08-02

Qualified Holdings

Novabase announces having been notified by Millennium bcp – Gestão de Fundos de Investimento, S.A., BCP Group that the participation of the portfolios it manages in Novabase, SGPS, S.A.'s capital stock decreased to 1,140,190 shares.

2007-07-26

Novabase presents consolidated results on 30 June 2007

Turnover reaches €151.1 million (€125.4 million in 6M06), EBITDA reaches €10.5 million (€10.0 million in 6M06) and Net Profit reaches €3.9 million (€3.6 million in 6M06). The Consolidated Sales and Services Volume in the 6M07 reached €151.1 million, which represents an increase of 20.4% compared to the €125.4 million in 6M06.

2007-05-18

Annual Information Consolidation Document

Information published or publicly disclosed in 2006 by Novabase as an issuer of securities admitted to trading in regulated markets.

2007-04-24

Novabase announces 1st quarter 2007 consolidated results

Turnover reaches €77.2 million (€64.7 million in 2006), EBITDA reaches €6.3 million (€5.1 million in 2006) and Net Profit reaches €2.6 million (€1.4 million in 2006). The Consolidated Sales and Services Volume in the 3M07 reached €77.2 million, which represents an increase of 19.4% compared to the €64.7 million in 3M06.

2007-04-12

Novabase - SGPS, SA announces Annual General Meeting proposals

The Annual General Meeting of Shareholders of Novabase, Sociedade Gestora de Participações Sociais, S.A. (hereinafter: "Novabase") was held this afternoon. All the proposals submitted by the Board of Directors were approved.

2007-04-04

Qualified Holdings

Novabase announces having been notified by Millennium bcp – Gestão de Fundos de Investimento, S.A., BCP Group that the participation of the portfolios it manages in Novabase, SGPS, S.A.'s capital stock decreased to 1,276,993 shares.

2007-04-02

Novabase comments on news published by Expresso newspaper

Novabase provides clarification on the article "Novabase Coveted by Multinationals" published by the newspaper Expresso last Saturday, 31 March.

2007-02-12

Qualified Holdings

Novabase announces having been notified by Millennium bcp – Gestão de Fundos de Investimento, S.A., BCP Group that the participation of the portfolios it manages in Novabase, SGPS, S.A.'s capital stock decreased to 1,540,899 shares.

Novabase announces 2006 consolidated results

Turnover reaches €261.5 million (€226.4 million in 2005), EBITDA reaches €16.4 million (€17.3 million in 2005) and Net Profit reaches €5.2 million (€5.1 million in 2005).

1.2.2. Changes in Share Capital

In 2001, as part of the company's Stock Option Plan described in Point 1.4 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.

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.

In 2004, as part of the company's Stock Option Plan described in Point 1.4 of this Annex, Novabase increased its share capital, with cash payments, from 14,127,982 euros to 14,203,353.50 euros. This increase in capital involved the issue of 150,743 shares with a face value of 0.50 euros each. These shares were subscribed and paid up at a price of 4.96 euros.

In 2005, as part of the company's Stock Option Plan described in Point 1.4 of this Annex, Novabase increased it share capital, with cash payments, from 14,203,353.50 euros to 14,362,882.50 euros. This increase in capital involved the issue of 319,058 shares with a face value of 0.50 euros each. Of these, 314,971 shares were subscribed and paid up at a price of 4.96 euros, and the remaining 4,087 were subscribed and paid up at a price of 5.87 euros.

In 2006, as part of the company's Stock Option Plan described in Point 1.4 of this Annex, Novabase increased its share capital, with cash payments, from 14,362,882.50 euros to 15,700,697.00 euros. This increase in capital involved the issue of 2,675,629 shares with a face value of 0.50 euros each. Of these, 2,634,308 shares were subscribed and paid up at a price of 4.96 euros, 38,755 at a price of 5.87 euros and 2,566 at a price of 6.10 euros each.

In 2007, as a result of the performance of the stock markets in general and of the Portuguese stock market in particular, no increase in share capital was necessary due to the low number of options that were exercised.

All of Novabase's ordinary shares are admitted to trading on the Eurolist of Euronext Lisbon.

1.3. 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 the sale and admission to official trading of Novabase's shares on the Lisbon and Oporto Stock Exchanges (today Eurolist of 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 Annual General Meeting therefore decided unanimously not to distribute dividends to the shareholders for the financial years ending on 31 December of 2000, 2001 and 2002.

Dividends for 2003, 2004, 2005 and 2006 – shareholders present at Annual General Meetings decided not to distribute dividends.

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

A second Stock Subscription and/or Purchase Option Plan for 2003 to 2005 ("2003-2005 Plan") 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.

While the 1st Plan's admission and performance components corresponded to the years 2000, 2001 and 2002, admission and/or performance options for the years 2003, 2004 and 2005 could be attributed in the 2003-2005 Plan.

In order to approximate the date of positive performance in a given year and its corresponding reward, the 2003-2005 Plan does not involve a one-year waiting period. In this way each option may be immediately exercised without delay in the year following that of performance evaluation. The period for exercising options is three years under the terms of the 2003-2005 Plan's regulation.

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 Novabase's Board of Directors, it was the Remuneration Committee's responsibility to determine the number of options to be attributed.

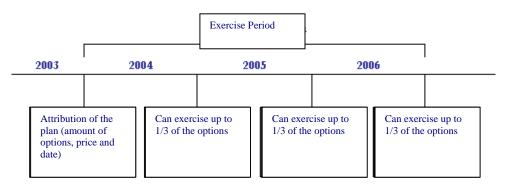
The 2003-2005 Stock Option Plan options (which depend on whether they are exercised by buying shares from Novabase or by subscribing new shares in an increase in the company's share capital) are attributed in two types of complementary components making it possible to align it with payment and reward 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.

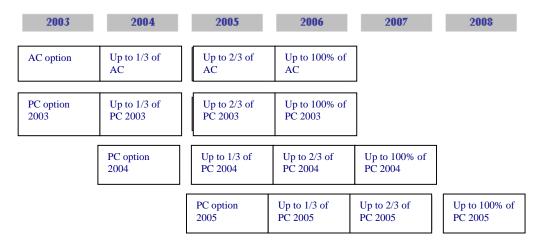
The options attributed in the different components by 31 December of each year can be exercised in three stages. The first can be exercised on 25 May of the year following that in

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.

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



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



The subscription and/or purchase price of the shares in the options attributed in each component under the 2003-2005 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 1 October and 31 December 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 Annual General Meeting held on 29 April 2003.

The take-up price of options attributed under annual performance components in the 2003-2005 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.

The shares corresponding to the options attributed but not yet exercised under the previous Stock Option Plan (referring to 2000 to 2002) and the 2003-2005 Plan 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.

It was the Board of Directors' responsibility to select 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.

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 monitoring the Plan, designated by Novabase's Board of Directors, will propose these corrections.

A third Stock Option Plan for Novabase and group companies' employees and members of the Board of Directors of Novabase was approved in the last Annual General Meeting.

This third Stock Option Plan in place between 2006-2008 is inclusive of the directors of some of the companies in the Novabase 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) who are primarily dedicated to the management of these companies, as well as those performing duties considered of high relevance in any company in the Novabase Group, based on a fixed term or open-ended employment contract.

In this Stock Option Plan's 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 also attributed under a new component, the Annual Loyalty Component.

Options attributed in this component by 31 December of each year can be exercised in three stages. The first can be exercised on 25 May of the year following that in which the first annual 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.

Each participant may benefit only once from the options under this plan, which will occur, in the case of Novabase directors, in the year following that in which they begin their management duties.

The subscription and/or purchase price of the shares in the options attributed within the Annual Loyalty Component under this third Plan for the years 2006-2008 is defined before the date of attribution. It should, as a rule, be the arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase's shares at sessions of the Eurolist of Euronext Lisbon market between 1 October and 31 December of the year previous to that in which the options are attributed, with the necessary adjustment under the terms of the current Plan, approved by the Annual General Meeting on 20 April 2006.

The subscription and/or purchase price of the shares for the first year of implementation of the Plan, corresponding to the 2006 Annual Loyalty Component, taking into account the adjusted arithmetic average of the share prices of the transactions of Novabase's shares at sessions of the Eurolist of Euronext Lisbon market between 1 October and 31 December 2005, under the terms of the Plan, will be 6.46 euros per share.

The shares corresponding to the options attributed but not yet exercised under this third 2006-2008 Stock Option Plan should not at any time exceed 8% of the total volume of shares representing Novabase's share capital at the time, for the three Annual Loyalty Components.

It is the Board of Directors' responsibility to select participants in the Stock Option Plan for the years 2006 to 2008, except in the case of Novabase directors, whose stock option offerings are the responsibility of the Remuneration Committee. 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 monitoring the Plan, designated by Novabase's Board of Directors, will propose these corrections.

Implementation of the Stock Option Plans:

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 the purpose on 1 June 2001. Of the 55,964 shares subscribed, 45,043 were subscribed at &8.50, and the remaining 10,921 at &10.40.

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.

In 2004, 150,743 subscription options for Novabase shares were exercised on 25 May 2004 under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, corresponding to 11.9% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 28 May 2004. These 150,743 shares were subscribed and paid up at the unit price of 4.96 euros.

In 2005, 319,058 subscription options for Novabase shares were exercised on 25 May 2005 under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, corresponding to 8.9% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 1 June 2005. Of the 319,058 shares, 314,971 were subscribed and paid up at the unit price of 4.96 euros, and the remaining 4,087 were subscribed and paid up at the unit price of 5.87 euros.

In 2006, 2,675,629 subscription options for Novabase shares were exercised on 25 May 2006 under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, corresponding to 48% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 01 June 2006. Of the 2,675,629 shares, 2,634,308 were subscribed and paid up at the unit price of 4.96 euros, 38,755 were subscribed and paid up at the unit price of 5.87 euros, and the remaining 2,566 were subscribed and paid up at the unit price of 6.10 euros.

In 2007, 23,169 subscription options for Novabase shares were exercised on 25 May 2007 under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, corresponding to less than 1% of the options attributed and exercisable on that date (active options). All 23,169 options were subscribed at the unit price of 4.91 euros (resulting from the adjustment to the unit price of 4.96 euros, as explained later). The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

Implementation Summary Chart

Period	Total Shares Exercised	Shares	Subscription Price	Shares	Subscription Price
2001	55,964	45,043	8.5	10,921	10.40
2004	150,743	150,743	4.96		
2005	319,058	314,971	4.96	4,087	5.87
2006	2,675,629	2,634,308	4.96	38,755	5.87
2006		2,566	6.10		
2007	23,169	23,169	4.91		

To date, 3,045,281 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 2008, up to 1,989,963 shares may be issued, broken down by the following prices: 990,890 shares at the price of 6.10 euros each (expiring on 25 May 2008) and 999,073 shares at the price of 6.46 euros each (corresponding to 2/3 of the 1,498,610 shares attributed to management, expiring on 25 May 2009) as part of an increase in capital to be ultimately decided on by the Board of Directors to put the Plans into effect.

However, considering the current price of Novabase's shares on the Eurolist of Euronext Lisbon, together with the above take-up prices, we do not expect these options to be exercised.

Note that the above take-up prices will be adjusted according to share capital increases, under the Stock Option Regulations number 9, item d) Adjustment of the Purchase/Subscription Share Price. A formula which adjusted the strike in each plan that was still in place, in accordance with the formula resulting from the share capital increase, was applied.

The formula was:

- Pt = (P0*N0 + PN*N) / (N0 + N)
- Pt = Theoretical quotation after the transaction
- P0 = Quotation before the transaction
- NO = No. of shares representing the share capital before the transaction
- PN = Share capital increase subscription price per share
- N = No. of shares to be issued under the share capital increase
- Assigned values:

•	P0	= €5.70	NO	= 2	8,725,765
•	P1	= €4.96	N1	= 2	,634,308
•	P2	= €5.87	N2	=	38,755
•	Р3	= €6.10	N3	=	2,566

- Final Result
- 98.9% reduction

The result for each active strike is detailed below:

Strike	New Strike
4.96 €	4.91 €
5.87 €	5.81 €
6.10 €	6.03 €
6.46 €	6.39 €

These strikes were applied in the stock options exercise on 25 May 2007.

1.5. The Use of New Technologies in Publicizing Financial and Other Information in Preparation for the Annual General Meetings

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, relevant information about the sector supporting the predictability of earnings, reserved information, 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 Annual General Meetings for convening meetings and posting preparatory information for Annual General Meetings and the form for postal votes and electronic voting (available since 2006), a Corporate Governance space in which Novabase publishes this report and the contact details of Novabase's Investor Relations Office.

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

No other 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.

1.7. 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 promoting contact with 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 Telephone: +351 213 836 300 Fax: +351 213 836 301

E-mail: investor.relations@novabase.pt

Address: Av. D. João II, Lote 1.03.2.3., Parque das Nações, 1998-031 Lisbon, Portugal

1.8. Remuneration Committee

The composition of the Remuneration Committee is described in Point 1.1.2 of Chapter I – Disclosure of Information of this report. None of its members are affiliated in any way, either directly or by kinship, with Novabase management.

The Remuneration Committee prepares an annual activity report, which is attached to this report.

1.9. 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

To ensure greater shareholder involvement in the company, particularly through attendance at Novabase's Annual General Meetings, the Board of Directors proposed an amendment to the articles of association, approved in the last Annual General Meeting, in which each share would correspond to one vote. Shareholders' right to information and postal voting were likewise regulated. Therefore, pursuant to the amended terms of Clause 9, Item 5 of Novabase's articles of association, each share corresponds to one vote. Pursuant to the terms of Item 9 of this same clause, regulations were imposed on postal voting.

Shareholders wishing to participate in the Annual General Meeting must prove, up to five days before the meeting, 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/her representative, may participate in the Annual General Meetings.

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

Shareholders with voting rights may vote electronically. The rules to be followed for this method of voting can be found in the notices convening the General Meetings.

Novabase provides the postal voting form for the Annual General Meetings at the company's website, www.novabase.pt. These have been available for Annual General Meetings since 2003

Electronic voting can be done via the company's website (www.novabase.pt). Shareholders with voting rights must register on this site, and must send a letter to Novabase, before the day of the respective Annual General Meeting, drawn up according to the model given on the site. It must be addressed to the Chairman of the Annual General Meeting, and the signature must be duly notarized (or, in the case of private individuals, the signature must be accompanied by a photocopy of the respective identity card), together with the certificate issued pursuant to Article 78, Item 2 of the Portuguese Securities Code, by the financial agents responsible for registering the shares. After the aforementioned letter has been sent, Novabase will send the authorization and electronic voting instructions to the e-mail address provided by the shareholder at the time of registration. Electronic voting may take place in the period stipulated in the notice convening the Annual General Meeting.

The attendance of the shareholder (or an appointed representative of the shareholder) at the Annual General Meeting will result in the revocation of the electronic or postal vote.

Votes exercised either by correspondence or by electronic means shall be considered as negative votes concerning resolution proposals that may be presented after the exercise of such votes.

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 Annual General Meeting at least three days before the date set for the AGM.

A special page devoted to Annual General Meetings has been created at the site www.novabase.pt, where Novabase will post the invitation and preparatory information for the next Annual General Meeting, in an effort to encourage postal, electronic and proxy votes.

3.1. 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 authorized to do so by the customer.

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 standardization 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.

3.2. Conflicts of Interest

The existence of independent directors on the Board of Directors is a means of overseeing this board, together with other aspects of management and the company in general.

These independent directors make up the Audit Committee, which operates within the Board of Directors and has the following duties:

- a) To propose, at the Annual General Meeting, the appointment of the Statutory Auditor;
- b) To monitor the Statutory Auditor's independence;
- c) To oversee the review of accounts and other company accounting documents, namely the accounting policies and valuation criteria adopted by Novabase, so that said documents lead to a correct appraisal of the assets and results;
- d) To prepare an annual report on its oversight activities, and issue an opinion on the Annual Report and Accounts and proposals submitted by management;
- e) To work with the Board of Directors in choosing external auditors, and supervise the work performed by these auditors;
- f) To ensure the existence of sufficient internal control mechanisms to understand and manage the inherent risks of Novabase's activities;
- g) To monitor the efficacy of the risk management system, internal control system and internal auditing system;
- h) To recommend the adoption of policies and procedures for achieving the goals established in point (g) above to the Board of Directors, and to suggest how these mechanisms may be improved;
- i) To alert the Board of Directors and other corporate boards, depending on the circumstances, to any situations in the company which may be regarded as anomalous, should they exist;
- j) To monitor the preparation and disclosure of financial information;
- k) To take whatever decisions it deems necessary, informing Novabase's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) accordingly, with respect to information about any irregular practices which it receives from shareholders, Novabase employees or others, to the department created specifically for this purpose;
- l) To prepare an annual report, to be submitted to the ordinary Annual General Meeting, describing its activity in the previous financial year and its conclusions;
- m) To comply with other competencies and duties provided for by law and the memorandum of association;

n) To prepare reports, define policies and guidelines, create recommendations, implement procedures and execute the necessary measures to fulfil the provisions of these Regulations, national legal and regulatory provisions, recommendations issued by the Portuguese Securities Market Commission (CMVM), and standards which may be imposed under legislation passed by competent authorities of the European Union concerning the powers and responsibilities of the Audit Committee as part of the corporate governance principles adopted by Novabase.

3.3. Risk Control in Novabase's Business Activities

Novabase has an internal audit team whose job is to conduct audits of the financial departments of Novabase's affiliates. The Audit Committee employs this team's services whenever necessary. Although it focuses on large customers, Novabase can conduct an internal customer credit analysis whenever a project manager requests one.

The Audit Committee, referred to in the previous point, will also have powers involving the assessment of sufficient internal control mechanisms to understand and manage the inherent risks of Novabase's activities, suggesting policies and procedures to the Board of Directors to achieve these goals and refine these mechanisms.

Where project risk management is concerned, Novabase has a project qualification methodology which analyzes various specific parameters. Once the risk of the project has been ascertained, it is assigned to a project manager with the appropriate seniority. A number of qualifying training courses for project managers have been pursued in recent years. A system of ceilings is in place, by which authorization of proposals must be validated by a supervisor and the maximum ceiling requires authorization 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 (i) the solutions it develops becoming obsolete relatively fast, (ii) the proposed solutions proving not to be suitable and (iii) the timing of the development and proposal of new solutions not being right for the market. With these risks in mind, Novabase has set up an offer management unit, which 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.

3.4. Limits on Voting Rights, Special Rights and Shareholders' Agreements

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

On 20 April 2006 the following Novabase shareholders signed a shareholders' agreement according to the following table, which shows the individual positions on this date:

Shareholders	No. Shares	% capital
José Afonso Oom Ferreira de Sousa	2.498.697	8,70%
Pedro Miguel Quinteiro Marques de Carvalho	2.498.697	8,70%
Rogério dos Santos Carapuça	1.873.113	6,52%
Luís Paulo Cardoso Salvado	1.783.543	6,21%
João Nuno da Silva Bento	1.783.543	6,21%
Álvaro José da Silva Ferreira	804.866	2,80%
João Vasco Tavares da Mota Ranito	492.628	1,71%
José Carlos de Almeida Pedro de Jesus	366.592	1,28%
Manuel Saldanha Fortes Tavares Festas	74.946	0,26%
Total	12.176.665	42,39%

The following contents of this shareholders' agreement are noteworthy:

- a) Obligations regarding the composition of the Board of Directors and election of its members, namely the joint creation by all signatories, previously at Annual General Meetings for the election in question, of proposals for designating members of the Board of Directors. 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 Annual 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, together with the potential purchase of Novabase shares by the signatories, with signatories agreeing not to initiate sales or purchases of any kind outside of this agreement;
- c) In all of the following matters, signatories must exercise their voting right at Novabase Annual 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 amendments to the articles of association;
- d) Obligation of signatories to vote at Annual General Meetings exclusively in favour of decisions previously passed by a two-thirds or greater majority of signatories having voting rights corresponding to shares;
- e) The need for unanimity of all Signatories for the purchase of Novabase shares that imply the attribution to such Signatories of a qualified shareholding exceeding 33% or 50% of Novabase voting rights;
- f) The Signatories undertake to ensure that their immediate descendents, who have not yet reached legal age, will not acquire any Novabase shares in return for payment;
- g) Any Signatory that, in breach of the Shareholders' Agreement, causes a qualified shareholding of 50% of Novabase voting rights to be attributed to the remaining Signatories, under the terms of Article 20 of the Securities Code, must immediately initiate the procedure to suspend the tender offer obligation as provided for in Article 190 of the Securities Code. Any Signatory responsible for attributing such voting rights, in the terms specified above, and who fails to execute the proper procedures to suspend and terminate the obligation for a tender offer, shall be obliged to launch the tender offer individually.

The Shareholders' Agreement will remain in force for a three-year period as of its signature. However, any Signatory who resigns or is dismissed with or without just cause from his management duties at Novabase while the Shareholders' Agreement is in force may opt to terminate his participation in the agreement.

Apart from this shareholders' agreement, 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 thirteen members. As explained earlier, two of its members resigned on 28 September 2007 and their corresponding positions have remained vacant. 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.

Following the approval of the new corporate governance model at the 2006 Annual General Meeting, the Board of Directors established an Executive Committee, initially comprised of nine members of the Board of Directors, the composition and duties of which are described in Point 1.1.2 of Chapter 1 of this report. It was subsequently reduced to seven members following the resignation of the two members, as described in this same Point.

In the decision to set up an Executive Committee at Novabase, limits were established on what could be delegated to this Committee. The following matters, specified in Article 407 Item 4 of the Portuguese Company Code, have been excluded:

- a) Election of the Chairman of the Board of Directors;
- b) Co-option of directors;
- c) Requests to call general meetings;
- d) Annual reports and accounts;
- e) Provision of collateral, personal guarantees and/or security in rem by the Company;
- f) Changing the registered office and increasing share capital, pursuant to the provisions in the Memorandum and Articles of Association;
- g) Projects to merge, divide and transform Novabase;

The members of the Board of Directors were elected unanimously by the shareholders at the time of their election in the Annual General Meeting of 20 April 2006. The board is comprised of the members specified in Chapter I, Point 1.1.2 of this report.

Taking into consideration the independence criteria defined by CMVM Regulation 7/2001, as amended by CMVM Regulation 11/2003, CMVM Regulation 10/2005 and CMVM Regulation 3/2006, and the corporate boards appointed at the last Annual General Meeting, the Board of Directors is currently comprised of three directors who fulfil these independence criteria. In this way, Novabase complies with the CMVM recommendation on this matter.

The chart below details the composition of the Board of Directors on 31 December 2007, including a breakdown of executive versus non-executive and independent versus non-independent members.

Director	Category
Rogério Santos Carapuça	Executive and non-independent
José Afonso Sousa	Executive and non-independent
Pedro Marques de Carvalho	Executive and non-independent
Luís Paulo Salvado	Executive and non-independent
João Nuno Bento	Executive and non-independent
Álvaro Silva Ferreira	Executive and non-independent
Manuel Saldanha Fortes Tavares Festas	Executive and non-independent
Joaquim Sérvulo Rodrigues	Non-executive and non-independent
Luís Fernando de Mira Amaral	Non-executive and independent
Manuel Alves Monteiro	Non-executive and independent
João Francisco Quadros Saldanha	Non-executive and independent

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:

Director	Companies in the Novabase Group
Rogério Santos Carapuça	Novabase Serviços, S.A.Novabase Consulting, S.A.OctalTV, S.A.
José Afonso Sousa	Novabase Capital SGCR, S.A.Novabase Serviços, S.A.Octal, S.A.
Pedro Marques de Carvalho	Novabase Serviços, S.A.Novabase Consulting, S.A.
Luís Paulo Salvado	 Novabase Consulting SGPS, S.A. NBO, S.A. Novabase Serviços, S.A. Novabase Enterprise Applications, S.A. Novabase Consulting, S.A. Novabase Advanced Custom Development, S.A. Mentorit, S.A. Collab, S.A. Novabase Consulting S.A. (Espanha) Octal, S.A. Octal2Mobile, S.A. Novabase IIS, S.A. Novabase Infraestruturas, SGPS, S.A.
João Nuno Bento	 Novabase Consulting, SGPS, S.A. Novabase Business Intelligence, S.A. Celfocus, S.A. Novabase Enterprise Applications, S.A. Novabase Consulting, S.A. MentorIt, S.A. Collab, S.A.

	 Novabase Interactive TV, SGPS S.A. OctalTV, S.A. ONTV, S.A. Novabase Consulting, S.A. (Espanha) Octal, S.A. Octal2Mobile, S.A Gedotecome Informática, Lda Novabase Capital SGCR, S.A.
Álvaro Silva Ferreira	 Novabase Business Intelligence, S.A. Novabase Consulting, SGPS, S.A. NBO, S.A. Novabase Enterprise Applications, S.A. Novabase Consulting, S.A. MentorIt, S.A. Collab, S.A. Novabase Consulting, S.A. (Espanha) Novabase IIS, S.A. Novabase Infraestruturas, SGPS, S.A.
Manuel Tavares Festas	Novabase Serviços, SA

The current members of Novabase's Board of Directors have the following qualifications and professional experience:

		Professional Experience in the
Director	Professional Qualifications	last 5 years
Rogério dos Santos Carapuça	 Ph.D in Electrotechnical and Computer Engineering from IST M.Sc. in Electrotechnical and Computer Engineering from IST Graduate in Electrotechnical Engineering from IST 	 Chairman of Novabase Board of Directors since 1999 Director of various Novabase Group companies
José Afonso Oom Ferreira de Sousa	 MBA from Universidade Nova de Lisboa M.Sc. in Electrotechnical Engineering from IST Graduate in Electrotechnical Engineering from IST 	 CFO of Novabase Group since 1999 Director of various Novabase Group companies
Pedro Miguel Q. Marques de Carvalho	 Graduate in Applied Mathematics from Universidade Nova de Lisboa 	 CIO of Novabase Group since 1999 Director of various Novabase Group companies
Luís Paulo Cardoso Salvado	 MBA in Information Management from Universidade Católica Portuguesa Graduate in Electrotechnical Engineering from IST 	 CFO of Novabase Group since April 2007 CHO CEO of Consulting Division Director of various Novabase Group companies
João Nuno da Silva Bento	 MBA in Information Management from Universidade Católica 	CEO of Novabase Digital TV

	PortuguesaGraduate in Electrotechnical Engineering from IST	 Director of various Novabase Group companies
Álvaro José da Silva Ferreira	 MBA from Universidade Nova de Lisboa Graduate in Informatics Engineering from Universidade Nova de Lisboa 	 Director of various Novabase Group companies
Manuel Saldanha Fortes Tavares Festas	 Postgraduate Diploma in Financial Assets and Markets from ISCTE Graduate in Management from Universidade Católica Portuguesa 	 Novabase Investor Relations Director of Novabase Serviços and Novabase Capital
Joaquim Sérvulo Rodrigues	 MBA from INSEAD M.Sc. in Electrotechnical Engineering from IST Graduate in Electrotechnical Engineering from IST 	 Chairman of the executive committee of the board of directors of Es Tech Ventures, SGPS, SA
Luís Fernando de Mira Amaral	 Postgraduate Diploma in Management (Stanford Executive Program) from Stanford University M.Sc. in Economics from Universidade Nova de Lisboa Graduate in Electronical Engineering from IST 	 CEO and Vice President of Caixa Geral de Depósitos Director of Sociedade Portuguesa de Inovação, SA President of the Portuguese Competitiveness Forum Member of the Board of Directors of BPI President of IGFSS
Manuel Alves Monteiro	Graduate in Law, member of the Portuguese Bar Association (Ordem dos Advogados)	 Non-executive director of AICEP, CIN-SGPS, and of Douro Azul SGPS Member of the General and Supervisory Board of EDP and Member of the Consulting Board of BPP, FEUP and FGEUC Member of the Coordinating Council of SEDES
João Francisco Quadros Saldanha	 MBA from Universidade Nova de Lisboa Graduate in Mining Engineering from IST 	 Director of Bascol – SGPS, S.A. and Inapal Plásticos, S.A. Director of ICEP and IAPMEI Director of Empordef – SGPS, S.A., of OGMA S.A., of SPEL, of INDEP and IDD

The number of shares representing the share capital of Novabase held by each member of the Board of Directors is detailed at the beginning of this report.

Members of the Board of Directors received information concerning all matters handled and decisions made by the Executive Committee, which holds meetings on a more frequent basis.

4.1. Individual Remuneration of Members of the Board of Directors

Since 2003 Novabase has fulfilled the CMVM recommendation of publishing individualized information on remuneration of members of the Board of Directors. In this report, Novabase fully discloses remuneration received in 2007 by each board member.

By unanimous decision of the Remuneration Committee, fixed remuneration components for members of the Novabase SGPS Board of Directors in 2007 are shown in the chart below.

Equally by unanimous decision of the Remuneration Committee on 19 September 2006, the directors who are primarily dedicated to the management of companies in the Novabase Group shall have a variable remuneration consisting of (i) a sum to be paid in cash, to be defined annually by the Remuneration Committee, according to the performance and the results of Novabase SGPS each year and the contribution of each director to these results; and (ii) a set of options attributed within the admission component to the Stock Subscription and/or Purchase Option Plan for the years 2006 to 2008 in force within the Novabase Group.

The first part of the directors' variable remuneration is therefore aligned with the company's annual performance, while the second is aligned with the stock performance of the Novabase share. In 2007, the first parcel of the variable remuneration was 780,002 euros (seven hundred and eighty thousand and two euros), to be paid as detailed in the chart below.

As this attributed option price has been defined based on the average price of the last three months of 2005, this is a reference share value at the beginning of the 2006-2008 term of office. Therefore, these shares will value accordingly to the Novabase share during this term, which will correspond to the best interests of all other shareholders. In this way, the interests between the company's directors and shareholders have been properly aligned.

In the Remuneration Committee meeting of 19 September 2006, it was thus resolved to offer 1,959,720 options (following the resignation of two members, the total number of active options on 31 December 2007 decreased to 1,498,610) under the basic admission component of the 2006-2008 Stock Subscription and/or Purchase Option Plan in force at the Novabase Group, to be distributed among the seven executive directors according to the following chart.

Director	Fixed Annual Remuneration 2007 (€)	Variable Annual Remuneration 2007 (€)	Total 2007 (€)	Options Attributed @6.46 (€) 2006-2008
Rogério dos Santos Carapuça	223,870.50	91,765.00	315,635.50	230,555
Pedro Miguel Q. Marques de Carvalho	180,610.50	91,765.00	272,375.50	230,555
José Afonso Oom Ferreira de Sousa	210,350.00	91,765.00	302,115.00	230,555
Luís Paulo Cardoso Salvado (2)	216,660.50	91,765.00	308,425.50	230,555
João Nuno da Silva Bento	180,610.50	91,765.00	272,375.50	230,555
Álvaro José da Silva Ferreira	180,610.50	91,765.00	272,375.50	230,555
João Vasco Tavares da Mota Ranito (1)	129,007.50	91,765.00	220,772.50	
José Carlos Almeida Pedro de Jesus (1)	129,007.50	91,765.00	220,772.50	
Manuel Saldanha F. Tavares Festas	73,902.50	45,882.00	119,784.50	115,280
Luís Fernando de Mira Amaral	36,050.00		36,050.00	
Manuel Alves Monteiro	36,050.00		36,050.00	
João Francisco Quadros Saldanha	36,050.00		36,050.00	
Total	1,632,780.00	780,002.00	2,412,782.0 0	1,498,610

- (1) Members whose term ended on 28 September 2007
- (2) Due to a processing error, only the amount of 206,360.50 euros in gross fixed salary was paid to this director in 2007, with the remaining 10,300.00 euros paid in 2008

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

4.2. Policy for Reporting Irregularities

In the wake of its compliance with CMVM Recommendations on the corporate governance of listed companies, the Novabase Board of Directors views the adoption of a policy for reporting irregularities as good practice for the company, since it will foster a culture of responsibility and diligence.

Novabase's Board of Directors has therefore approved a system for communicating irregularities, responsible for receiving all information involving potential irregular employee practices. Such information is subsequently routed to the Audit Committee, which is then responsible for making decisions concerning procedures to be adopted, and for reporting these decisions to the CEO and the CFO.

In 2006, Novabase requested authorization from the CNPD – Comissão Nacional de Protecção de Dados (Portuguese Data Protection Authority) to implement this system. To date, it is yet to receive a response, despite urgent requests submitted in 2007.

Novabase thus complies with the provisions of the Company Code and CMVM Recommendations.

5.1. Auditing

The annual amount paid for legal account review and auditing services to the auditors PriceWaterhouseCoopers, by Novabase and/or by its affiliates, rose to approximately 462,000 euros in 2007, compared to 224,000 euros in 2006. This increase is primarily attributable to the additional auditing of TTNV in 2007.

Service	2006 (€)	2007 (€)
Legal account review and auditing	224,000	462,000
Consulting services	0	12,000

5.2. Business with Key Shareholders

In 2006, the value of the products and services provided to the BES Group by Novabase rose to \in 16.7 million (roughly 6.4% of annual turnover) compared to \in 16.4 million in 2007 (roughly 5.2% of annual turnover).

There were no other business operations with key shareholders.

Report on Activities carried out by the Novabase Audit Committee in 2007

1. Background

1.1. Internal Regulation Framework

The Novabase Annual General Meeting held on 20 April 2006 approved a new corporate governance model, which is based essentially on the existence of non-executive directors and on the creation, within the composition of the Board of Directors, of an Executive Committee and an Audit and Internal Control Committee comprised entirely of independent directors.

Also in 2007, in line with recent developments in corporate governance, Novabase adopted an "Anglo-Saxon" corporate governance model at the Annual General Meeting of 12 April, by which the articles of association established an Audit Committee as a supervisory body for the company.

1.2. Committee Members

Appointed at the Novabase Annual General Meeting of 12 April 2007, the members of the current Audit Committee are also members of the group's Board of Directors, maintaining their articles of independence as set forth in the applicable legislation.

The composition of the current Audit Committee has remained unchanged compared to the former "Audit and Internal Control Committee". Its composition is as follows:

Luis Mira Amaral (Chairman)

João Quadros Saldanha (Member)

Manuel Alves Monteiro (Member)

1.3. Powers of the Audit Committee

The new responsibilities delegated by the Annual General Meeting to the current Audit Committee, as Novabase's supervisory body, include the following supervisory powers, in addition to those set forth in their internal regulations:

- Supervise the legal review of accounts by external auditors, guided by the highest quality standards;
- Monitor the internal control system currently in place and the effectiveness of the risk management system;
- Evaluate the work of external auditors, ensuring their independence and proposing their continuation or substitution, as applicable;
- Draft an annual report describing the activities carried out and the respective conclusions.

This report thus includes the activities carried out in 2007 by the Audit Committee, whether in its current form or as Novabase's former Audit and Internal Control Committee.

2. Activities Undertaken

2.1. Objectives and Meetings

In fulfillment of its most recent assigned duties as the company's supervisory body, the Audit Committee carried out activities over the year that focused on ensuring that the financial information was audited by external auditors with sufficient quality standards and independence, in strict compliance with the most sound international principles and standards, and ensuring the appropriate functioning of the company's internal control system.

During 2007, this corporate governance body held a total of five formal meetings and several informal meetings.

In addition to these meetings, regular meetings were also held between the Committee and the company's CFO, thus improving the communication channel established previously between the Committee and the corporate finance executive, to discuss all matters considered relevant by the Committee in performing its duties.

The Committee also set up several meetings with external auditors regarding auditing work and internal control issues, as well as meetings with the executives responsible for different operational areas in the company.

It is important to mention that the Committee has made it a common practice to keep the Board of Directors abreast of all of its activities, whether to analyse and approve the annual, half-yearly and quarterly accounts or at other times and regarding other matters.

2.2. Activities Undertaken

To fulfill the Committee's objectives, within the scope of its duties, it is important to mention the following tasks undertaken by the members of the Committee as described above for 2007:

- Internal analysis and evaluation of the financial information to be reported quarterly to the market;
- Discussion and analysis with external auditors and the CFO of the financial reports produced by Novabase at meetings convened specifically for this purpose;
- Production of reports with recommendations on the issues covered with the auditors, whenever applicable;
- Supervision of compliance with applicable accounting policies and criteria in preparing the financial statements, evaluating and discussing the matter with external auditors;
- Evaluation and discussion of the external auditors' main conclusions regarding a variety of issues, especially those related to internal control procedures requiring more attention in the course of auditing work;
- Monitoring the implementation of recommendations made by external auditors to the company;
- Evaluation of internal auditing reports and monitoring of the conclusions, especially through joint analysis with the CFO and business managers;
- Monitoring the levels of litigation in the company, especially as regards contentious and pre-contentious disputes, their nature and potential financial repercussions;
- Initial work on the creation of a periodic evaluation system for external auditors, especially as regards their independence, accuracy, professionalism and proactivity;
- Evaluation of the current situation in the group regarding the operability of the communication procedure for irregularities;
- Definition and approval of a self-assessment model for the Audit Committee;
- General evaluation of the operational efficiency of internal auditing, analysing the auditing standards, resources, performance, technical competence and performance measures;

- Approval of an annual schedule of tasks to be undertaken by the Audit Committee, identifying the main areas to be covered, their position in time and respective frequency;
- Creation of the annual report on activities carried out by the Audit Committee in 2006;
- Pursuit of initiatives to familiarize the Audit Committee and its members with the company and its business, especially through regular meetings with the CFO and the company's Finance Manager and, periodically, with managers from other relevant business areas.

3. Activities to be Undertaken

The modern forms of corporate governance, currently at the implementation stage in Portugal and, therefore, at Novabase itself, dictate that everyone must make a greater effort in providing managing and supervisory bodies with the appropriate contextual framework, procedures and knowledge so that companies can pursue their work with accuracy and transparency, creating shareholder value in a sustained and responsible manner.

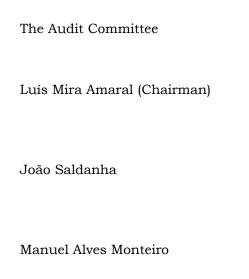
In this sense, the Novabase Audit Committee is aware that there is a path of constant improvement in the perception of its mission and working methods, so that its functions contribute, likewise, to enabling the company to do its job with respect for the soundest principles of business ethics and rigor in the production and publication of financial information. In this light, following the path that will enable us, gradually, to provide Novabase with an ever broader and more comprehensive action plan for its Audit Committee, the Committee aims to base its activities on the annual activity schedule mentioned above, covering the issues identified there and confident that, by so doing, it can carry out the missions entrusted to it in a highly positive manner.

With a view to improving the framework in which it acts, the Audit Committee plans to develop a more robust system for evaluating the work of external auditors, whether regarding their technical skills, the quality of their contributions in the areas in which they are expected to intervene and, naturally, their level of independence and professional rigor. Together with this evaluation system, the Committee intends to implement an advisory framework to forestall non-audit service situations, issues that are on the list of concerns for the authorities and regulators, and which Novabase and its Audit Committee will take full interest in handling appropriately.

To this end, as has been done until now, the Audit Committee receives the diligent collaboration of everyone who works at the company, together with external auditors, the statutory auditor and the Executive Committee. Along these lines, the Committee thanks everyone for their support and contributions throughout 2007.

4. Activity Report Conclusions

- 1) The Audit Committee concludes that Novabase management is sincerely concerned with the accuracy of financial information, and is aware of the need to constantly monitor operational risk, and that there is a path to be taken towards broader, more rigorous internal control, a concern brought up by the Audit Committee to management.
- 2) The irregular situations detected over the year are dealt with in a timely and transparent manner by Novabase management, not just by eliminating control deficiencies and implementing the corresponding corrective measures, but also as regards the financial information produced.
- 3) Novabase is audited in a capable, professional and independent manner, with the external auditing company receiving the necessary information to form an opinion that can be trusted by shareholders and the market.



Remuneration Committee Report for the year 2007

Remuneration Committee Report for the Year 2007

The Novabase SGPS Remuneration Committee held one meeting in 2007, on 24 July. The Committee is comprised of Dr. Francisco Murteira Nabo (Chairman) and members Dr. Pedro Rebelo de Sousa and Prof. Fernando Ribeiro Marques.

In this meeting, attended by all members of the Committee, the remuneration of the company's corporate board members for 2007 and the cash component of the performance bonus for executive directors were established.

These remuneration amounts were set based on the limits imposed by the decision of the General Meeting of 20 April 2006 involving general guidelines for the remuneration of the members of Novabase SGPS' various corporate boards.

The following was decided for the year 2007:

The Chairman of the General Meeting will be remunerated according to attendance at each General Meeting. The attendance amount will equal one thousand euros. The Secretary of the General Meeting will also be remunerated according to attendance, in the amount of seven hundred and fifty euros.

The following was decided for members of the Board of Directors:

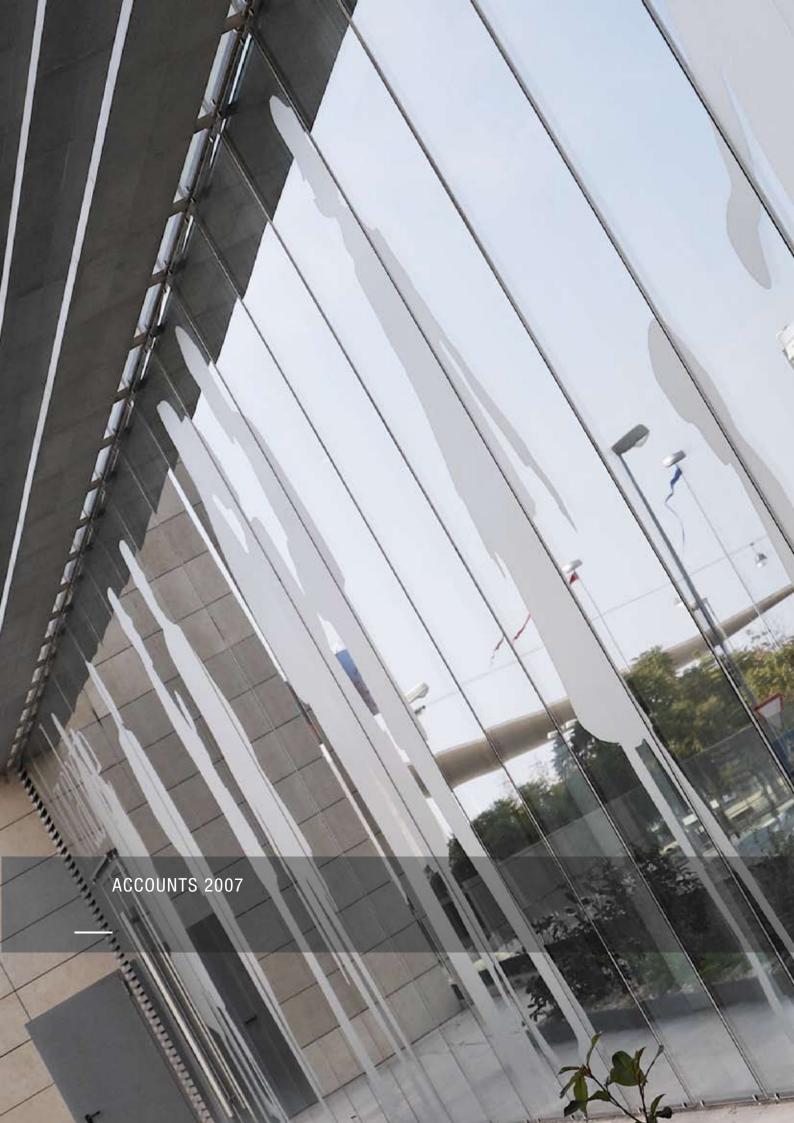
- a) Independent Directors will each be remunerated with a gross fixed annual amount of €36,050 (thirty six thousand and fifty) euros. This amount will be paid in 14 equal monthly sums. These directors are Luis Fernando Mira Amaral, Manuel Alves Monteiro and João Quadros Saldanha.
- b) The non-executive Director, representing a key shareholder, Joaquim Manuel Jordão Sérvulo Rodrigues, will not receive any remuneration.
- c) The decision was made to maintain the general structure of executive directors' remuneration, with a fixed component and a variable component. This structure had been previously established by earlier decisions of the Remuneration Committee and reaffirmed by the general guidelines of the General Meeting of 20 April 2006.
 - 1) The Chairman of the Executive Committee, Rogério dos Santos Carapuça, will receive a gross fixed annual remuneration of €223,870.50 (two hundred and twenty-three thousand, eight hundred and seventy euros and fifty cents) to be paid in 14 equal monthly sums;
 - 2) The Executive Committee member and CFO, Luis Paulo Cardoso Salvado, will receive gross fixed annual remuneration of €216,660.50 (two hundred and sixteen thousand, six hundred and sixty euros and fifty cents) to be paid in 14 equal monthly sums;

- 3) The Executive Committee member, José Afonso de Sousa, will maintain a gross fixed annual remuneration of €210,350 (two hundred and ten thousand, three hundred and fifty euros) to be paid in 14 equal monthly sums;
- 4) The Executive Committee member responsible for investor relations, Manuel Tavares Festas, will receive a gross annual remuneration of €73,902.50 (seventy-three thousand, nine hundred and two euros and fifty cents) to be paid in 14 equal monthly sums;
- 5) The remaining members of the Executive Committee, Pedro Miguel Quinteiro Marques de Carvalho, João Nuno da Silva Bento, Álvaro José da Silva Ferreira, João Vasco Tavares da Mota Ranito and José Carlos de Almeida Pedro de Jesus will each receive a gross annual remuneration of €180,610.50 (one hundred and eighty thousand, six hundred and ten euros and fifty cents) to be paid in 14 equal monthly sums;
- 6) All the Executive Directors will also be paid the meal allowance applicable to any company employee.
- 7) With regard to the variable remuneration component for executive directors, the decision was made to maintain the same structure, observing the guidelines established in the General Meeting of 20 April 2006, i.e. that it be comprised of a cash component, to be awarded annually by the Remuneration Committee, and a stock option component, also established by the Remuneration Committee, and awarded on a one-off basis for the 2006-2008 term of office.
- 8) Given the company's positive performance in 2006, the decision was made to award a gross cash component of €91,765 (ninety-one thousand, seven hundred and sixty five euros) in 2007 to each executive director, with the exception of Manuel Tavares Festas, whose component is €45,882 (forty-five thousand, eight hundred and eighty two euros).
- 9) Since the stock option component for the 2006-2008 term of office was awarded in 2006, no additional award will take place this year.

The Remuneration Committee made no further decisions in 2007.

Lisbon, 23 March 2008

The Remuneration Committee



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

Consolidated Financial Statements for the period of year ended 31 December 2007



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I. CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31 December 2007

Consolidated Balance Sheet as at 31 December 2007

		(Amounts expressed in	thousands of Euros)	
	Note	31.12.07	31.12.06	
Assets				
Non current assets				
Property plant and equipment	7	8 447	6 091	
Intangible assets	8	34 737	36 959	
Investments in associates	9	4 925	3 623	
Deferred income tax assets	10	11 111	9 829	
Total Non current assets		59 220	56 502	
Current assets				
Inventories	11	20 864	23 611	
Trade and other receivables	13	120 155	92 158	
Income tax receivable		1 486	1 268	
Accrued income	14	14 357	14 799	
Other current assets	15	3 180	3 221	
Available-for-sale financial assets	16	-	839	
Cash and cash equivalents	17	38 335	39 563	
Total Current assets		198 377	175 459	
Total assets		257 597	231 961	
Equity				
Share capital	19	15 701	15 701	
Treasury shares	19	(249)	(260)	
Share premium	19	49 213	49 213	
Reserves and retained earnings	20	29 199	24 890	
Profit for the year attributable to equity holders		6 997	5 169	
Total Equity attributable to the company's equity				
holders		100 861	94 713	
Minority interest	21	13 641	11 211	
Total equity		114 502	105 924	
Liabilities				
Non current liabilities				
Borrowings	22	5 762	9 182	
Provisions	24	1 662	1 072	
Deferred income tax liabilities	10	392	157	
Total Non current liabilities		7 816	10 411	
Current liabilities				
Borrowings	22	12 692	16 671	
Trade and other payables	25	105 409	83 490	
Income tax payable		131	41	
Deferred income and other current liabilities	26	17 047	15 424	
Total Current liabilities		135 279	115 626	
Total liabilities		143 095	126 037	
Total equity and liabilities		257 597	231 961	

The Acountant The Board of Directors

Consolidated Income Statement for the Year Ended 31 December 2007

(Amounts expressed in thousands of Euros) 12 M * 12 M * 31.12.07 31.12.06 Note **Continuing Operations** 154 780 Sales 5 204 030 106 723 Services rendered 5 109 167 Cost of goods sold (178223)(133778)27 External supplies and services (49586)(55741)Employee benefit expense 28 $(64\ 018)$ (54916)Other losses - net 29 (1348)(2893)Depreciation and amortisation 30 (5570)(6164)Operating profit 13 858 8 605 Finance income 31 3 745 1 930 Finance costs 32 (7228)(4616)Share of losses of associates 33 (397)(25)10 350 5 522 Profit before income tax Income tax expense 34 (59)(78)Profit for the year from continuing operations 10 291 5 444 Discontinued operations Profit for the year from discontinued operations 18 68 Profit for the year 10 291 5 512 Attributable to: Equity holders of the Company 6 997 5 169 Minority interest 21 3 294 343 10 291 5 512 Earnings per share for profit from continuing operations attributable to the equity holders of the Company 35 0.23 euros 0.17 euros during the year (expressed in EUR per share) - basic and diluted Earnings per share for profit from discontinued operations attributable to the equity holders of the Company 35 Zero euros Zero euros

12 M * - period of 12 months ended

during the year (expressed in EUR per share) - basic and diluted

The Acountant The Board of Directors

Consolidated Cash Flow Statement for the Year Ended 31 December 2007

(Amounts expressed in thousands of Euros)

Cash paid to suppliers and employees (269 862) (26 Cash Generated/(Used) from Operations 16 821 (1 Income taxes paid (954) Other operating proceeds 2 264 Net Cash generated/ (used) in operating activities 18 131 (1 Cash flows from investing activities Receipts: Sale of subsidiary, net of cash acquired Sale of Available-for-sale financial assets Interest received 1 137	*
Cash receipts from customers Cash paid to suppliers and employees Cash Generated/(Used) from Operations Income taxes paid Other operating proceeds Interest received Cash Generated/(used) in operating activities Receipts: Sale of Available-for-sale financial assets Interest received Cash Generated/(used) in operating activities 25 (269 862) (269 862) (269 862) (260 862))6
Cash paid to suppliers and employees (269 862) (26 Cash Generated/(Used) from Operations 16 821 (1 Income taxes paid (954) (Other operating proceeds 2 264 Net Cash generated/ (used) in operating activities 18 131 (1 Cash flows from investing activities Receipts: Sale of subsidiary, net of cash acquired Sale of Available-for-sale financial assets Interest received 1 137	
Income taxes paid (954) (Other operating proceeds 2 2 64 1 310 (1 1 310 (1 1 310 Income taxes paid Income taxes paid Income taxes paid (1 1 310 Income taxes paid Income taxes paid Income taxes paid Income taxes paid (1 1 310 Income taxes paid Income taxes paid Income taxes paid (1 1 310 Income taxes paid Income taxes paid Income taxes paid Income taxes paid (1 1 310 Income taxes paid (1 1 310 Income taxes paid Income taxes paid (1 1 310 Income taxes paid (1 1 1 310 Income taxes paid (1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 Income taxes paid (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0 476 0 600)
Other operating proceeds 2 264 1 310 (Net Cash generated / (used) in operating activities 18 131 (1) Cash flows from investing activities Receipts: Sale of subsidiary, net of cash acquired 5ale of Available-for-sale financial assets 1 137	124)
Net Cash generated / (used) in operating activities Cash flows from investing activities Receipts: Sale of subsidiary, net of cash acquired Sale of Available-for-sale financial assets Interest received 18 131 (1	1 800) 21
Cash flows from investing activities Receipts: Sale of subsidiary, net of cash acquired Sale of Available-for-sale financial assets Interest received Sale of Available-for-sale financial assets Interest received	1 779)
Receipts: Sale of subsidiary, net of cash acquired Sale of Available-for-sale financial assets Interest received Receipts: Sale of subsidiary, net of cash acquired 1137	1 903)
Sale of subsidiary, net of cash acquired Sale of Available-for-sale financial assets Interest received 1 137	
Sale of Available-for-sale financial assets 875 Interest received 1 137	
Interest received 1 137	1 432
2012	484
2 012	1 916
Payments:	
Acquisition of subsidiary (2 619)	(909)
Purchases of Property plant and equipment (4 958)	(927)
	4 212)
	4 312) 2 396)
Net Cash used in investing activities (6 827)	. 390)
Cash flows from financing activities	
Receipts: Proceeds from borrowings 22 8 526 1	240
O	0 248 3 299
Proceeds from sale of treasury shares 19 110	882
	4 429
Payments: 10 336 2	1 429
	494)
Issuance ordinary shares costs of subsidiary 20 (775)	
Interests and similar costs (3 801)	2 262)
Purchase of treasury shares 19 (3 855)
(21 514) (1	0 611)
Net Cash (used) / generated from financing activities (11 178)	3 818
Cash and bank overdrafts - net increase/(decrease) 126	(481)
	1 633
Cash and bank overdrafts at the end of the year 31 278 3	1 152

12 M * - period of 12 months ended

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2007

(Amounts expressed in thousands of Euros)

	_	Attributable to equity holders of the Company								
	Note	Share Capital	Share premium	Treasury shares	. ,	Fair value adjust. (*) and other reserves	-	Retained earnings	Minority Interest	Total Equity
Balance at January 1, 2006		14 363	37 252	(14)	1 254	147	-	25 615	12 018	90 635
Fair value gains		-	-	-	-	82	-	-	-	82
Net income recognised directly in equity		-	-	-	-	82	-	-	-	82
Profit for the year	_	-	-	-	-	-	-	5 169	343	5 512
Total recognised income		-	-	-	-	82	-	5 169	343	5 594
Issue of share capital	19	1 338	11 961	-	-	-	-	-	-	13 299
Legal reserve	20	-	-	-	22	-	-	(22)	-	-
Treasury shares movements	19	-	-	(246)	-	-	-	(2 726)	-	(2 972)
Stock Options	19	-	-	-	-	-	518	-	-	518
Changes in consolidation universe	6 e 21	-	-	-	-	-	-	-	(1 150)	(1 150)
Balance at 31 December 2006		15 701	49 213	(260)	1 276	229	518	28 036	11 211	105 924
Balance at January 1, 2007		15 701	49 213	(260)	1 276	229	518	28 036	11 211	105 924
Profit for the year								6 997	3 294	10 291
Total recognised income	-	-	-		-	-		6 997	3 294	10 291
Treasury shares movements	19	-	-	11	-	-	-	99	-	110
Stock Options	19	-	-	-	-	-	168	-	-	168
Sale of available-for-sale financial assets	16	-	-	-	-	(229)	-	-	-	(229)
Acquisitions to minority interests	20 e 21	-	-	-	-	-	-	(592)	(1 082)	(1 674)
Subsidiary share capital issuance costs	20 e 21	-	-	-	-	-	-	(306)	(469)	(775)
Changes in consolidation universe	6 e 21								687	687
Balance at 31 December 2007	: :	15 701	49 213	(249)	1 276		686	34 234	13 641	114 502

^(*) These reserves cannot be distributed to equity holders

Notes to the Consolidated Financial Statements for the year ended 31 December 2007

1. General Information

Novabase, S.G.P.S., SA (hereunder referred to as Novabase or the company), originally incorporated under the name Novabase – Sistemas de Informação e Bases de Dados, Lda., is the oldest company in the Novabase Group, and being the Group's Holding Company holds and manages the financial holdings in all Group companies. It was incorporated on 11 May 1989 and its main activity until 1999 was the development and implementation of information technology solutions.

On 23 December 1999, the company changed its name and purpose and was converted into a holding company with the purpose of managing financial holdings in other companies as an indirect way of doing business.

Novabase is organized in three business divisions:

- (i) **Novabase Consulting** Includes areas such as IT Consulting, system implementation, outsourcing, recruiting and contracting of human resources within the Information Technology industry.
- (ii) **Novabase Engineering** Includes engineering solutions based on own hardware and software and is focused on areas like ticketing and access control, and telecommunication solutions.
- (iii) Novabase Digital TV Includes Digital TV business, namely development and commercialization of set-top-boxes to cable operators, satellite and business sector and products.

Novabase Capital, not considered as a division, is a support structure for the Novabase Group. It focus mainly on "Corporate Venture" functions and Mergers and Acquisitions, and is able to support the divisions' needs in these areas. Since June 2005, Novabase Capital is the managing company of 'Fundo de Capital de Risco para Investidores Qualificados Novabase Capital'.

The address of its registered office is in Av. D. João II, Lote 1.03.2.3, Parque das Nações – 1998-031 Lisboa - Portugal and presently has operations in Portugal, Spain and Germany.

Novabase is listed on the Euronext Lisbon.

The consolidated financial statements presented in this report were authorized by the Board of Directors on April 3, 2008.

These consolidated financial statements will be approved by General Meeting of Sharehoders.

2. Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

2.1. Basis of Preparation

The consolidated financial statements of Novabase have been prepared in accordance with International Financial Reporting Standards IFRS, as adopted by the European Union (EU).

- (i) Standards effective in 2007
- IFRS 7 Financial instruments: Disclosures (effective from January 1, 2007). IFRS 7 introduces new disclosures relating to financial instruments, and will require quantitative and qualitative disclosures regarding the group's risk exposure associated to financial instruments.
- (ii) Standards and interpretations effective in 2007 but not relevant

The adoption of the standards and interpretations set below became effective from January 1, 2007, but the effect of the adoption is not relevant for group operations.

IFRS 4 - Insurance contracts

IFRIC 7 - Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies

IFRIC 8 - Scope of IFRS 2

IFRIC 9 - Re-assessment of embedded derivatives

IFRIC 10 - Interim financial reporting and impairment

(iii) Standards, amendments and interpretations effective from March 1, 2007 that have not been early adopted by the group

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after March 1, 2007 or later periods, but the group has not early adopted them:

IAS 1 (revised) presentation of financial statements (effective for annual periods beginning on or after 1 January 2009). This revision objective is to aggregate information in the financial statements on the basis of shared characteristics. Consequently all owner changes in equity will be presented in the statement of changes in equity, separately from non-owner changes in equity. All non owner changes in equity are required to be presented in one statement of Comprehensive income or in two statements (a separate income statement and a statement of comprehensive income will include income and costs registered directly in the income statement and other gains and losses recognised in the period that were not included in the income statement. Additionally, the IAS 1 revised, changes the headlines of the financial statements, from 'Balance sheet' to 'Statement of financial position' and 'Income statement' to 'Statement of comprehensive income'. The impact of the adoption is being assessed by management.

IFRS 2 (Amendment), Share based payments (effective for annual periods beginning on or after 1 January 2009). IFRS 2 amendment deals with vesting conditions and cancellations. The objective is to restrict the concept of vesting conditions to service and performance conditions and to clarify that cancellations must be treated equally whether made by the entity or other parties. The impact of the amendment is being assessed by management.

IFRS 3 (Revised), Business combinations and IAS 27 (revised), Separate and consolidated financial statements (effective for annual periods beginning on or after 1 January 2009). The revision of these standards introduces the option of applying the "full goodwill method" on a business combination accounting the transactions with minorities according to the economic entity model. New accounting treatments on transaction costs, measurement of consideration are required in business combination. This revision will significantly impact Group's future business acquisitions.

IFRS 8, Operating segments (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The group will apply IFRS 8 from 1 January 2009. The impact of the adoption is being assessed by management.

IFRIC 11, IFRS 2 – Group and treasury share transactions (effective from periods beginning on or after 1 March 2007). IFRIC 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. The group will adopt IFRIC 11 from 1 January 2008, but no impact is expected on the group's financial statements.

(iv) Standards, amendments and interpretations that are not yet effective, have not been early adopted and not relevant for the group's operations

IAS 23 (Amendment), Borrowing costs (effective from 1 January 2009). This amendment was not yet adopted by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.

IFRIC 12, Service concession arrangements (effective from 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the group's operations.

IFRIC 13, Customer loyalty programmes (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values.

IFRIC 14, The limit on a defined benefit asset, minimum funding requirements and their interaction (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

The consolidated financial statements have been prepared under the historical cost convention, except for the available-for-sale financial assets and derivatives.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions which impact on the reported values for assets and liabilities, and for income and expenses presented for the year. Nevertheless the management usage of it's best judgement at the time of the decision, the final results can differ from the estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

The Board of directors believes that the estimates and assumptions adopted avoid significant risks from which can result material adjustments to assets and liabilities value.

2.2. Consolidation

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The acquisition cost is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions and minority interests

The group applies a policy of treating transactions with minority interests as transactions with equity owners. Therefore, in the acquisition of financial holdings to minority interests, the excess of the cost of acquisition over the shareholding percentage of the subsidiary acquired is recorded in Equity.

(3) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

For the preparation of this information, the companies Novabase S.G.P.S. and Novabase Serviços, S.A. are both presented as part of the Consulting Division business segment.

Geographical segment results are calculated based on selling destination markets, which includes export and the activity of companies located outside of Portugal. Geographic segment assets are calculated based on location of each of the Group's facilities.

2.4. Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in thousand euros, which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(3) Group companies

The functional currency of all the Group entities is identical to the presentation currency in the consolidated financial statements.

2.5. Property plant and equipment

Property, plant and equipment comprise mainly basic and transport equipment, and are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items (purchase price and all the expenses supported direct or indirectly to bring the asset to its current condition).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method, during the useful estimated life as follows:

		N.º of Years
•	Buildings and other constructions	3 to 50
•	Basic equipment	3 to 4
•	Transport equipment	4
•	Tools and utensils	4
•	Furniture, fittings and equipment	3 to 10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount, and are included in the income statement.

2.6. Intangible assets

(1) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates.

Goodwill (that have an indetermined useful life) is tested annually for impairment, in the second half of the year, and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment in each business segment in which Novabase operates in namely, Novabase Consulting, Novabase Engineering and Novabase Digital TV. Additionally, for the purpose of impairment tests of goodwill not allocated to those two cash-generating units, the group defined cash generating units at the level of each subsidiary associate acquired.

(2) Internally generated intangible assets

Investigation expenses in the search of new technical and scientific knowledge are recorded in the income statement as and when incurred. Development expenses are accounted for as fixed assets when: i) the technical development process is proven to be executable; ii) group is able to conclude it's development and intends to do so; iii) commercialization is assured, and iv) it's possible to estimate it's total cost with accuracy.

These assets are recorded and presented in terms of development or acquisition value, on the basis of the cost of the hours spent by the employees involved, and costs directly associated as well as any outsourcing costs.

Amortisation is calculated using the straight-line method, for periods between 3 to 5 years. Impairment of internaly generated assets is tested at the reporting date.

(3) Industrial Property and other rights

These assets are shown at historical cost. These assets have a definite useful life and are recognized at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives

(4) Work in progress

Intangible assets in progress refer to the ongoing internal development of software and hardware products.

2.7. Financial assets and liablilities

The financial assets and liabilities are recognised in the date of the negotiation or contract, except if there is a contractual or legal estipulation in contrary, saying that the rights and obligations related with the amounts transacted are transferred to a different date. In this case, the relevant date is the last.

In the initial moment, the financial assets and liabilities are recognised by their fair value. The fair value is the amount that a determined asset or liability can be transferred or paid between entities both knowing and interested in doing the transaction. In the contracted date, the fair value is usually the amount of the transaction.

These assets are derecognised when i) contractual rights to the receivement of cash flows expires, ii) the group has transfered both risks and benefits related to the asset or iii) nevertheless, the group maintains a part but not substantially all the risks and benefits related to the asset, but has transfered the control of the asset.

The fair value is based in current bid prices, or in valuation methods and techniques (if the market for the financial asset is not active). A market is considered active if regular transactions occur.

The group classifies its financial assets in the following categories: (i) loans and receivables and (ii) available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets on initial recognition and re-evaluates that classification at each reporting date.

(1) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair value.

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are subsequently measured at amortised cost accordingly to the effective interest method. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'accrued income'.

(3) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that: (i) the group intends to maintain for indetermined period, (ii) are available for sale in the moment of initial recognition or (iii) are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Investments are initially recognised at fair value. When the medium term expectations point to a significant decline in the fair value of the security below its cost in the balance sheet date, an impairment loss is recognised in the income statement.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. Dividend income from available-for-sale financial assets is recognised in the income statement under 'Finance income' heading, when the group's right to receive payments is established.

The fair values of listed investments are based on current market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2.8. Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and depreciation, and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of impairment test, assets are allocated by segment, given that it is at this level that management monitors its return on investment.

2.9. Impairment of financial assets

The group assesses at each balance sheet date whether there is objective evidence that a financial or a group of financial assets is impaired.

(1) Available-for-sale financial assets

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously reconised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(2) Trade receivables, other debtors and other financial assets

In the case of other financial assets that shows impairment signs, their present value is determined by the use of estimated future cash flows, and an impairment loss (which is considered the difference between the asset's present value of estimated future cash flows and the carrying amount) is recognised in the income statement. Several indicators are used to identify impaiment:

- (i) the group is not able to collect amounts according to the original terms of the receivables;
- (ii) the group is not able to collect amounts due over 6 months;
- (iii) significant financial dificulties of the debtor;
- (iv) probability that the debtor will enter bankruptcy or financial reorganisation.

The amount of the impairment loss is the difference between the asset's present value of estimated future cash flows and its carrying amount. The loss is recognised in the income statement within 'Other losses - net'. The carrying amount of the asset is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the same allowance account. Subsequent recoveries of amounts previously written off are credited against 'Other losses - net' in the income statement.

2.10. Inventories

Merchandise and raw materials are stated at the lower of cost and net realisable value, cost is determined using the weighted average cost method.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at cost less impairment losses.

The Group sells a part of its trade receivables through factoring transactions. A factoring transaction entails the sale of a portfolio of trade receivables to a financial institution. In the transactions that the Group transfers to a third party all the benefits and risks relating to the factored receivables, the receivables are de-recognised from the Group balance sheet.

2.12. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.13. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options of the company and its subsidiaries are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

When a Group company purchases the Holding Company's equity share capital (Treasury shares), the consideration paid is deducted from the equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received is included in equity attributable to the Company's equity holders.

2.14. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Cost incurred with interest on loans are included in the income statement under 'Financial costs' heading,

2.15. Current and deferred income tax

Income tax of the period includes current and deferred income tax. The income taxes are registered in the income statement, except if related with items recognised directly in equity. The current income tax charge is calculated on the basis of profit before income tax and adjusted according to the tax laws enacted at the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16. Employee benefits

Bonus

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's employees after certain adjustments.

Defined benefit - Pension plan

The subsidiary TechnoTrend AG is responsible for a defined benefit plan.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, when exceeding the highest value between 10% of the plan assets or 10% of the defined benefit responsibilities, are charged or credited to income over the remaining of employees' expected average working lives.

Obligations for vacation, vacation subsidy and Christmas subsidy

In accordance with Portuguese legislation, workers annually earn the right to two months of salary, namely for a vacation period and a vacation subsidy, which is accrued in the previous year to its settlement. The workers also have the annual right to a Christmas subsidy, accrued during that year and paid each December. These obligations are recorded in the respective year in which the right is earned, despite the payment date of that right.

Stock options

The group rewards the services rendered by some workers through an equity-settled stock option plan. The fair value of the services received is recognized as cost, and registered under the equity account during the vesting period. The amount registered as cost represents the fair value of the stock option attributed, estimated based only on market conditions. Acquisition conditions different from market conditions were used to estimate the number of options vested at the end of acquisition period. The number of options expected to become exercisable is reviewed for each reporting date, and the difference from the previous estimate is reviewed and registered in the profit and loss.

2.17. Provisions

Provisions are recognised when: i) the Group has a present legal or constructive obligation as a result of past events; ii) it is more likely than not that an outflow of resources will be required to settle the obligation and; iii) the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required on settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.18. Revenue recognition

Revenue comprises of the fair value of the sale of goods and services, net of value-added tax, (VAT) rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

Software products are usually sold without a right of return. However, if there is any chance of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

(b) Sales of services

Revenues from consulting projects, classified as "time and materials" are recognized in the accounting period in which the services are rendered.

Revenues from consulting projects, classified as "turn key" (or "fixed contract") are recognized using the percentage of completion method based on sales of services, a ratio between costs incurred, contracted price, and estimated costs to be incurred until the end of the project is prepared by each project manager. This method allows adjusting the accrued income and deferred revenue headings in order to reflect the accurate result of each project at the end of each financial period.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.19. Subsidies

Government subsidies are recognised at fair value, when there is high likelihood that the subsidy will be received and the Group fulfils all the requirements to receive it.

Non-refundable subsidies to finance development projects are recorded in the balance sheet as deferred income and are recognized in the income statement for each period, in proportion to the corresponding amortisation changes.

Operational subsidies are aimed at recovering the costs incurred and recorded with training initiatives and are recorded in the income statement as the expenses are incurred, regardless of when the subsidy is received.

2.20. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to the income statement on a straight-line basis over the period of the lease.

Lease contracts for tangible assets have been recorded in fixed assets whenever the Group assumes substantially all the benefits and risks associated with ownership of the assets in question. The value at which these contracts are capitalised is the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each payment is allocated between liabilities and financial costs in order to calculate a straight-line rate of liability remuneration. The responsabilities to third parties, deducted from its financial costs, are booked under liabilities (short and long term). The interest component of the lease payment is booked in income statement during the lease contract period, in a way to have an equal interest rate in the remaining balance of liabilities for each period.

Fixed assets acquired by way of Leases are depreciated during the shortest of the following two periods: useful life and lease contract period (4 years).

2.21. Comparatives

The consolidated financial statements for the year ended 31 December 2007 are considered comparable in all material aspects with those presented for the year ended 31 December 2006.

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest-rate risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from exposure to the U. S. Dollar, since some of the subsidiaries (TechnoTrend AG, Celfocus and Octal TV) perform transactions in this currency.

The finance department is responsible for the tracking of the exchange rate mentioned above, to reduce the impact of the fluctuation in consolidated results.

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

	Euro	Dolar	Other	Total
As of 31 December 2006				
Assets	FF ((0)	10 (41	1.056	05.055
Trade and other receivables	75 660	10 641	1 056	87 357
Accrued income	14 799	-	-	14 799
Other current assets	-	-	-	-
Available-for-sale financial assets	839	-	-	839
Cash and cash equivalents	34 607	4 848	108	39 563
	125 905	15 489	1 164	142 558
Liabilities				
Borrowings	25 853	-	-	25 853
Trade and other payables	63 440	19 374	676	83 490
Deferred income and other current liabilities	15 424	_		15 424
	104 717	19 374	676	124 767
As of 31 December 2007				
Assets				
Trade and other receivables	97 823	19 053	139	117 015
Accrued income	14 357	-	-	14 357
Other current assets	_	-	_	_
Available-for-sale financial assets	_	-	_	_
Cash and cash equivalents	36 300	2 034	1	38 335
	148 480	21 087	140	169 707
Liabilities				
Borrowings	18 454	-	_	18 454
Trade and other payables	87 109	18 250	50	105 409
Deferred income and other current liabilities	17 047	-		17 047
	122 610	18 250	50	140 910

The Group used a sensitivity analysis technique that measures the estimated change to the income statement of either an instantaneous 10% strengthening or weakening in Euro against all other currencies, from the rates applicable at 31 December 2007, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation.

Under this assumption, with a 10% strengthening (weakening) of Euro against all exchange rates, profit before tax would have increased or decreased by EUR 293 thousand in 2007, and decreased or increased, respectively by EUR 340 thousand, in 2006.

b) Cash flow and fair value interest rate risk

The group's interest-rate risk arises from short term finance investments in banks and borrowings. Short term finance investments in banks expose the group to cash flow interest-rate risk dependent of changes in market interest rates. Borrowings issued at variable rates expose the group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. During 2007 and 2006, the group's borrowings at variable rates were denominated in Euros.

With the intention to stabilize its cash flows, the group uses full factoring transactions. As at 31.12.07, the amount transferred to factoring companies was EUR 13 402 thousand (2006: EUR 21 765 thousand).

The Group used a sensitivity analysis technique that measures the estimated change to the income statement of either an instantaneous increase or decrease of 0.5% (50 basis points) in market interest rates, from the rates at 31 December 2007, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation. The sensitivity analysis is based on the following assumptions:

- (i) Changes in market interest rates affect the interest income or expense of variable interest financial instruments;
- (ii) Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value;
- (iii) Changes in market interest rates affect the fair value of other financial assets and liabilities;
- (iv) Changes in the fair values of other financial assets and liabilities are estimated by discounting the future cash flows of net present values using appropriate market rates prevailing at the year end.

Under these assumptions, an increase or decrease of 0.5% in market interest rates, would impact respectively in an increase or decrease of profit before tax of approximately EUR 32 thousand, in 2007 and in a decrease or increase, respectively, of approximately EUR 42 thousand, in 2006.

c) Credit Risk

Credit risk is managed, simultaneously, on business units level, for the amounts of outstanding trade and other receivables, and on group basis, for financial instruments. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently and well known parties are accepted. Credit risk management of trade and other receivables is based in credit limits, taking into account the financial position of the customer and past experience.

In 31 December 2007, the 60 major customers represented approximately 75% of the total balance (2006: 73%).

The distribution by geographical market of those customers is showen in the table below:

	31.12.07	31.12.06
Portugal	42%	68%
Germany	25%	12%
Spain	12%	7%
Latin America	9%	6%
Rest of Europe	5%	2%
Asia	4%	-
Middle East	3%	5%
	100%	100%

The distribution by activity sector of those customers is showen in the table below:

	31.12.07	31.12.06
Telecomunications	38%	36%
Consuption electronics	27%	18%
Financial Services	14%	13%
Transports	11%	13%
Public Administration	2%	5%
Information Technology	6%	9%
Other	2%	6%
	100%	100%

The 20 customers with greater balance as at 31 December 2007 (which represent more than half of the total balance), although some ponctual delay in the invoices payment in the past, never represented losses for the group. The remaining balance includes 1 thousand customers with an average balance of EUR 60 thousand.

The table below shows the ratings atributted by Moody's Investors Services to the financial institutions with whom the group as higher balances as at 31 December 2007:

	31.12.07	31.12.06
A1	8 234	12 866
Aa1	4 731	92
Aa3	14 607	7 369
	27 572	20 327

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Management monitors rolling forecasts of the group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow, taking into account the analysis of the remaining contractual maturity of the financial liabilities and the expected date of financial assets inflows. Additionally, a regular monitoring is made to the maturity concentration of borrowings and liabilities of the group.

The plafonds of borrowings and factoring contracted by the group are showen in the table below:

	Borrowings	Factoring
BES	10 400	-
BPI	12 800	-
BCP	7 500	10 000
CGD	-	25 000
BBVA	5 000	-
Santander	5 000	-
Barclays	8 840	-
BESSA	1 500	-
SCH	2 900	-
Dresdner	3 000	-
Coface		7 500
	56 940	42 500

e) Capital risk management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of balance sheets, are:

- (i) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- (ii) To maintain a strong capital structure to support the development of its business;
- (iii) To maintain an optimal capital structure to reduce the cost of capital.

Management monitors the Return on Capital (ROC) ratio, that the group defines as the 'Operating profit' divided by 'Total Equity', that measures the group company to generate cash flows related to the capital invested in its business.

	31.12.07	31.12.06
Operating profit	13 858	8 605
Total equity	114 502	105 924
Return on Capital	12 %	8 %

The group has the objective to maintain ROC above the cost of capital (measured by WACC - weighted average cost of capital), which allows the group add value. The group's WACC in 2007, as well as in 2006, is around 10%. In 2007, the strategy of Novabase focused in the rentability and sustainability of its business.

f) Price risk

The group exposure to price risk, as at 31 December 2006 was related with the investment of Novabase in equity securities of Portugal Telecom and PT Multimedia. Those investments were disposed during 2007, therefore, the price risk is no longer considered relevant.

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates by the board of directors, that affect assets, liabilities, income and expenses and the disclosure of these items at the financial statements reporting date. Actual results can therefore differ from the estimated.

The estimates and assumptions considered more relevant in the preparation of the financial statements are discussed below.

a) Impairment of goodwill

The Group tests annualy, on the second half of the year, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see note 8).

b) Income taxes and deferred taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues, based on estimates of whether additional taxes will be due.

When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax estimates in the period in which such determination is made.

c) Revenue recognition

Revenue recognition in respect of turn key projects, is made by management recurring to analysis and estimates of the actual and future developments of consulting projects in place. These projections could have a different development in the future, from the present estimates performed by management. Eventual changes in the estimates would be reflected under accrued income and deferred income headings on the Balance Sheet and under services rendered on the Income Statement.

d) Warranties risk

A provision for warranties is recognised when the underlying products or services are sold. The provision is established using historical information of nature, frequency and average costs of warranty claims.

e) Provisions for impairment of trade and other receivables

Management maintains a provision for impairment of trade and other receivables, in order to reflect the estimated losses that result from clients' inability to make the required payments. When evaluating the adequacy of an allowance for doubtful accounts, management bases its estimates on the aging of accounts receivable balances and historical write-off experience, customer credit worthiness and changes in customer payment terms. If the financial condition of customers were to deteriorate, actual write-offs might be higher than expected.

f) Inventory impairment

The group is exposed to inventory impairment as a result of changes in economical environment, due to operating in a very dynamic market. To manage this risk, the group follows with attention market developments, as a way to identify the possible impact of those changes in its business.

5. Segment information

Primary reporting format - business segments

As at 31 December 2007, for business segment report, the Group is organised as follows:

- Consulting
- Engineering
- Digital TV
- Other

The companies considered in each business segment are presented in note 6. For the preparation of this information, the companies Novabase S.G.P.S. and Novabase Serviços, S.A. are both presented as part of the Consulting Division business segment.

The business segment results for the year ended 31 December 2006, are as follows:

			Digital		Novabase
	Consulting	Engineering	TV	Other	Group
Total Sales and Services rendered of the segment	92 400	111 541	85 814	2 288	292 043
Sales and Services rendered inter-segment	(23 809)	(4 464)	(2 245)	(22)	(30 540)
Sales and Services rendered	68 591	107 077	83 569	2 266	261 503
Operating profit	6 168	1 396	173	868	8 605
Finance costs – net	(383)	(1 039)	(1 261)	(3)	(2 686)
Share of losses of associates (note 33)	-	(24)	-	(373)	(397)
Profit for the year from continuing operations	5 210	694	(952)	492	5 444
Profit for the year from discontinued operations	68	-	-	-	68
Other information's:					
Depreciation / amortisation	(3 389)	(1 017)	(1 037)	(127)	(5 570)
Impairment of receivables	(112)	(592)	(647)	-	(1 351)
Impairment of inventory	-	(295)	(2 611)	-	(2 906)

The business segment results for the year ended 31 December 2007, are as follows:

			Digital		Novabase
	Consulting	Engineering	TV	Other	Group
Total Sales and Services rendered of the segment	83 036	133 548	113 003	492	330 079
Sales and Services rendered inter-segment	(7 761)	(11 555)	2 762	(328)	(16 882)
Sales and Services rendered	75 275	121 993	115 765	164	313 197
Operating profit	9 430	(841)	5 519	(250)	13 858
Finance costs – net	875	(1 841)	(2 515)	(2)	(3 483)
Share of losses of associates (note 33)	-	9	-	(34)	(25)
Profit for the year from continuing operations	9 480	(1 636)	2 714	(267)	10 291
Other information's:					
Depreciation / amortisation Impairment of receivables	(3 362) (78)	(1 280) (672)	(1 508) (294)	(14) (50)	(6 164) (1 094)
Impairment of inventory	-	(2 154)	(714)	-	(2.868)

The business segment assets and liabilities at 31 December 2006 and capital expenditure for the year then ended are as follows:

			Digital		Novabase
	Consulting	Engineering	TV	Other	Group
Assets	86 290	84 401	54 008	3 639	228 338
Associates	35	1 322	52	2 214	3 623
Total Assets	86 325	85 723	54 060	5 853	231 961
Total Liabilities	33 215	55 109	35 986	1 727	126 037
Capital expenditure (12 Months)	2 203	1 105	1 806	81	5 195

The business segment assets and liabilities at 31 December 2007 and capital expenditure for the year then ended are as follows:

			Digital		Novabase
	Consulting	Engineering	TV	Other	Group
Assets	02.850	96.420	71 220	2 172	252 672
Assets	92 859	86 420	71 220	2 173	252 672
Associates	735	1 577	52	2 561	4 925
Total Assets	93 594	87 997	71 272	4 734	257 597
Total Liabilities	37 138	53 811	52 244	(98)	143 095
Capital expenditure (12 Months)	4 914	986	1 374	31	7 305

Business segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash.

Capital expenditure comprises additions to property plant and equipment (Note 7) and intangible assets (Note 8).

Secondary reporting format - geographical segments

At 31 December 2007, the Group operates in the following geographical areas:

- Portugal
- Germany
- Other

Sales and services rendered by geographical segments in the period ended 31 December 2006 are as follows:

7001				Novabase
	Portugal	Germany	Other	Group
Sales and Services rendered	180 487	44 879	36 137	261 503

Sales and services rendered by geographical segments in the period ended 31 December 2007 are as follows:

				Novabase
	Portugal	Germany	Other	Group
Sales and Services rendered	191 233	43 802	78 162	313 197

The geographical segment assets and liabilities at 31 December 2006 and capital expenditure for the year then ended are as follows:

					Novabase
	Portugal	Germany	Other	Unallocated	Group
Assets	148 512	28 437	12 773	38 616	228 338
Associates	3 623	-	-	-	3 623
Total Assets	152 135	28 437	12 773	38 616	231 961
Capital expenditure (12 Months)	3 619	996	8	572	5 195

The geographical segment assets and liabilities at 31 December 2007 and capital expenditure for the year then ended are as follows:

					Novabase
	Portugal	Germany	Other	Unallocated	Group
Assets	151 655	47 784	13 923	39 310	252 672
Associates	4 225	-	700	-	4 925
Total Assets	155 880	47 784	14 623	39 310	257 597
Capital expenditure (12 Months)	5 784	1 280	241	-	7 305

Geographical segment assets are allocated based on location of each of the Group's facilities. Deferred income tax assets as well as goodwill and internally generated intangible assets are not allocated to any geographical segment.

6. Companies included in consolidation

The companies consolidated by full method on 31 December 2007 were the following:

		_	Shareholding %		
Holding company, Subsidiaries and Associates	Head Office and country	Share Capital 31.12.07	31.12.07	31.12.06	
Parent company - Group holding:					
Novabase S.G.P.S.	Lisbon - Portugal	€ 15 700 697	-	-	
Novabase Consulting Division :					
Novabase Consulting, S.A.	Lisbon - Portugal	€ 2 041 000	96.3%	96.3%	
Novabase B. I., S.A.	Lisbon - Portugal	€ 250 000	96.3%	96.3%	
Novabase Core Fin. Software Sol., S.A.	Lisbon - Portugal	€ 100 000	100.0%	100.0%	
NBO Recursos em TI	Lisbon - Portugal	€ 50 000	96.3%	96.3%	
Novabase A. C. D., S.A.	Lisbon - Portugal	€ 750 000	93.4%	93.4%	
Novabase Consulting SGPS, S.A.	Lisbon - Portugal	€ 10 675 498	96.3%	96.3%	
Novabase Consulting Espanha, S.A.	Madrid - Spain	€ 1 000 000	100.0%	100.0%	
Novabase E. A., S.A.	Lisbon - Portugal	€ 150 000	96.3%	96.3%	
CelFocus, S.A.	Lisbon - Portugal	€ 100 000	53.0%	53.0%	
Mentor, S.A.	Lisbon - Portugal	€ 50 000	100.0%	100.0%	
(i) COLLAB - Sol. I. Com. e Colab., S.A.	Lisbon - Portugal	€ 61 333	50.7%	55.4%	
(ii) SAF, S.A.	Lisbon - Portugal	€ 325 000	86.7%	53.9%	
(iii) Novabase International Solutions BV	Amsterd Netherl	€ 18 000	90.0%	-	
Nbase International Investments B.V.	Amsterd Netherl	€ 1 220 800	100.0%	100.0%	
Novabase Engineering Division :					
Novabase Infraestruturas, SGPS, S.A.	Oeiras - Portugal	€ 50 000	87.3%	87.3%	
Novabase IIS, S.A.	Oeiras - Portugal	€ 70 500	87.3%	87.3%	
Octal - Engenharia de Sistemas, S.A.	Lisbon - Portugal	€ 3 000 000	100.0%	100.0%	
Novabase Infr. Integracion S. Inf., S. A.	Madrid - Spain	€ 120 202	100.0%	100.0%	
Gedotecome, Lda.	Lisbon - Portugal	€ 25 000	100.0%	100.0%	
(iv) ES IT International Trade & Services	9	CHF200 000	100.070	99.9%	
Octal 2 Mobile	Fribourg - Switzerl Lisbon - Portugal	€ 50 000	80.0%	80.0%	
	Lisboit - Fortugar	€ 30 000	80.0 /	80.0 /8	
Novabase Digital TV Division : (v) Techno Trend Holding NV	Amsterd Netherl	€ 97 295	39.5%	50.0%	
(vi) Techno Trend AG	Erfurt - Germany	€ 5 263 320	39.5%	44.1%	
(vi) Novabase Interactive TV	Lisbon - Portugal	€ 278 125	39.5%	38.3%	
(vi) Octal TV , S.A.	Lisbon - Portugal	€ 250 000	31.6%	30.7%	
(vi) OnTV, S.A.	Lisbon - Portugal	€ 100 000	39.5%	19.5%	
Novabase Capital:	O				
Novabase Capital SGCR, S.A.	Lisbon - Portugal	€ 2 500 000	100.0%	100.0%	
(vii) Sapi 2 ci, Consultadoria Informática, S.A.	Oporto - Portugal	€ 60 100	-	50.0%	
(vii) Sapi 2 pi, Projectos Informáticos, Lda.	Oporto - Portugal	€ 5 000	-	50.0%	
Novabase Shared Services:					
Novabase Serviços, S.A.	Lisbon - Portugal	€ 250 000	100.0%	100.0%	

⁽i) See note 29.

The companies consolidated using the equity method on 31 December 2007 were the following:

Holding company	Head Office	Share Capital	Sharehol	ding %	Equity 31.12.07	Results 31.12.07
	and country	31.12.07	31.12.07	31.12.06	Euro'000	Euro'000
Superemprego, S. A.	Lisbon - Portugal	€ 500 000	36.25%	36.25%	293	47
Mind, S.A.	Lisbon - Portugal	€ 370 000	50.0%	50.0%	853 (*)	196 (*)
Sapi 2 ci, Consultadoria Informática, S.A.	Oporto - Portugal	€ 60 100	50.0%	-	290 (*)	90 (*)
Sapi 2 pi, Projectos Informáticos, Lda	Oporto - Portugal	€ 5 000	50.0%	-	67 (*)	13 (*)
Fundo Capital Risco	Lisbon - Portugal	€ 7 142 857	30.0%	30.0%	7 208	(85)
Key Lab	Lisbon - Portugal	€ 500 000	15.0%	15.0%	1 162	201

^(*) Information regarding 31.12.2006.

⁽ii) See note 20.

⁽iii) This company was incorporated in the second half of 2007. 90% of the shares are held by Nbase International Investments BV.

⁽iv) This company was sold in October 2007.

⁽v) The Group has the power to govern the financial and operating policies of this company (see note 20).

⁽vi) This company is controlled by Techno Trend Holding NV (see note 20).

⁽vi) The Group no longer has the power to govern the financial and operating policies of this company.

7. Property plant and equipment

The detail of Property plant and equipment is analysed as follows:

	31.12.07					
		Accumulated	Net book		Accumulated	Net book
	Cost	depreciation	value	Cost	depreciation	value
Buildings and other constructions	2 072	222	1 850	1 361	427	934
Basic equipment	5 017	2 151	2 866	3 968	2 163	1 805
Transport equipment	4 715	2 687	2 028	5 331	2 729	2 602
Tools and utensils	632	440	192	502	364	138
Furniture, fittings and equipment	2 415	911	1 504	1 513	909	604
Other tangible fixed assets	19	12	7	12	4	8
	14 870	6 423	8 447	12 687	6 596	6 091

During 2006, movements on Property plant and equipment were as follows:

	01.01.06 Balance	Acquisitions / Increases	Disposals	Transfers	Change in Consolidation Universe	31.12.06 Balance
Cost:						
Buildings and other constructions	1 328	33	-	-	-	1 361
Basic equipment	5 967	704	(2 269)	<i>7</i> 5	(509)	3 968
Transport equipment	4 643	1 652	(898)	-	(66)	5 331
Tools and utensils	406	101	(5)	-	-	502
Furniture, fittings and equipment	1 670	172	(294)	(1)	(34)	1 513
Other tangible fixed assets	12	57	(57)	-		12
	14 026	2 719	(3 523)	74	(609)	12 687
Accumulated Depreciation :						
Buildings and other constructions	286	141	_	-	-	427
Basic equipment	3 663	1 033	(2 125)	1	(409)	2 163
Transport equipment	2 021	1 582	(804)	-	(70)	2 729
Tools and utensils	321	48	(5)	-	-	364
Furniture, fittings and equipment	956	267	(290)	(1)	(23)	909
Other tangible fixed assets	3	58	(57)	-		4
	7 250	3 129	(3 281)	-	(502)	6 596

During the period ended 31 December 2007, movements on Property plant and equipment were as follows:

					Change in	
	01.01.07	Acquisitions			Consolidation	31.12.07
	Balance	/ Increases	Disposals	Transfers	Universe	Balance
Cost:						
Buildings and other constructions	1 361	1 805	(1 070)	-	(24)	2 072
Basic equipment	3 968	1 851	(729)	243	(316)	5 017
Transport equipment	5 331	1 027	(1 235)	-	(408)	4 715
Tools and utensils	502	130	-	-	-	632
Furniture, fittings and equipment	1 513	1 201	(208)	-	(91)	2 415
Other tangible fixed assets	12	29	(22)	-		19
	12 687	6 043	(3 264)	243	(839)	14 870
Accumulated Depreciation :						
Buildings and other constructions	427	527	(710)	_	(22)	222
Basic equipment	2 163	989	(695)	_	(306)	2 151
Transport equipment	2 729	1 362	(1 056)	-	(348)	2 687
Tools and utensils	364	76	-	-	-	440
Furniture, fittings and equipment	909	286	(203)	-	(81)	911
Other tangible fixed assets	4	30	(22)	-		12
	6 596	3 270	(2 686)		(757)	6 423
	·				·	

Buildings and other constructions includes assets in the amount of EUR 1 658 thousand installed on third party permises. Depreciation is included in 'Depreciation and amortisation' item in the income statement (note 30).

 $Transport\ Equipment\ includes\ the\ following\ finance\ lease\ contracts:$

	31.12.07	31.12.06
Acquisition cost	4 686	4 888
Accumulated depreciation	(2 668)	(2 364)
Net book value	2 018	2 524
	31.12.07	31.12.06
Depreciation charge	1 354	1 483

8. Intangible assets

Intangible assets are analysed as follows:

		31.12.07			31.12.06	
	Cost	Accumulated Amortisation	Net book value	Cost	Accumulated Amortisation	Net book value
Internally generated intangible assets	4 226	1 637	2 589	3 891	1 230	2 661
Industrial property and other rights	11 792	6 563	5 229	11 699	5 328	6 371
Work in progress	516	-	516	1 177	-	1 177
Goodwill	26 403		26 403	26 750		26 750
	42 937	8 200	34 737	43 517	6 558	36 959

During 2006, movements were as follows:

					Change in	
	01.01.06	Acquisitions	Impairment ch.		Consolidation	31.12.06
	Balance	/ Increases	Disposals	Transfers	Universe	Balance
Cost:						
Internally generated intangible assets	3 423	572	(860)	1 675	(919)	3 891
Industrial property and other rights	11 682	42	(242)	219	(2)	11 699
Work in progress	1 305	1 862	-	(1 968)	(22)	1 177
Goodwill	27 164		(213)	<u>-</u>	(201)	26 750
	43 574	2 476	(1 315)	(74)	(1 144)	43 517
Accumulated Amortisation						
Internally generated intangible assets	824	989	(860)	781	(504)	1 230
Industrial property and other rights	4 117	1 452	(239)	-	(2)	5 328
	4 941	2 441	(1 099)	781	(506)	6 558

During the period ended 31 December 2007, movements were as follows:

					Change in	
	01.01.07	Acquisitions	Impairment ch.		Consolidation	31.12.07
	Balance	/ Increases	Disposals	Transfers	Universe	Balance
Cost:						
Internally generated intangible assets	3 891	707	(1 229)	857	-	4 226
Industrial property and other rights	11 699	116	(23)	-	-	11 792
Work in progress	1 177	439	-	(1 100)	-	516
Goodwill	26 750			-	(347)	26 403
	43 517	1 262	(1 252)	(243)	(347)	42 937
Accumulated Amortisation						
Internally generated intangible assets	1 230	1 636	(1 229)	-	-	1 637
Industrial property and other rights	5 328	1 258	(23)	-		6 563
	6 558	2 894	(1 252)			8 200

Industrial property and other rights is analysed as follows:

		Amortisation			Accumulated	Net book
	Business	Period	Company	Cost	amortisation	value
(i)	ATX Projects	10 years	Novabase Consulting	8 295	3 588	4 707
(ii)	SAP and Meta4	5 years	Novabase Serviços	2 194	1 915	279
	Other			1 303	1 060	243
				11 792	6 563	5 229

- (i) Amount paid to Espírito Santo group, for the acquisition of a service contract, over a period between 6 to 10 years.
- (ii) Human resources and management information systems based respectively on META4 and mySAP platforms, for the Group internal use.

Internally generated intangible assets includes the cost of projects for the development of software, as well as the cost of projects for products development in specific areas.

The amount with research and development recognized as a cost, related to the main projects, reached 8.5M € (2006: 5.9M€).

Movements in goodwill were as follows:

	31.12.07	31.12.06
Balance at 1 January	28 369	28 570
(i) Changes in consolidation universe	(347)	(201)
Balance at the end of the year	28 022	28 369
Movements in goodwill impairment charges were as follows:		
	31.12.07	31.12.06
Balance at 1 January	(1 619)	(1 406)
(ii) Impairment losses		(213)
Balance at the end of the year	(1 619)	(1 619)

- (i) In 2006: Disposal of Manchete participation. In 2007: Sapi2 were consolidated by the equity method as the group doesn't have the power to govern the financial and operating policies of this company.
- (ii) In 2006: An impairment loss was registered in this period, related with the remaining value of the Goodwill associated with the subsidiary Mind.

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the business segments.

31.12.07	31.12.06
14 155	14 155
731	731
11 517	11 517
-	347
26 403	26 750
	14 155 731 11 517

(*) Cash generating units were defined at the level of each company acquired.

With the objective of analysing the goodwill impairment, in 2007 were performed evaluations which support the recoverable value of the goodwill.

For Novabase Consulting and Novabase Engineering divisions, was used the discounted cash flow method, using the following key assumptions:

	Consulting	Engineering
Discounted rate (before tax)	12.36%	14.26%
Perpetual grow rate	4.00%	3.00%
Anual growth rate of turnover	5.00%	2-1%

For the purpose of preparing the discounted cash flow model it was considered a 5 year period.

For Digital TV division, was used cash flows projections based on a 3 year period and evaluations based in the Economic Value Added method. In that time horizon, the margin % of the operational profit varies from 5 to 7%. Management determined forecasted gross margins and growth rates based on past performance and its expectations for the market development. The return on net assets rate for the period 2010-2014 is 22.5% and after 2014 is 10%. The discount rates used are pre-tax and reflect the market risk premium. The discount rate is 9% for the period 2010-2014 and 8% after 2014. The growth rate of net assets is 9% for the period 2010-2014 and 2% after 2014.

Application of the previously described method generates a recoverable value of assets superior to the carrying value of the related assets, concluding therefore that no need for an impairment charge to the goodwill allocated to each cash generating units.

A reasonably possible change in a key assumption on which management has based its determination of the recoverable amount wouldn't cause the carrying amount to exceed its recoverable amount.

9. Investments in associates

This heading is analysed as follows:

		Shareholding %		Acquisitio	n Cost
		31.12.07	31.12.06	31.12.07	31.12.06
(i)	Plano B	75%	75%	9	9
(ii)	WRC	4%	4%	15	15
(ii)	Tape	1%	1%	4	4
(ii)	Intelcart	10%	10%	2	2
	TV Lab	45%	45%	49	49
(iii)	Key Lab (see note 6)	15%	15%	1 325	1 316
	Fundo Capital Risco	30%	30%	2 128	2 212
(iv)	SAPi2	50%	50%	432	-
(v)	NB Middle East	91%	-	700	-
(v)	Contactless	62%	-	245	-
	Other			16	16
				4 925	3 623

- (i) These companies are dormant and therefore were excluded from consolidation.
- (ii) These companies were considered not materially relevant, and therefore were not included in the consolidation.
- (iii) This balance includes the amount of EUR 1 270 thousand of the goodwill arising from the acquisition of this equity holding.
- (iv) Novabase does not have the power to control the operational and financial policies of this company.
- (v) Companies incorporated in December 2007, that will start activities only in the beginning of 2008.

10. Deferred income tax assets and liabilities

Novabase Group recognises the tax effects on timing differences that arose between the tax basis of assets and liabilities and their carrying amount in the Consolidated Financial Statements, in accordance with the International Accounting Standard 12 - Income Taxes.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts can be presented as follows:

	31.12.07	31.12.06
Deferred tax assets:		
To be recovered within 12 months	1 531	1 665
To be recovered after more than 12 months	9 580	8 164
	11 111	9 829
Deferred tax liabilities:		
To be recovered within 12 months	-	-
To be recovered after more than 12 months	392	157
	392	157

The movement in the deferred income tax is as follows:

	31.12.07	31.12.06
Balance at 1 January	9 829	9 053
Change in consolidation universe	-	(74)
Transfers	256	(2)
Income statement charge	1 026	852
Balance at the end of the year	11 111	9 829

The movement in deferred tax **assets** during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax losses	Accelerated Amortisation	Tax incentives	Provisions	Total
Balance at 1 January 2006	5 915	330	2 172	636	9 053
Charged to the income statement	290	(124)	751	(65)	852
Transfers	(2)	-	-	-	(2)
Change in consolidation universe	(74)		-		(74)
Balance at 31 December 2006	6 129	206	2 923	571	9 829
Charged to the income statement	268	(113)	716	155	1 026
Transfers	256	-	-	-	256
Balance at 31 December 2007	6 653	93	3 639	726	11 111

11. Inventories

This heading is analysed as follows:

	31.12.07	31.12.06
Merchandise	9 652	12 373
Finished products	2 085	1 822
Raw materials, subsidiary goods and consumables	12 448	11 433
Inventory impairment	24 185 (3 321)	25 628 (2 017)
	20 864	23 611

Movements in inventory impairment are analysed as follows:

	31.12.07	31.12.06
Balance at 1 January	2 017	5 917
Impaiment	2 868	2 906
Impaiment reversal	(1 023)	(480)
Transfers	-	(463)
Write-offs	(541)	(5 863)
	3 321	2 017

The amount of inventories recognised in income statement, under 'cost of goods sold' and 'external supplies and services' headings is EUR 188 025 thousand (2006: EUR 141 451 thousand).

12. Financial instruments by category

	Loans and receivables	Available- -for-sale	Other financial liabilities	Non-financial assets/ liabilities	Total
As of 31 December 2006					
Assets					
Trade and other receivables	87 357	-	-	4 801	92 158
Accrued income	14 799	-	-	-	14 799
Other current assets	-	-	-	3 221	3 221
Available-for-sale financial assets	-	839	-	-	839
Cash and cash equivalents	39 563	-	-	<u>-</u>	39 563
	141 719	839	-	8 022	150 580
Liabilities					
Borrowings	-	-	25 853	-	25 853
Trade and other payables	-	-	83 490	-	83 490
Deferred income and other current liabilities			15 424	<u>-</u>	15 424
			124 767	<u> </u>	124 767
As of 31 December 2007					
Assets					
Trade and other receivables	117 015	-	-	3 140	120 155
Accrued income	14 357	-	-	-	14 357
Other current assets	-	-	-	3 180	3 180
Available-for-sale financial assets	-	-	-	-	-
Cash and cash equivalents	38 335		-	. <u> </u>	38 335
	169 707		-	6 320	176 027
Liabilities					
Borrowings	-	-	18 454	-	18 454
Trade and other payables	-	-	105 409	-	105 409
Deferred income and other current liabilities			17 047	<u>-</u>	17 047
			140 910	<u>-</u>	140 910

13. Trade and other receivables

This heading is analysed as follows:

	31.12.07	31.12.06
Trade receivables	117 359	88 610
Impairment of trade receivables	(3 291)	(3 345)
	114 068	85 265
Prepayments to suppliers	1 940	2 976
Employees	264	310
Taxes	936	1 515
Subsidies from European Social Fund	102	186
Related parties debtors	517	661
Financial investments disposals	22	380
Other	2 306	865
	6 087	6 893
	120 155	92 158

The fair value of trade receivables balance approximates it's carrying amount.

The carrying amount of this heading plus the balance of accrued income (see note 14) represents the maximum exposure to credit risk.

The ageing analysis of the carrying amounts of trade receivables that were past due is as follows:

	31.12.07	31.12.06
Carrying amount of receivables not due	79 218	55 362
Carrying amount of receivables not impaired		
Past due for less than 6 months	23 630	17 551
Past due for more than 6 months	10 804	12 209
Carrying amount of receivables due and not impaired	34 434	29 760
Carrying amount of receivables not impaired		
Past due for less than 6 months	244	95
Past due for more than 6 months	3 463	3 393
Carrying amount of receivables due and not impaired	3 707	3 488
	117 359	88 610
Movements in impairment of trade receivables are analysed as follows:		
	31.12.07	31.12.06
Balance at 1 January	3 345	2 471
Change in consolidation universe	(13)	(66)
Impairment	972	1 097
Impairment reversal	(739)	(439)
Transfers	(115)	282
Writte-offs	(159)	-
	3 291	3 345
. Accrued income		
Accrued income is analysed as follows:		
	31.12.07	31.12.06
- Ongoing projects	13 256	14 265
- Other accrued income	1 101	534
	14 357	14 799
. Other current assets		
This heading is analysed as follows:		
	31.12.07	31.12.06
- Hardware and software maintenance	848	1 594
- Subcontracts	807	638
- Other deferred costs	1 525	989
	3 180	3 221

In order to assure cut off of operations for these services, costs were deferred and will be taken to the income statement in next periods.

The carrying amount of this heading represents the maximum exposure to credit risk.

14.

15.

16. Available-for-sale financial assets

Movements in this heading are analysed as follows:

	31.12.07	31.12.06
Balance at 1 January	839	757
Disposals	(610)	-
Fair value adjustments in Equity	(229)	82
Balance at the end of the year	-	839
This heading is analysed as follows:		
	31.12.07	31.12.06
Ordinary shares		
- Portugal Telecom	-	602
- PT Multimédia		237
		839

In 2007, the amount of dividends received, booked in income statement under 'Finance Income' heading, was EUR 0 (2006: EUR 36 thousand).

17. Cash and cash equivalents

With reference to the consolidated Cash Flow Statement, the detail and description of Cash and bank overdrafts is analysed as follows:

	31.12.07	31.12.06
- Cash	5	327
- Short term bank deposits	38 330	39 218
- Other Cash Investments:		
- Finance investments in Portuguese banks		18
Cash and cash equivalents	38 335	39 563
- 'Overdrafts'	(7 057)	(8 411)
	31 278	31 152

The fair value of Cash and cash equivalents balance approximates it's carrying amount.

The maximum exposure to credit risk at the reporting date is the carrying value mentioned above.

There is a short-term bank deposit of EUR 500 thousand given as collateral related to a EUR 7 000 thousand factoring line from Coface to Techno Trend AG.

18. Non-current assets classified as held for sale

In 2004, Novabase decided to discontinue its operations in Novabase Brazil. This company's activity was not profitable and demanded significant management resources and cash requirements. Also in 2004, the Training activity has been exposed to a similar process, and the companies' operating in this area were disposed. The costs related with this two decisions were provisioned in 2004, in the amount of EUR 1.8 and 2.2 million respectively.

The disposal of 80% of Novabase Brazil in 2005 generated an income of EUR 682 thousand. The remaining 20% held by Novabase Consulting were disposed in the first half of 2006, generating an income of EUR 68 thousand.

The result of the discontinued operations, as well as assets and liabilities of these activities are analysed as follows:

	31.12.07		31.12.06	
	Training	Brazil	Training	Brazil
Income	-	-	-	68
Expenses		<u>-</u>		
Result before taxes of discontinued operations	-	-	-	68
Taxes			-	-
Result after taxes of discontinued operations		-		68
	31.12	.07	31.12.0	06
	Training	Brazil	Training	Brazil
Non-current assets classified as held for sale				
Amount to receive for the disposal	2 915	-	2 915	-
Provisions	(2 915)		(2 915)	

19. Share capital, share premium, treasury shares and share options

The Share Capital, fully subscribed and paid of EUR 15 700 697 is represented by 31 401 394 shares with a nominal value of EUR 0.5 each.

	Number of shares (thousands)	Ordinary shares	Share premium	Treasury shares	Total
Balance at 1 January 2006	28 726	14 363	37 252	(14)	51 601
Shares issued	2 675	1 338	11 961	-	13 299
Treasury shares purchased	-	-	-	(314)	(314)
Treasury shares disposed		-	-	68	68
Balance at 31 December 2006	31 401	15 701	49 213	(260)	64 654
Treasury shares disposed		-	-	11	11
Balance at 31 December 2007	31 401	15 701	49 213	(249)	64 665

The number of treasury shares held by Novabase S.G.P.S. on 31.12.07 is under the limits established by its statutory rules (10% of share capital) and in accordance with the Portuguese commercial law.

At 31 December 2006 Novabase S.G.P.S. held 520 577 treasury shares, representing 1.66% of it's share capital.

During 2007 the company disposed 23 169 shares by the exercise of stock options, at the average price of EUR 4.74.

At 31 December 2007, Novabase S.G.P.S. held 497 408 treasury shares, representing 1.58% of total share capital.

Stock Options Plan

There are several Stock Options Plans in force approved in distinct Shareholders General Meetings.

The Stock Options attributed will automatically expire, whenever the employee is no longer working in any of the Group companies, or ceases functions as Administrator.

All active plans as at 31 December 2007 will be settled with shares of the company.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	31.12.07		31.12.06		
	Average exercise price in EUR per share	Options (thousands)	Average exercise price in EUR per share	Options (thousands)	
Balance at 1 January		4 725		5 886	
Granted	-	-	6.27	2 968	
Exercised	4.91	(23)	4.97	(2 676)	
Lapsed	5.74	(2 260)	6.58	(1 453)	
Balance at the end of the year	_	2 442	_	4 725	

Share options outstanding (in thousands) at the end of the period have the following expiry date and exercise prices:

	Exercise	Shares (the	ousands)
Expiry date	price	31.12.07	31.12.06
2007	4.91	-	475
2007	5.81	-	1 285
2008	6.03	854	1 005
2009	6.39	1 588	1 960
		2 442	4 725

The cost of EUR 168 thousand (2006: EUR 518 thousand) has been charged in 'Employee benefit expense' in the Income Statement.

20. Reserves and retained earnings

Portuguese companies are obliged / required by law to transfer at least 5% of annual net profit to legal reserves until this balance 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 used.

Novabase S.G.P.S. since its incorporation has decided not to distribute dividends to the shareholders, ensuring that the company has adequate financial resources needed for its continued development.

In March 2007, Techno Trend Holding NV acquired 3.3% of Techno Trend AG to Texas Instruments Inc. by the amount of USD 1 750 000, which allowed to increase the financial holding to 78.4%. Additionally, Techno Trend Holding NV increased share capital, from EUR 70 thousand to EUR 97 thousand, receiving for the subscription 24.9% of Novabase Interactive TV shares, 21.6% of Techno Trend AG shares and 49% of OnTV shares. Consequently, Novabase S.G.P.S. diluted its financial holding in Techno Trend Holding NV from 50% to 39.5%. These operations had an impact in minority interest, which decreased EUR 804 thousand.

In the beginning of 2007, Novabase Consulting, S.A. acquired 34% of SAF by the amount of EUR 342 thousand, increasing its financial holding to 86.7%. This operation had an impact in minority interest, which decreased EUR 278 thousand.

In both cases, SAF and Techno Trend Holding NV, as the financial holdings were acquired to minorities in which the group already had control, Economic Entity Model Method was applied, and the difference between the acquisition cost and the net assets value of the subsidiaries acquired has been booked in Equity, respectively, EUR 65 thousand and EUR 527 thousand.

In 2007, Techno Trend Holding NV incurred in expenses of EUR 775 thousand with share capital issue and Initial Public Offering (IPO) process. From this amount approximately EUR 306 thousand was attributed to the group being recognised in reserves. The remaining amount was attributed to minority interest (note 21).

21. Minority interest

This heading is analysed as follows:

	31.12.07	31.12.06
Balance at 1 January	11 211	12 018
Acquisitions of minority by the group (see note 20).	(1 082)	-
Costs of issuance of ordinary shares of a subsidiary (see note 20).	(469)	-
Change in consolidation universe (*)	687	(1 150)
Minority interests in profit for the year	3 294	343
	13 641	11 211

(*) Share capital issue (EUR 877 thousand) - see note 29. NB Int. Sol. (EUR 13 thousand), SAPi2 (EUR -203 thousand) - see note 6.

22. Borrowings

This heading is analysed as follows:

	31.12.07	31.12.06
Non-current		
Bank borrowings	4 325	7 400
Finance lease liabilities	1 437	1 782
	5 762	9 182
Current		
Bank borrowings	11 584	15 303
Finance lease liabilities	1 108	1 368
	12 692	16 671
Total borrowings	18 454	25 853

The fair value of Non current liabilities balance approximates it's carrying amount.

The exposure of the Group's current borrowings to the contractual repricing dates are as follows:

	6 months or less	6-12 months	Total
At 31 December 2006	13 953	1 350	15 303
At 31 December 2007	10 120	1 464	11 584
The maturity of non-current borrowings is as follows:			
		31.12.07	31.12.06
Between 1 and 2 years		2 979	2 700
Between 2 and 5 years		1 346	4 700
		4 325	7 400
The effective interest rates at the balance sheet date were as follows:			
		31.12.07	31.12.06
Bank borrowings		5.622%	4.751%
Bank overdrafts		4.921%	4.388%
		31.12.07	31.12.06
Finance lease liabilities – minimum lease payments:		4.400	4.000
Not later than 1 year		1 108	1 368
Between 1 and 5 years		1 437	1 782
		2 545	3 150
Future finance charges of finance leases		852	924
Present value of finance lease liabilities		3 397	4 074
The present value of finance lease liabilities can be analysed as follows:			
		31.12.07	31.12.06
Not later than 1 year		1 474	1 758
Between 1 and 5 years		1 923	2 316
		3 397	4 074

23. Retirement benefit obligations

Techno Trend AG has a pension plan for board management. This obligation is recorded under 'trade and other payables'. Yearly costs incurred with this plan are recorded in the income statement.

This item is analysed as follows:

Balance sheet obligations related with:		
	31.12.07	31.12.06
Retirement benefit obligations	357	380
	357	380
Profit and loss related with:	21 12 07	21 12 06
	31.12.07	31.12.06
Retirement benefit obligations	25	25
	25	25
Detinance the roll ablication arounded and are seed and liabilities is analyzed as follows:		
Retirement benefit obligations recorded under assets and liabilities is analysed as follows:	31.12.07	31.12.06
Present value of defined benefits obligation	632	596
Fair value of plan assets	(275)	(216)
	357	380
Retirement benefit obligations recorded under profit and loss is analysed as follows:		
	31.12.07	31.12.06
Actual cost of service	114	60
Interest paid	29	26
Expected return on plan assets	(11)	(8)
Net actuarial loss recognized during the period / year	(107)	(53)
Total, accounted under staff costs	25	25
Movement in balance sheet is analysed as follows:		
,	31.12.07	31.12.06
Balance at 1 January	380	434
Total costs recognized in income statement	25	25
Contributions paid	(48)	(79)
Balance at the end of the year	357	380
Main actuarial assumptions used are the following:		
man actaina assumptions used are the following.	31.12.07	31.12.06
Discount Rate	5.50%	4.50%
Expected return on plan assets	4.50%	4.50%
Future wage increase	0.00%	0.00%

24. Provisions

Movements on Provisions are analysed as follows:

		Legal	Other risks	
	Warranties	Disputes	and charges	Total
Balance at 1 January 2006	275	100	216	591
Additional provisions	635	-	10	645
Used during year	(35)	-	(128)	(163)
Changes in consolidation universe	-		(1)	(1)
Balance at 31 December 2006	875	100	97	1 072
Additional provisions	1 029	-	86	1 115
Used during year	(475)		(50)	(525)
Balance at 31 December 2007	1 429	100	133	1 662

Provisions balance includes the following matters:

Warranties - Liabilities related with third parties subcontracts in the supply of hardware for the TV and mobility businesses, to cover the client's warranty period.

Legal Disputes - Responsibilities with indemnities to third parties related with the legal disputes in progress. The payment of this liability depends on the conclusion of the mentioned legal actions (see note 38).

25. Trade and other payables

This heading is analysed as follows:

	31.12.07	31.12.06
Trade payables	59 081	47 194
Marketing	54	1 856
Personnel - remuneration, vacation and vacation subsidies	6 866	5 563
Bonus	6 184	3 770
Projects in progress	8 906	6 723
VAT	8 461	7 762
Social security contributions	1 528	1 464
Income tax withholding	1 053	930
Employees	432	489
Subscribers of share capital in subsidiaries	537	1 394
Retirement benefit obligations	357	380
Prepayments from clients	269	706
Other accruals	5 398	2 413
Other payables	6 283	2 846
	105 409	83 490

The fair value of Trade and other payables balance approximates it's carrying amount.

The maturity of trade and other payables is as follows:

	31.12.07	31.12.06
Not later than 1 year	105 409	83 490
	105 409	83 490

26. Deferred income and other current liabilities

This item is analysed as follows:

	31.12.07	31.12.06
Subsidies		
- Research and development subsidies	1 339	331
- Training subsidies	167	331
Consulting projects	15 541	14 762
	17 047	15 424

In 2007, the group expected to receive some financial incentives to investment: $\frac{1}{2}$

	Contracted Amount	Received Amount
Subsidies	-	
- SIME - Sistema de Incentivos à Modernização Empresarial	1 230	-
- Portivity - Portable Interactivity	240	164
- NITEC - Sistema de Incentivos à Criação de Núcleos de Investigação e	81	_
Desenvolvimento Tecnológico no Sector Empresarial	365	250
- Training projects		230
	1 916	414
27. External supplies and services		
External supplies and services heading is analysed as follows:		
	31.12.07	31.12.06
Subcontracts	18 988	19 033
Supplies and Services:	7.055	. OFF
Transportation and travel expenses	7 255 7 322	6 055 7 187
Commissions and consultancy fees	3 593	2 214
Specialised services Rentals	2 575	2 114
	2 214	12 120
Advertising and promotion Merchandise transport	2 322	1 663
Royalties	340	930
Communications	789	779
Insurance	695	748
Water, electricity and fuel	800	696
Utility expenses	223	448
Other services	2 470	1 754
	30 598	36 708
	49 586	55 741
28. Employee benefit expense		
This heading is analysed as follows:		
	31.12.07	31.12.06
Board members remuneration	5 611	5 785
Salaries and wages	49 030	40 385
Social security charges	8 297	7 173
Stock options attibuted	168	518
Other personnel expenses	912	1 055
	64 018	54 916
Average number of personnel by division is detailed as follows:		
	21 12 07	31.12.06
	31.12.07	
'Novabase Consulting'	975	862
'Novabase Engineering'	287	261
'Digital TV'	302	244
'Novabase Capital':	1	21
'Staff'	85	89
	1 650	1 477

29. Other losses - net

		31.12.07	31.12.06
(i)	Gain on financial participation disposals	823	1 085
	Client impairment and reversal of client impairment	(347)	(1 170)
	Inventories impairment and reversal of inventories impairment	(1 845)	(2 426)
	Warranties provisions	(552)	(607)
	Other Provisions	(36)	89
	Other	609	136
		(1 348)	(2 893)

(i) In the first half of 2006, the 50.001% financial holding on Manchete was disposed by the group, by the total amount of EUR 1 500 thousand. This amount is totally received as at 31 December 2006.

The following subsidiary assets and liabilities were disposed:

	Manchete
Cash and cash equivalents	68
Tangible fixed assets	117
Intangible fixed assets	10
Trade, other receivables and income accrual	475
Other current assets	17
Borrowings	(62)
Provisions for other risk and charges	(1)
Trade, other payables and deferred income	(214)
Expense accruals	(74)
Net assets	336

In 2007, the subsidiary Collab issued share capital in EUR 11 thousand, with a premium fully subscribed of some EUR 1 689 thousand. The group did not subscribe the shares issued, what resulted in a dilution of the financial holding of the group from 55.4% to 50.7%. However, with this operation the group had a gain of EUR 823 thousands.

30. Depreciation and amortisation

Depreciation and amortisation heading is analysed as follows:

	31.12.07	31.12.06
Property plant and equipment Depreciation:		
Buildings and other constructions	527	141
Basic equipment	989	1 033
Transport equipment	1 362	1 582
Tools and utensils	75	48
Furniture, fittings and equipment	286	267
Other tangible fixed assets	31	58
	3 270	3 129
Intangible fixed assets Amortisation :		
Internally generated intangible assets	1 636	989
Industrial property and other rights	1 258	1 452
	2 894	2 441
	6 164	5 570

31. Finance income

This heading is analysed as follows:

	31.12.07	31.12.06
Interest received	1 295	494
Net income on the disposal of financial assets	267	-
Positive exchange differences	2 181	1 406
Other financial gains	2	30
	3 745	1 930
ance costs		
s heading is analysed as follows:		

32. Finar

This heading is analysed as follows:

	31.12.07	31.12.06
Interest paid		
- Loans	(1 982)	(898)
- Interest on leasing contracts	(422)	(403)
- Factoring interest	(1 379)	(652)
- Other interest	(43)	(43)
Bank guarantees charges	(229)	(143)
Bank services	(157)	(166)
Negative exchange differences	(2 920)	(2 172)
Other financial losses	(96)	(139)
	(7 228)	(4 616)

33. Share of losses of associates

This heading is analysed as follows:

	Profit/	Profit / (Loss)		
	31.12.07	31.12.06		
Mind, S.A.	-	(398)		
Fundo Capital Risco and subsidiaries	(34)	25		
Key Lab	9	(24)		
	(25)	(397)		

34. Income tax expense

This heading is analysed as follows:

	31.12.07	31.12.06
Current tax	1 085	930
Deferred tax due to timing differences	(1 026)	(852)
	59	78

Group income tax for the year differs from that obtained when using the holding company's country average tax rate as a result of:

	31.12.07	31.12.06
Profit before tax	10 350	5 522
Income tax at nominal rate	2 588	1 519
Fiscal benefits from work creation	(287)	(216)
Provisions and amortisations not considered for fiscal purposes	188	193
Deferred tax recognition on provisions from previous periods	(38)	(443)
Subsidiary disposals	(217)	(298)
Autonomous taxation	368	316
Losses in companies where no deferred tax is recognised	90	-
Expenses not deductible for tax purposes	150	99
Difference from foreign companies income tax rate	(199)	(78)
R&D fiscal benefits	(3 554)	(1 476)
Income tax adjustment due to changes in legislation	-	569
Impairment of deferred taxes	339	-
Impairment of other taxes	117	-
Provision for legal disputes	383	-
Other	131	(107)
Income tax	59	78

35. Earnings per share

Racio

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company (Note 19).

Diluted

Each share diluted result is calculated by adjusting the average weighted number of ordinary shares, in order to consider the conversion of all the potentials dilutive ordinary shares. Novabase has just one type of potential ordinary dilutive shares: stock options. It was decided that the number of shares to be acquired at its fair value by the weighted average of the Novabase shares market price. This number of shares was compared with the number of shares that would be issued if all the options were exercised.

This item is analysed as follows:

	31.12.07	31.12.06
Weighted average number of ordinary shares in issue	30 896 263	30 286 549
Stock options adjustment		98 731
Adjusted weighted average number of ordinary shares in issue	30 896 263	30 385 280
Profit from continuing operations attributable to equity holders of the Company	6 997	5 101
Basic earnings per share (euro per share)	0.23 euros	0.17 euros
Diluted earnings per share (euro per share)	0.23 euros	0.17 euros
Profit from discontinued operations attributable to equity holders of the Company Basic earnings per share (euro per share)		68
Diluted earnings per share (euro per share)	-	-

36. Commitments

The financial commitments not included in the balance sheet are bank guarantees provided to third parties for ongoing projects,

	Bank	31.12.07	31.12.06
Novabase S.G.P.S.	BPI	101	169
Novabase S.G.P.S.	BES	5 500	3 000
Novabase Consulting, S.A.	BPI	1 734	1 073
Novabase Consulting, S.A.	BES	5 004	4 956
Novabase B. I., S.A.	BPI	5	100
Novabase B. I., S.A.	BES	-	11
NBO Recursos em TI	BPI	523	-
Novabase A. C. D., S.A.	BPI	-	_
Novabase Serviços, S.A.	BPI	405	399
Novabase Serviços, S.A.	BES	371	_
Manchete, S.A.	BPN	-	9
SAF, S.A.	BPI	10	6
Novabase Core Fin. Software Sol., S.A.	BPI	2	1
CelFocus, S.A.	BPI	-	417
COLLAB - Sol. I. Com. e Colab., S.A.	BPI	152	-
Octal - Engenharia de Sistemas, S.A.	BCP	1 159	910
Octal - Engenharia de Sistemas, S.A.	BES	21	21
Octal - Engenharia de Sistemas, S.A.	COSEC	-	98
Novabase IIS, S.A.	BNP PARIBAS	-	10
Novabase IIS, S.A.	BES	1 205	1 023
Novabase IIS, S.A.	BCP	13	10
Novabase Infr. Integracion S. Inf., S. A.	BESSA	224	-
Novabase Infr. Integracion S. Inf., S. A.	BES	-	66
Gedotecome, Lda.	BCP	19	35
Octal TV , S.A.	BCP	26	26
Octal TV , S.A.	BBVA	237	237
Novabase Consulting Espanha, S.A.	BBVA	-	34
Novabase Consulting Espanha, S.A.	BESSA	11	-
Octal 2 Mobile	BBVA	4 500	4 500
		21 222	17 111

The commitments detailed above includes bank garantees in the amount of EUR 5 500 thousand issued from Novabase S.G.P.S. to the associated TT AG, in order to guarantee the loans made by this company.

In the 2007, the Group had the following grouped credit lines contracted:

	Credit line
Group of companies	(Millions €)
NB SGPS; NB Serviços; NB IIS; Octal 2 Mobile; NB IDTV; Octal; NB Consulting	10.0
NB SGPS; NB Consulting; NB EA; Octal; NB Serviços; NB BI; NB ACD; NBO NB Capital	7.0
NB IIS; Octal 2 Mobile; Octal; TV Lab	4.5
Octal; NB IIS; Octal2Mobile	5.0
NB SGPS: Octal: NB IIS: Octal2Mobile	5.0

With the intention to stabilize its cash flows, the group uses full factoring transactions. As at 31.12.07, the amount transferred to factoring companies was EUR 13 402 thousand (2006: EUR 21 765 thousand).

The subsidiary Novabase Business Intelligence - Sistemas de Informação de Suporte à Decisão, Qualidade de Dados e Georeferenciação, S.A. disposed to the administrator and shareholder of its subsidiary COLLAB - Soluções Informáticas de Comunicação e Colaboração S.A., Pedro Gustavo Cabrita Quintas, 4 250 shares of the company by EUR 150 each. The payment was diferred for a period until 6 months, and an early termination clause was provided in the sale and purchase agreement in case

37. Related-party transactions

For reporting purposes, related party consider subsidiaries, associated companies, shareholders with management influence and key elements in the Group management.

i) Sales of goods and services		
	31.12.07	31.12.06
BES group	16 354	16 719
<u> </u>	16 354	16 719
The above identified transactions were performed at arms length.		
ii) Purchases of goods and services		
-	31.12.07	31.12.06
BES group	174	55
-	174	55
iii) Key management compensation		
, .,	31.12.07	31.12.06
Salaries and other short-term employee benefits	5 586	5 760
Post-employment benefits	25	25
<u> </u>	5 611	5 785
iv) Balances arising from sales/purchases of goods/services		
TV) Buttalees alibring from states, parentages of goods, services	31.12.07	31.12.06
Receivables from related parties:	·	
BES group	7 796	6 737
-	7 796	6 737
Payables from related parties:		
BES group	19	
-	19	
At 31 December 2007 and 31 December 2006, no provisions for loans provided to associates w	vere considered	necessary.
		y
v) Loans to related parties	31.12.07	31.12.06
BES group	3 400	5 100
220 group	0 100	0 100
vi) Bank deposits and finance investments (including 'overdrafts')	31.12.07	31.12.06
BES group	1 084	7 716
DES group	1 004	/ /10
vii) Interests paid on loans to related parties	21 12 27	01.10.07
	31.12.07	31.12.06
BES group	272	266

38. Other Information

On 31 December 2007 the Group was part intervenient in the following processes:

- (i) Court procedure brought by the company Drink In Companhia de Indústria de Bebidas e Alimentação, S.A. against one of Novabase's subsidiaries (Novabase Enterprise Applications - Sistemas de Informação de Gestão Empresarial, S. A.), under which the plaintiff claims the payment of approximately EUR 716 thousand allegedly for the application of penalties for the delay in implementing and installing a computer system. Under the same proceedings, Novabase's subsidiary in question filed a reply and a counterclaim in the amount of approximately EUR 297 thousand concerning unpaid invoices in the same project. This lawsuit is at the hearing stage.
- (ii) Two labour Court actions are pending against a subsidiary of Novabase (Novabase Businnes Intelligence Sistemas de Informação de Suporte à Decisão, Qualidade de Dados e Geo-Referênciação, S. A.), the amount of potential liability under the aggregate of these actions amounts approximately EUR 7.7 thousand, added of (i) interests accrued and to be accrued until full payment, (ii) the payment of the salaries accrued and to be accrued until the Courts decision (res judicata) and (iii) the payment of a compensation to be determined by the Judge (between 15 and 45 days of salary for each year of seniority). In one of the referred actions a decision against the company may imply readmission of the worker.
- (iii) Court procedure brought against Novabase, Sociedade Gestora de Participações Sociais, S. A. and Novabase Capital, Sociedade Gestora de Capital de Risco, S. A., under which the plaintiff claims the payment of EUR 905 thousand, plus interests accrued until full payment, as well as the payment of the damages it suffered in a value yet to be established within the procedure. This lawsuit is awaiting ruling. In the event of an unfavourable decision for Novabase, Sociedade Gestora de Participações Sociais, S. A. and Novabase Capital, Sociedade Gestora de Capital de Risco, S. A. these companies may have to support the payment of approximately EUR 905 thousand plus interests accrued until payment in full and the payment of an amount for the damages suffered in a value yet to be established.
- (iv) Court procedure brought by the company Altitude Software, S.A., against a subsidiary of Novabase (Collab Soluções Informáticas de Comunicações e Colaboração, S. A.), under which the plaintiff claims (i) the seizure of the software, respective documentation and source-code, (ii) that the defendant be restricted from reproducing and commercialising the same software; as well as claims (iii) the payment of moral damages in the amount of EUR 500 thousand, (iv) the payment of pecuniary damages to be determined at the time of enforcement of the action; and (v) the application of a compulsory penalty, in the amount of EUR 1 thousand per day, for noncompliance of the defendant with a possible court decision in its favour. Novabase's subsidiary has presented a Reply to this action and under the same proceedings has requested that a fine be imposed to the plaintiff on account of litigation on bad faith.
- (v) Court procedure brought by the company CES Comércio de Equipamentos de Escritório, S.A. under which a Subsidiary of Novabase (Novabase IIS Infraestrutura e Integração de Sistemas Informáticos, S. A.) is a co-defendant and whereby the plaintiff claims (i) the restitution of equipment and furniture that was installed in the installations of the co-defendant of the Subsidiary of Novabaseand that belongs to it and (ii) the payment of an indenisation for de damages it suffered to be determined at the time of enforcement of the decision. Under the same proceedings, Novabase's subsidiary in question filled a reply and a counterclaim in the amount of approximately EUR 176 thousand regarding amounts unlawfully paid to the Plaintiff. The preliminary hearing has already taken place. The procedure awaits scheduling of the final hearing.
- (vi) Court procedure brought by the company Digisat Digital Satélite, Lda., under which a subsidiary of Novabase (Octal TV Engenharia de Sistemas para a TV Interactiva, S. A.) is co-Defendant and has presented its reply. The Court requested the Plaintiff to rectify the terms of the claim in order to clarify the action value (approximately EUR 40 thousand) and the amount of the claim (approximately EUR 100 thousand). The action awaits the pronunciation of the Plaintiff, meanwhile the Plaintiff's lawyer has foregone its power of attorney.
- (vii) A subsidiary of Novabase (Octal TV Engenharia de Sistemas para a TV Interactiva, S. A.) is a defendant in a proceeding brought against it by Wisi Comunicaciones, S.A., the latter is claiming the payment of approximately EUR 24 thousand. The company presented a reply to this action. The procedure awaits final hearing.
- (viii) A Subsidiary of Novabase (Gedotecome Informática, Lda.) is a defendant in a Court action brought against it by CCBS Multimédia Lda., the latter is claiming payment of EUR 37 thousand. The Defendant presented its reply and has requested that a fine be imposed to the plaintiff on account of litigation on bad faith. The procedure awaits final hearing.
- (ix) A Subsidiary of Novabase (Gedotecome Informática, Lda.) is a defendant in a Court action brought against it by Pararede Tecnologias de Informação, S. A., the latter is claiming the payment of EUR 157.606,50. The Defendant presented reply and a counterclaim against the Plaintiff in the amount of approximately EUR 7.229,38 regarding amounts unlawfully paid to the Plaintiff. The procedure awaits final hearing.
- (x) Corrections project brought by DGCI Direcção Geral de Contribuições e Impostos (Portuguese Tax Authority) to the tax profit assessed concerning the years 2003, 2004 and 2005, with an estimated impact of EUR 3 534 thousand to the taxable income and EUR 1 060 thousands on the income tax. Novabase presented reply and a counterclaim, with solid arguments to the base of all the proposed corrections, and therefore considered a provision of EUR 383 thousand concerning the risk of an income tax potential adjustment.

39. Subsequent events

(i) Capital increase and subsequent beginning of the legal procedures to the cessation of activities in mobility solutions business

In 2007, the subsidiary Octal2Mobile reached a negative net equity in the amount of EUR 1 Million, so the group has decided in February 2008 to subscribe a share capital increase in the amount of EUR 2 Millions to finance the subsidiary activity.

In March 14, 2008, the group comunicate to the market that the Iberic distribution contract celebrated in 2006 by Octal2Mobile with HTC (High Tech Computer Corp) was not renewed. By decision of the Board of Directors, the group has decided to initiate the legal procedures to the cessation of activity in mobility solutions area. This was considered an inevitable decision in the present strategic and financial conditions of the business. At the present date, the activity of this business was the supply of systems and solutions in the mobile comunications area.

(ii) Novabase acquire 60% of the GLOBALEDA; Novabase signs with EDA an Outsourcing Contract of EUR 11.5 Millions

Novabase Consulting acqurired to EDA - Electricidade dos Açores, S.A. 60% of the company GLOBALEDA - Telecomunicações e Sistemas de Informação, S.A. by the amount of EUR 0.9 Millions. Simultaneously, Novabase signed with EDA a global outsourcing contract in information technologies by EUR 11.5 Millions, for 6 years and an anual fee of EUR 1.9 Millions. In the end of the contract, EDA has a purchase option for the 60% of the GLOBALEDA, at the net book value of the company on that date.

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II. SUPERVISORY BOARD AND AUDITORS REPORT IN RESPECT OF THE CONSOLIDATED FINANCIAL INFORMATION

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Opinion of the Audit Committee on the Consolidated Financial Information

Dear Shareholders,

Pursuant to the law, the mandate from our shareholders and the provisions of Article 423-F, Item g) of the Portuguese Company Code, we now present a brief summary of our supervisory activities, together with our opinion on the Annual Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the year ending 31 December 2007.

Over the course of 2007, the Audit Committee held various formal meetings, informal ad-hoc meetings and meetings with Novabase management to supervise the following:

- Company management, in terms of compliance with the law, the memorandum of association and other regulations in force, as well as in relation to management activities, policies pursued and the transparency, diligence and credibility of conduct;
- The efficacy of risk management systems and internal control and auditing activities; and
- Mechanisms, procedures and activities employed in preparing and disclosing financial information and reviewing the accuracy of the accounting documentation, accounting policies and valuation criteria used by the Company, to ensure that these entail an accurate assessment of the Company's assets and results.

Under the powers given to us, we have confirmed that:

• The Consolidated Annual Report accurately, clearly and fully reflects the most significant aspects of the Company's business and financial situation; similarly, all existing risks of both an operational and financial nature have been duly identified; and

Novabase

 The Consolidated Financial Statements and corresponding Annex truly and fairly reflect the Company's financial situation.

Therefore, in light of the information received from the Board of Directors and the Company's various departments, together with the conclusions of the Statutory Auditors Report, it is our opinion that:

- The Annual Report be approved;
- The Consolidated Financial Statements be approved.

Lisbon, 03 April 2008

The Audit Committee

Luis Mira Amaral (Chairman)

João Quadros Saldanha (Member)

Manuel Alves Monteiro (Member)



PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. Palácio Sottomayor Rua Sousa Martins, 1 - 3º 1069-316 Lisboa Portugal Tel +351 213 599 000 Fax +351 213 599 999

Statutory Auditors Report in respect of the Consolidated Financial Information

(Free translation from the original version in Portuguese)

Introduction

1 As required by law, we present the Statutory Auditors Report in respect of the Consolidated Financial Information included in the Board of Directors' Report and the consolidated financial statements of Novabase SGPS, SA, comprising the consolidated balance sheet as at 31 December 2007, (which shows total assets of Euros 257.597 thousand, total minority interests of Euros 13.641 thousand and a total shareholder's equity of Euros 114.502 thousand including a net profit of Euros 6.997 thousand), the consolidated statement of income by nature, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and the corresponding notes to the accounts.

Responsibilities

- It is the responsibility of the Company's Board of Directors (i) to prepare the Directors' Report and consolidated financial statements which present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated changes in equity, the consolidated result of their operations and their consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the EU and which is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (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, the financial position or results of the company and its subsidiaries.
- Our responsibility is to verify the consolidated financial information included in the documents referred to above, namely if it is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue an independent and professional report based on our audit.



Novabase SGPS, SA

Scope

- 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 sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements, and assessing the reasonableness of the estimates, based on the judgements 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) assessing the overall presentation of the consolidated financial statements; and (vi) assessing whether the consolidated financial information is complete, true, timely, clear, objective and licit.
- 5 Our examination also covered the verification that the consolidated financial information included in the Board of Director's report is in agreement with the remaining documents referred to above.
- 6 We believe that our examination provides a reasonable basis for our opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Novabase SGPS, SA as at 31 December 2007, the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the information included is complete, true, timely, clear, objective and licit.

Lisbon, 3 April 2008

PricewaterhouseCoopers & Associados, S.R.O.C., Lda. represented by:

Abdul Nasser Abdul Sattar, R.O.C.

III. 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 as at 31.12.07

	Share Capital	Total nº of shares	Shares held by board members at 31.12.06	Transactions	Shares held by board members at 31.12.07	% of shares held by board members
Novabase SGPS, S.A.	15 700 697	31 401 394	11 332 395	5 000	11 337 395	36.1%
José Afonso Oom Ferreira de Sousa	10,000,	01 101 051	2 498 746	0	2 498 746	8.0%
Pedro Miguel Quinteiro M. de Carvalho			2 498 697	0	2 498 697	8.0%
Rogério dos Santos Carapuça			1 884 787	0	1 884 787	6.0%
Luís Paulo Cardoso Salvado			1 786 790	0	1 786 790	5.7%
João Nuno da Silva Bento			1 783 563	0	1 783 563	5.7%
Álvaro José da Silva Ferreira			804 866	0	804 866	2.6%
Manuel Saldanha Tavares Festas			74 946	0	74 946	0.2%
Manuel Alves Monteiro			0	5 000	5 000	0.0%
CelFocus	100 000	100 000	3	0	3	0.0%
Paulo Jorge Barros Pires Trigo			1	0	1	0.0%
Francisco Manuel Martins Pereira do Valle			1	0	1	0.0%
José Afonso Oom Ferreira de Sousa			1	0	1	0.0%
COLLAB - Sol. I. Com. e Colab., S.A.	50 000	50 000	18 750	0	18 750	37.5%
Álvaro José da Silva Ferreira			7 500	0	7 500	15.0%
João Nuno da Silva Bento			7 500	0	7 500	15.0%
Pedro Cabrita Quintas			3 750	0	3 750	7.5%
ES IT International Trade & Services, S.A. José Afonso Oom Ferreira de Sousa	200 000	2 000	1 1	0 0	1 1	0.1% 0.1%
NB Advanced Custom Development, S.A.	750 000	750 000	8 753	0	8 753	1.2%
João Pedro Silva			8 753	0	8 753	1.2%
Novabase Consulting SGPS, S.A.	10 675 498	10 675 498	394 117	0	394 117	3.7%
João Rafael Leitão Ivo da Silva			105 687	0	105 687	1.0%
Luís Miguel Mota da Cunha Lobo			107 299	0	107 299	1.0%
Nuno Carlos Dias Santos Fórneas			67 362	0	67 362	0.6%
Pedro Miguel Correia Vala Chagas			113 769	0	113 769	1.1%
Novabase Infraestruturas, SGPS, S.A.	50 000	5 000 000	419 993	0	419 993	8.4%
Miguel Vicente			381 812	0	381 812	7.6%
Luís Dias			38 181	0	38 181	0.8%
Novabase International Solutions, B.V.	18 000	18 000	0	720	720	4.0%
Paulo Jorge Barros Pires Trigo			0	720	720	4.0%
SAF	325 000	325 000	24 375	0	24 375	7.5%
Mário Jacinto S. Oliveira L. Figueira			24 375	0	24 375	7.5%
Tecnhotrend AG	5 263 320	5 263 320	674 668	(674 668)	0	0.0%
Heiko Kieser			654 332	(654 332)	0	0.0%
Michael Pauli			20 336	(20 336)	0	0.0%
Tecnhotrend Holding, B.V.	97 295	9 729 470	3 500 000	747 391	4 247 391	43.7%
Heiko Kieser			3 110 300	579 384	3 689 684	37.9%
Michael Pauli			389 700	18 007	407 707	4.2%
Miguel Rolo			0	150 000	150 000	1.5%
TV Lab, S.A.	525 000	525 000	26 250	0	26 250	5.0%
António Precatado	323 000	323 000	26 250	0	26 250	5.0%
ATHORIO I TECATAGO			20 250	U	26 230	5.0%

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, Rogério dos Santos Carapuça, married, bearer of personal identification card no. 5032603, taxpayer identification no. 169184633, residing at Rua Paulo da Gama, n°9, Lisbon, hereby attests the following to the best of his knowledge, as Chairman and CEO of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

Rogério dos Santos Carapuça

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, Pedro Miguel Quinteiro Marques de Carvalho, married, bearer of personal identification card no. 6944162, taxpayer identification no. 165287659, residing at Rua Alberto Villa Verde Cabral, n°1C - 2°Esq., Lisbon, hereby attests the following to the best of his knowledge, as Member of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

Pedro Miguel Quinteiro Marques de Carvalho

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, José Afonso Oom Ferreira de Sousa, married, bearer of personal identification card no. 5322170, taxpayer identification no. 136872425, residing at Rua Tomás de Figueiredo, n°14 – 3°., Lisbon, hereby attests the following to the best of his knowledge, as Member of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

José Afonso Oom Ferreira de Sousa

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, Luís Paulo Cardoso Salvado, single, bearer of personal identification card no. 7886567, taxpayer identification no. 183165900, residing at Rua Sarmento de Beires, n°45 – 13B, Lisbon, hereby attests the following to the best of his knowledge, as Chief Financial Officer of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

Luís Paulo Cardoso Salvado

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, João Nuno da Silva Bento, married, bearer of personal identification card no. 7301557, taxpayer identification no. 128316853, residing at Alameda da Beloura, 25, Sintra, hereby attests the following to the best of his knowledge, as Member of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

João Nuno da Silva Bento

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, Álvaro José da Silva Ferreira, divorced, bearer of personal identification card no. 9065596, taxpayer identification no. 196060630, residing at Rua António Livramento, 23, Lisboa, hereby attests the following to the best of his knowledge, as Member of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

Álvaro José da Silva Ferreira

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, Manuel Saldanha Fortes Tavares Festas, married, bearer of personal identification card no. 6252233, taxpayer identification no. 185591663, residing at Rua Gregório Lopes, n°24 – 10°Esq., Lisboa, hereby attests the following to the best of his knowledge, as Member of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

Manuel Saldanha Fortes Tavares Festas

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, Joaquim Manuel Jordão Sérvulo Rodrigues, married, bearer of personal identification card no. 5330655, taxpayer identification no. 109515170, residing at Rua S. Francisco Xavier, 104, Lisboa, hereby attests the following to the best of his knowledge, as non executive Member of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

Joaquim Manuel Jordão Sérvulo Rodrigues

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, Luís Fernando de Mira Amaral, married, bearer of personal identification card no. 1305560, taxpayer identification no. 122745396, residing at Av. Eng. Arantes e Oliveira, n°22 – 7°D, Lisboa, hereby attests the following to the best of his knowledge, as independent Member of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

Fernando de Mira Amaral

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, Manuel Fernando de Macedo Alves Monteiro, married, bearer of personal identification card no. 3448279, taxpayer identification no. 158731093, residing at Avenida Tenente Coronel José Pessoa, 21, Cascais, hereby attests the following to the best of his knowledge, as independent Member of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

Manuel Fernando de Macedo Alves Monteiro

To whom it may concern,

For the purposes of the provisions of Article 245 (1) (c) of the Portuguese Securities Code, João Francisco Ferreira de Almada e Quadros Saldanha, married, bearer of personal identification card no. 6220120, taxpayer identification no. 192289012, residing at Rua Soldados Índia, 60, Lisboa, hereby attests the following to the best of his knowledge, as independent Member of the Board of Novabase, SGPS, S.A.:

The information contained in the Annual Report and Accounts, the legal certification of accounts and other accounting documents required by law or regulations concerning the financial year ending 31 December 2007, was prepared in accordance with applicable accounting standards, and truly and fairly reflects the assets and liabilities, financial position and results of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter.

Moreover, the Annual Report for this financial year truthfully reflects the development of the business, performance and position of Novabase, SGPS, S.A. and the companies included in its consolidation perimeter, specifically containing an accurate description of the primary risks and uncertainties faced by these companies.

Lisbon, 7 April 2008

João Francisco Ferreira de Almada e Quadros Saldanha

Novabase

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