

Novabase

Report and Accounts

1st Half of 2008

Report & Accounts

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Consolidated Results on June 30, 2008

(IFRS/IAS)

July 29, 2008

Turnover reaches 147.3 M€
(129.5 M€ in 6M07)

EBITDA reaches 13.6 M€
(10.8 M€ in 6M07)

Net profit from continuing operations: 6.7 M€
(4.5 M€ in 6M07)

Phase out cost of the Mobility Solutions business: -8.8 M€

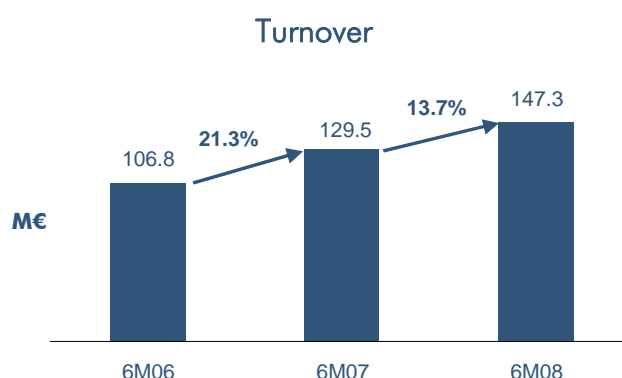
Net Profit (after phase out costs): -2.1 M€
(3.9 M€ in 6M07)

1. Key Indicators

On March 14 we announced the closure of the Mobility Solutions area. The EBITDA and turnover consider the new consolidation perimeter with the comparable values in the prior periods. Net results recorded are for continuing operations and final net results considering closure costs.

1.1. Turnover

Turnover in the 6M08 reached 147.3M€ (million euros), which represents an increase of 13.7% vs. the 129.5 M€ in 6M07.



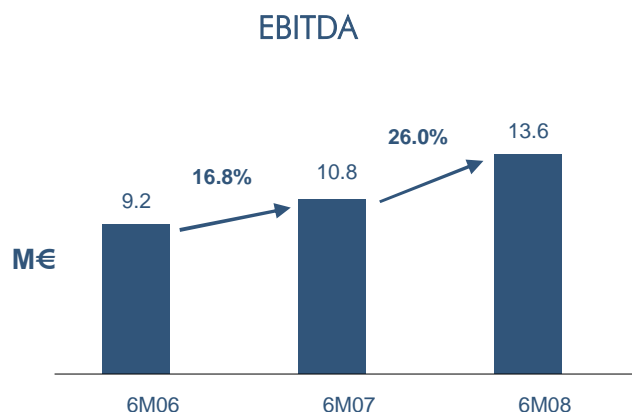
Novabase SGPS, S.A.
Public Company
Code Euronext: NBA.AM
Tax Payer nr. 502.280.182
Capital: 15 700 697.00 €
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1.2. EBITDA

EBITDA reached 13.6 M€ in 6M08 which represents an increase of 26.0% compared to the 10.8 M€ in the 6M07.

The chart below shows EBITDA variation compared to the prior periods.



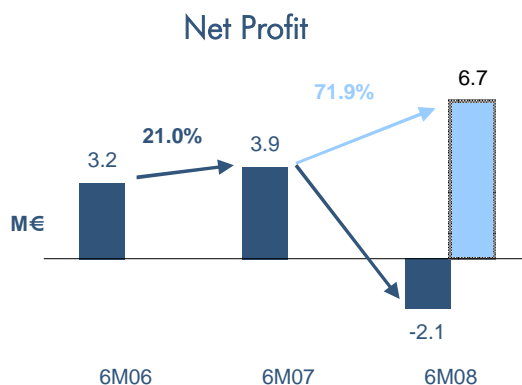
The EBITDA margin in 6M08 was 9.2%, compared to 8.3% in 6M07 in line with the goal of increasing business profitability.

1.3. Net Profit

Operating earnings reached 10.6 M€, reflecting an increase of 30.4% compared to 6M07 (8.1 M€).

EBTM reached 9.3 M€ in the period, registering an increase of 20.7% Vs the 7.7 M€ booked on the 6M07.

The Consolidated Net Results, costs with the closure of the Mobility Solutions business (-8.8 M€), were at a loss of -2.1 M€ in the period, showing a decrease vs the 3.9 M€ in 6M07. However without this effect they would have increased by 71.9% to 6.7 M €.



2. Short Summary of the Activity

In the 6M08 Novabase business was marked by two relevant facts. On the one hand, the closure of the Mobility Solutions business and on the other hand the launch of Novabase IMS (Infrastructures and Managed Services), merging the IT Infrastructures and Outsourcing areas and also including the Ticketing area.

A provision of 8.8 M€ was recorded for the closure of the Mobility Solutions area. This provision includes all risks and costs involved in the closure of the activity. The implementation of the closure plan has been carried out as forecasted.

The Mobility Solutions area, closed on 1Q08, generated the following EBITDA and turnover in the prior periods of 6M06 and 6M07:

Mobility Solutions	6M06	6M07
Turnover (M€)	18.6	21.5
EBITDA (M€)	0.8	-0.3

The business offer of IMS (Infrastructures and Managed Services) includes the IT Infrastructures business (which already included Infrastructure Outsourcing), the Ticketing area (previously within Novabase Engineering) and Application Outsourcing (previously within Novabase Consulting).

The chart shows the values included in 2007 within Novabase Consulting and in 2008 included within Novabase IMS perimeter:

Outsourcing Aplicacional	6M06	6M07	6M08
Turnover (M€)	2.6	2.8	3.1
EBITDA (M€)	0.6	0.6	0.7

Therefore, in the chart below are the turnover, EBITDA (with variation compared to the prior period) and EBITDA margins for each current Novabase business.

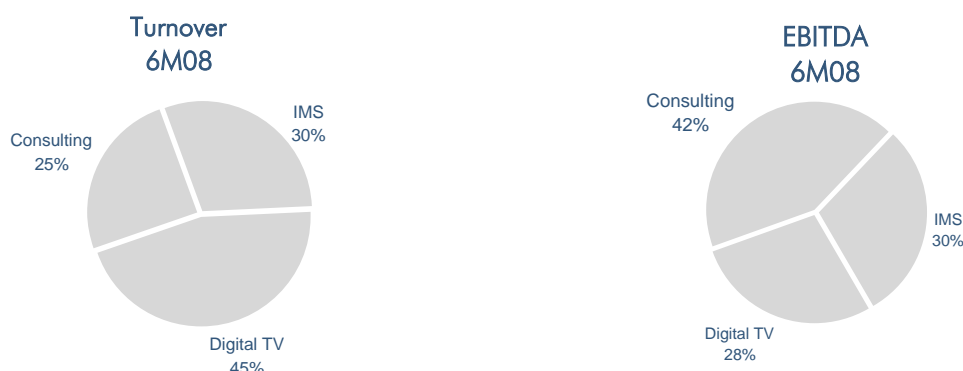
	Turnover		EBITDA		
	Value (M€)	YoY (%)	Value (M€)	YoY (%)	EBITDA (%)
Novabase Consulting	36.6	6.4%	5.8	-2.7%	15.8%
Novabase IMS	44.4	1.6%	4.0	86.5%	9.1%
Novabase Digital TV	66.3	28.9%	3.8	41.0%	5.7%
Total	147.3	13.7%	13.6	26.0%	9.2%

The Novabase Consulting business in 6M08 reached an EBITDA margin of 15.8% (compared to 17.3% in 6M07).

The Novabase Digital TV business registered na EBITDA margin of 5.7% (compared to 5.2% in 6M07).

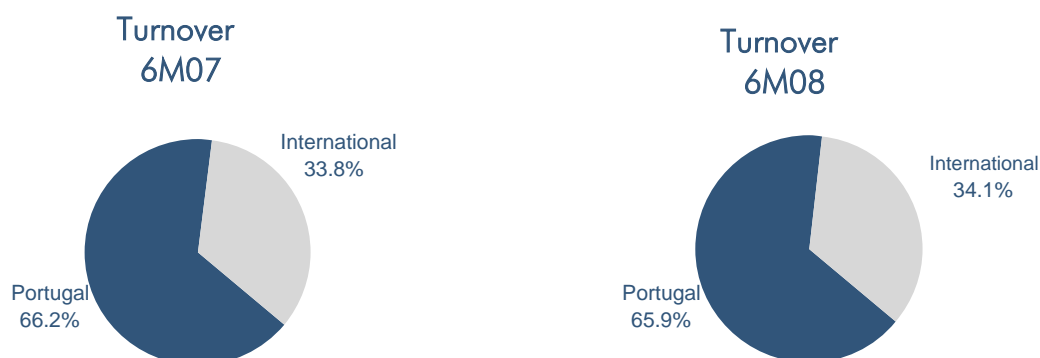
The Novabase IMS business reached na EBITDA margin of 9.1% (above the 4.9% in 6M07). The IT Infrastructures and Outsourcing areas showed a good performance while the Ticketing area showed signs of recovery.

The percentage breakdown of EBITDA and turnover by the different businesses, in 6M08, is the following:



In 6M08 an excellent performance in cash generation was maintained. Novabase ended the 6M08 with 22.9 M€ of cash, which includes 14.1 M€ of factoring (compared to 13.8 M€ in 6M07 which included 20.3 M€ of factoring).

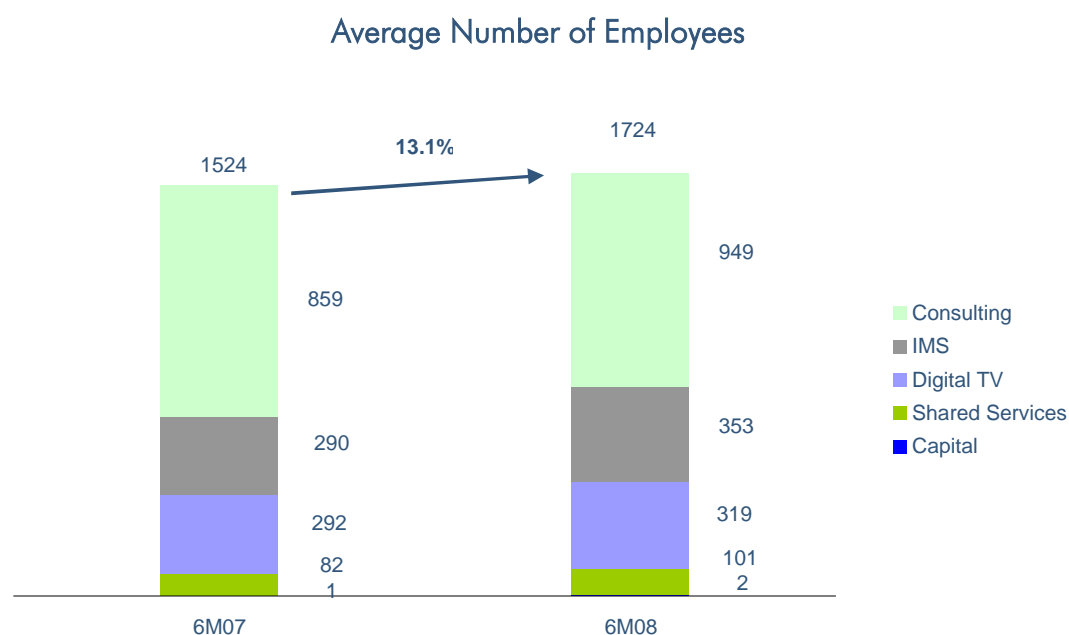
Of the 147.3 M€ turnover, 34.1% is generated outside Portugal, this is 50.2 M€ which represents a positive growth of 14.6% compared to the 43.8 M€ registered in 6M07. In percentage terms it remained around 34% of turnover.



Growth abroad was registered fundamentally in the Digital TV area.

In terms of Human Resources Novabase had, on average in the 6M08 1724 employees, which represents an increase of 13.1% compared to the 6M07 1524, in line with the increase in turnover.

The distribution by business area is as follows:



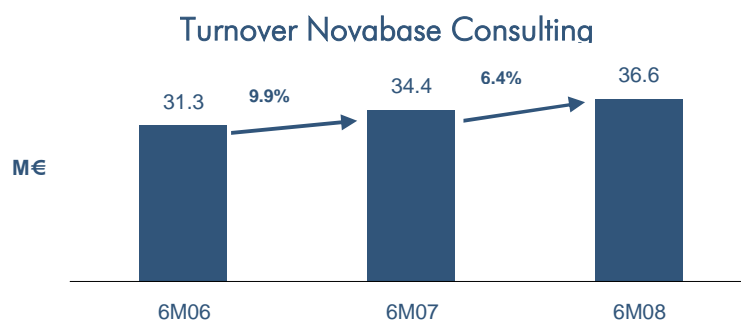
2.1. Novabase Consulting

Novabase Consulting today has 949 consultants. This area accounts for 25% of Novabase overall turnover and 42% of the global EBITDA generated in the 6M08.

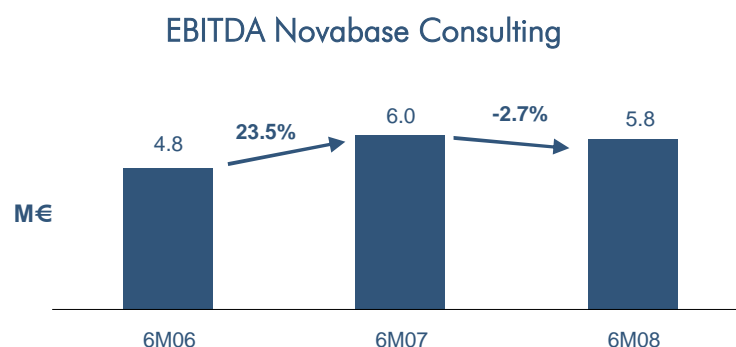
Novabase Consulting operates fundamentally in four market areas:

- Banking and Financial Services, including the areas of Banking, Insurance and financial services in general;
- Telecommunications, including the telecom operators as main customers;
- Government, including public administration, local and regional, as well as the defense and healthcare markets

This business area, which no longer includes the Application Outsourcing business, recorded a 6.4% growth in the 6M08, above the 2.3% growth recorded in the 3M08.



Novabase Consulting EBITDA decreased 2.7% from 6.0 to 5.8 M€ compared to the prior period, reaching an EBITDA margin of 15.8%.



2.2. Novabase IMS

This area, with 353 employees, accounts for 30% of Novabase overall turnover and 30% of the global EBITDA in the 6M08.

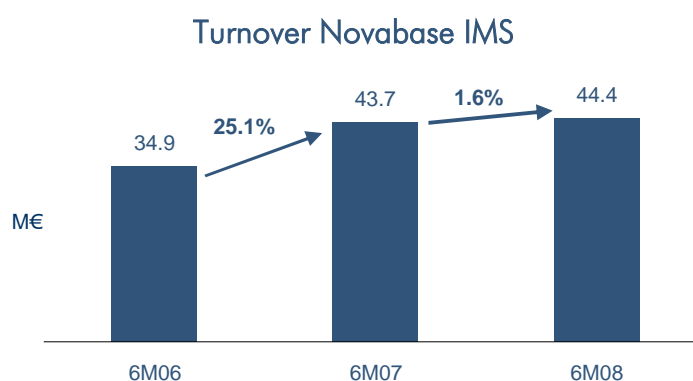
This area includes three lines of business:

- Outsourcing: this area merges Application Outsourcing previously included within Novabase Consulting and Infrastructure Outsourcing within Novabase Engineering (IT Infrastructures);

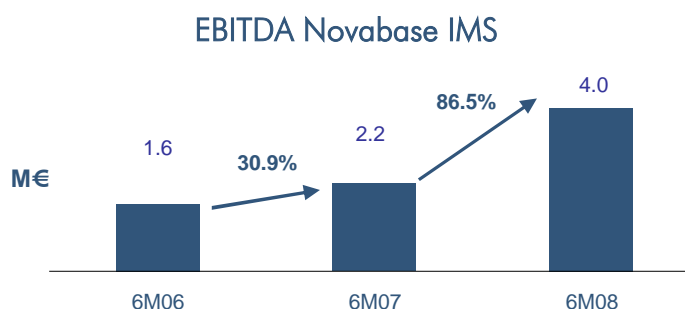
- IT Infrastructures: unified corporate communication solutions spanning from video conference and telepresence to video surveillance;

- Ticketing and Transport Solutions: core product and service offer for transports, covering the devices and systems for the whole ticket lifecycle, from production to back office revenue accounting.

Global turnover in this business area reached 44.4 M€, which represents an increase of 1.6% compared to 6M07.



EBITDA of Novabase IMS increased 86.5% in 6M08 compared to 6M07. This increase is essentially due to a different business mix, with an increased service component, resulting from the inclusion of Application Outsourcing and the recovery in margin in the Ticketing business.

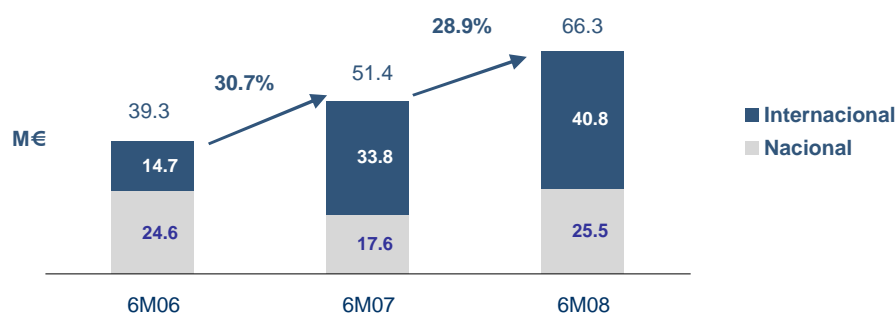


2.3. Novabase Digital TV

The Novabase Digital TV area currently has 319 employees and accounts for 45% of Novabase overall turnover and 28% of global EBITDA generated in the 6M08.

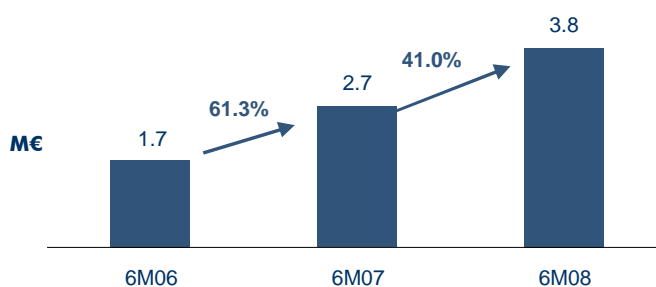
The Novabase Digital TV business continues to show strong growth, in 6M08 it registered a turnover of 66.3 M€, 28.9% above 6M07.

Turnover Novabase Digital TV



EBITDA of Novabase Digital TV in 6M08 increased 41.0% compared to 6M07, reaching 3.8 M€.

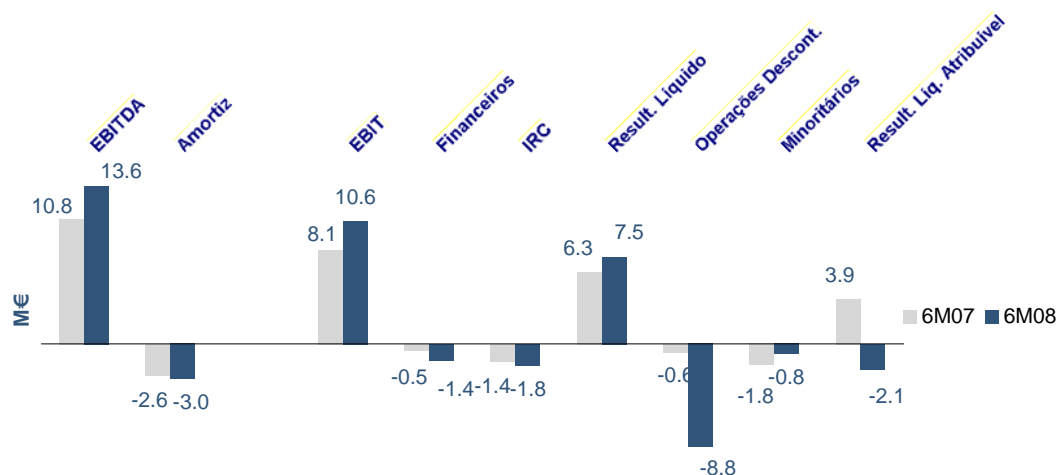
EBITDA Novabase Digital TV



3. Economical-Financial Analysis

The reconciliation between EBITDA and Net Profit is as follows:

From EBITDA to Net Profit 6M08 Vs 6M07



EBITDA reached 13.6 M€, reflecting an increase of 26.0% compared to 6M07 (10.8 M€). Thus the EBITDA is increasing at a faster pace than the turnover, as a result of the adopted strategy of increased focus on profitability.

Depreciation increased by 12.3% reaching 3.0 M€ as a result of the increase in capital expenditure related to the move to the new head-offices.

EBIT, in the amount of 10.6 M€, increased 30.4% compared to the 6M07 (8.1 M€).

Financial Results registered a loss of 1.4 M€, affected by FX losses and loan interests of the Digital TV business in Germany which is currently locally funded.

Current Tax amounted to 1.8 M€.

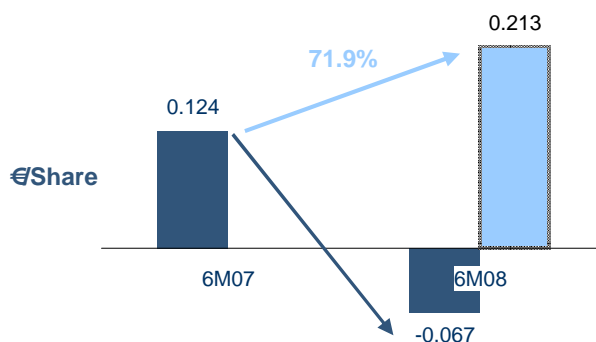
Net Profit from continuing operations reached to 6.7 M€ above the 4.5 M€ recorded in 6M07.

The discontinued operations charge corresponds to a 8.8 M€ loss, resulting from the phase out cost of the Mobility Solutions business.

Net Consolidated Results, after minority interests and results from discontinued operations, reached to a loss of -2.1 M€ in the period, representing a decrease when compared to a profit of 3.9 M€ in the 6M07.

The Earnings per Share decreased from 0.124 to -0.067 euros per share, due to the acknowledgement of the phase out cost. Without this effect they would have grown 71.9% to 0.213 per share.

Earnings per share (EPS)



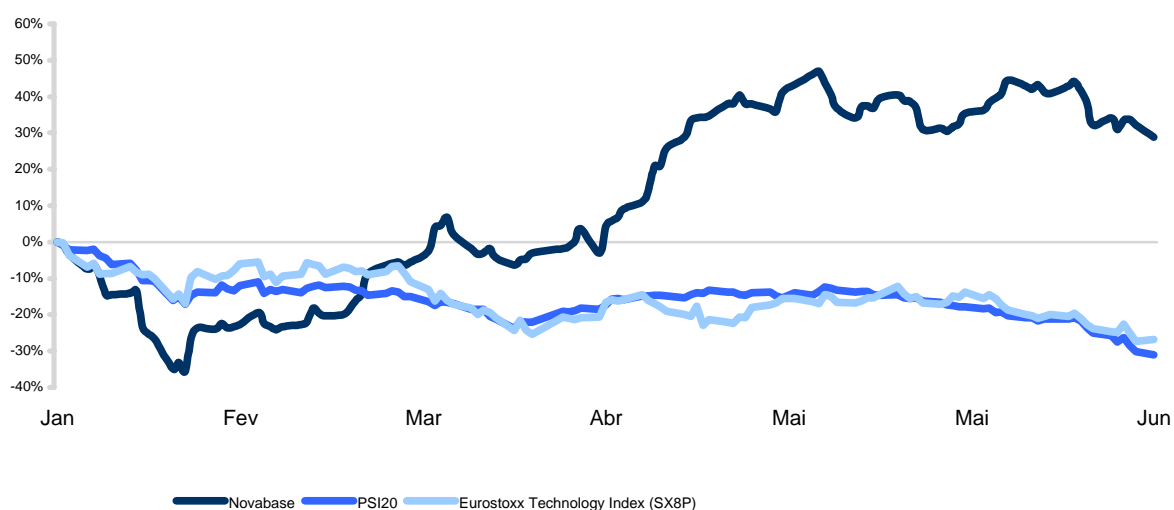
4. Stock Performance

The 6M08 was marked by a loss in the PSI20 and in the EuroStoxx Index, which lost 30.9% and 26.8% correspondingly.

The Novabase share lost 28.8% in the period, showing recovery compared to the 40.2% decrease in the 12M07 (comparing to a 2.4% decrease in the EuroStoxx Technology and a 16.0% increase in the PSI20).

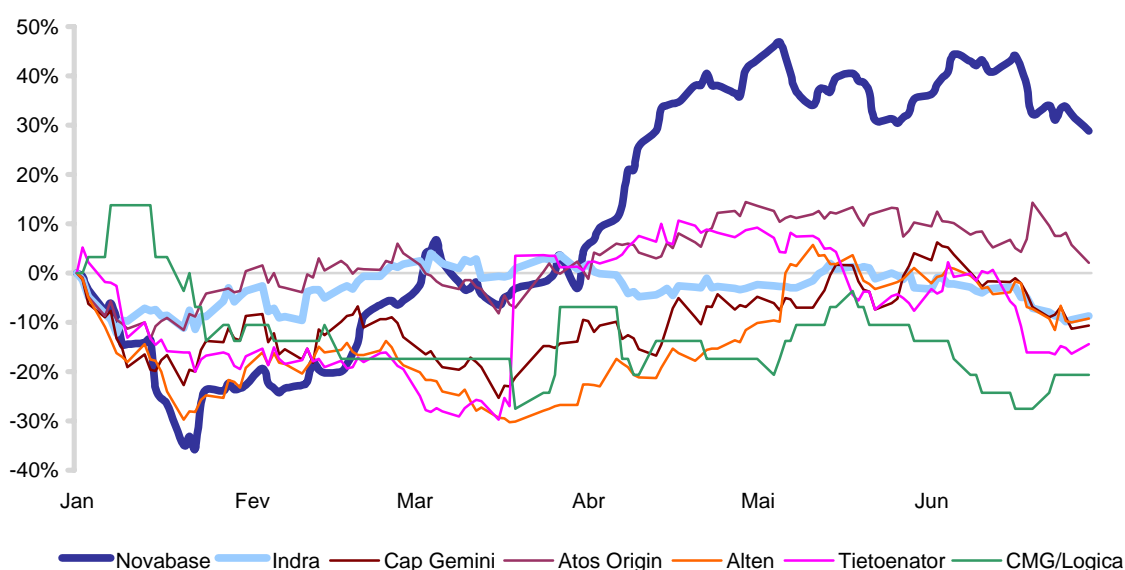
In the 6M08 rotation represented 50.4% of the capital and 15.8 million shares were traded, in line with the 6M07 (rotation represented 48.8% and 15.3 million shares were traded).

Novabase and the Market



When comparing Novabase share prices with other companies in the IT sector in Europe, we verify that Novabase share performance at 6M08 is above the values of the average performance of other IT, showing recovery from the end of January onwards.

Novabase and other TMT



The average price, weighted by volume, of Novabase shares during 6M08, was 3.65 euros per share. Approximately 15.8 million shares were traded in all the 126 Stock Exchange sessions in the 6M08, corresponding to a transaction value of '57.8 M€.

The average daily number of shares traded was approximately 125.5 thousand shares, corresponding to a daily average value of approximately 0.5 M€.

The price in the stock Exchange in the last tradable day of the period (June 30, 2008), was 4.20 euros, which represents a gain of approximately 28.4% compared to the 3.27euros which was Novabase's share price at the end of 2007.

The maximum closing price which took place during 6M08 was 4.79 euros, while the minimum price registered was 3.40 euros. The market capitalization at the end of was 131.9 M€.

Summary	2Q08	1Q08	1Q07	3Q07	2Q07
Minimum price (€)	3.40	2.10	3.27	4.04	4.58
Maximum price (€)	4.79	3.48	4.56	5.05	5.24
Volume weighted average price (€)	4.27	2.85	4.09	4.78	5.01
Closing price at the end of the Quarter (€)	4.20	3.16	3.27	4.04	4.73
Nr. of shares traded	8 941 091	6 871 753	1 882 456	2 968 043	5 064 311
Market cap in the last day of the period (M€)	131.9	99.2	102.7	126.9	148.5

Novabase

Consolidated Balance Sheet as at 30 June 2008

Consolidated Income Statement for the period of 6 Months Ended 30 June 2008

	30.06.08	30.06.07
	(Thousands of Euros)	
Assets		
Tangible assets	8 483	6 226
Intangible assets	34 610	35 629
Financial investments	2 762	4 025
Deferred tax assets	9 604	10 035
Total Non-Current Assets	55 459	55 915
Inventories	24 325	22 227
Trade debtors and accrued income	120 259	94 176
Other debtors and prepaid expenses	11 631	14 754
Cash and deposits	32 690	38 662
Total Current Assets	188 905	169 819
Assets for continuing operations	244 364	225 734
Assets for discontinued operations	6 529	-
Total Assets	250 893	225 734
Shareholders' Equity		
Share capital	15 701	15 701
Treasury stock	(186)	(150)
Share premium	49 213	49 213
Reserves and retained earnings	34 532	29 322
Consolidated net income	(2 111)	3 893
Total Shareholders' Equity	97 149	97 979
Minority interests	10 438	11 678
Total Equity	107 587	109 657
Liabilities		
Long term borrowings	2 844	6 050
Creditors of fixed assets	991	1 430
Provisions	1 952	1 365
Deferred tax liabilities	483	100
Total Non-Current Liabilities	6 270	8 945
Short term borrowings	8 516	21 185
Trade creditors	68 130	41 631
Other creditors and accruals	38 967	33 265
Deferred income	11 750	11 051
Total Current Liabilities	127 363	107 132
Total Liabilities for cont. operations	133 633	116 077
Total Liabilities for descont. operations	9 673	-
Total Liabilities	143 306	116 077
	250 893	225 734

	30.06.08	30.06.07	Var. %
	(Thousands of Euros)		
CONTINUING OPERATIONS			
Sale of goods	89 163	75 269	
Cost of goods sold	(75 590)	(65 909)	
Gross margin	13 573	9 360	45.0 %
Other income			
Services rendered	58 141	54 277	
Supplementary income	501	406	
Other operating income	475	316	
	59 117	54 999	
	72 690	64 359	
Other expenses			
External suppliers and services	(24 395)	(21 143)	
Personnel expenses	(33 719)	(30 013)	
Provisions	(512)	(1 832)	
Other operating expenses	(476)	(586)	
	(59 102)	(53 574)	
Gross Net Profit (EBITDA)	13 588	10 785	26.0 %
Depreciation and amortization	(2 966)	(2 642)	
Operating Profit (EBIT)	10 622	8 143	30.4 %
Financial Gains / (Losses)	(1 371)	(479)	
Net Profit / (Loss) before Taxes	9 251	7 664	20.7 %
Income tax expense	(1 774)	(1 404)	
Net Profit from continuing operations	7 477	6 260	19.4 %
DISCONTINUED OPERATIONS			
Net Profit from discontinued operation	(8 806)	(617)	-1327.2 %
Minority interests	(783)	(1 750)	
Attributable Net Profit / (Loss)	(2 112)	3 893	-154.3 %
Other information:			
Turnover	147 304	129 546	13.7 %
EBITDA margin	9.2 %	8.3 %	
Net profit % on Turnover	6.3 %	5.9 %	
Net Cash	22 889	13 780	

Novabase

Consolidated Financial Statements by BUSINESS SEGMENT for the period of 6 Months Ended 30 June 2008

(Thousands of Euros)

	Consulting	IMS	Mobile	Digital TV	NOVABASE
Sale of goods	24	28 573	-	60 566	89 163
Cost of goods sold	-12	-24 442	-	-51 136	-75 590
Gross margin	12	4 131	-	9 430	13 573
<i>Other income</i>					
Services rendered	36 621	15 813	-	5 707	58 141
Supplementary income and subsidies	378	19	-	104	501
Other operating income	169	113	-	193	475
	37 168	15 945	-	6 004	59 117
	37 180	20 076	-	15 434	72 690
<i>Other expenses</i>					
External suppliers and services	-11 511	-6 934	-	-5 950	-24 395
Personnel expenses	-19 130	-9 017	-	-5 572	-33 719
Provisions	-488	-78	-	54	-512
Other operating expenses	-256	-30	-	-190	-476
	-31 385	-16 059	-	-11 658	-59 102
Gross Net Profit (EBITDA)	5 795	4 017	-	3 776	13 588
Depreciation and amortization	-1 606	-506	-	-854	-2 966
Operating Profit (EBIT)	4 189	3 511	-	2 922	10 622
Financial Gains / (Losses)	659	-463	-	-1 567	-1 371
Net Profit before Taxes	4 848	3 048	-	1 355	9 251
Income tax expense	-530	-775	-	-469	-1 774
Net Profit	4 318	2 273	-	886	7 477
<i>DESCONTINUED OPERATIONS</i>					
Net Profit from discontinued operations	-	-	-8 806	-	-8 806
Minority interests	-210	-45	16	-544	-783
Attributable Net Profit	4 108	2 228	-8 790	342	-2 112
Other information :					
Turnover	36 645	44 386	-	66 273	147 304
EBITDA	5 795	4 017	-	3 776	13 588
EBITDA % on Turnover	15.8%	9.1%	-	5.7%	9.2%
Income before taxes % on Turnover	13.2%	6.9%	-	2.0%	6.3%

NOVABASE SGPS, S.A.
Public Company - Code BVL: NBA.IN
Corporate Tax Payer nº 502.280.182
Capital: 15.700.697,00 euros
Head Office: Av. D. João II, Lote 1.03.2.3 Parque das Nações 1998-031 Lisboa

Annex to the Board of Directors' Report June 30, 2008

Publication of Shareholding of Members of the Corporate Boards (point 5 of Article 447 of the Company Code)

Shareholders	Nº of Shares	% Capital	% Voting Rights
José Afonso Oom Ferreira de Sousa	2 514 947	8.01%	8.10%
Pedro Miguel Quinteiro Marques de Carvalho	2 498 697	7.96%	8.05%
Rogério dos Santos Carapuça	1 884 787	6.00%	6.07%
Luís Paulo Cardoso Salvado	1 803 040	5.74%	5.81%
João Nuno da Silva Bento	1 799 793	5.73%	5.80%
Álvaro José da Silva Ferreira	821 116	2.61%	2.65%
Manuel Saldanha Fortes Tavares Festas	74 946	0.24%	0.24%
Manuel Alves Monteiro	9 000	0.03%	0.03%
Total	11 406 326	36.32%	36.76%

Publication of Shareholding (point 4 of Article 448 of the Company Code)

Shareholders	Partial Nº	Nº of Shares	% Capital	% Voting Rights
ES TECH VENTURES, SGPS, SA	1 792 144			
Other Group Companies	1 192 395			
Corporate Board Members	40			
Grupo Banco Espírito Santo, SA (point 1 of Article 20 of CVM)		2 984 579	9.50%	9.62%
José Afonso Oom Ferreira de Sousa		2 514 947	8.01%	8.10%
Pedro Miguel Quinteiro Marques de Carvalho		2 498 697	7.96%	8.05%
Rogério dos Santos Carapuça		1 884 787	6.00%	6.07%
Luís Paulo Cardoso Salvado		1 803 040	5.74%	5.81%
João Nuno da Silva Bento		1 799 793	5.73%	5.80%
Credit Suisse Securities (Europe) Limited		1 605 154	5.11%	5.17%
Fundo Millennium Acções Portugal	539 835			
Fundo Millennium PPA	410 336			
Millenniumbcg-Gestão de Fundos, SA (point 1 of Article 20 of CVM)		950 171	3.03%	3.06%
Álvaro José da Silva Ferreira		821 116	2.61%	2.65%
Manuel Saldanha Fortes Tavares Festas		74 946	0.24%	0.24%
Total		16 937 230	53.94%	54.58%

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

**Condensed Consolidated Interim Financial Statements
for the
six months ended
30 June 2008**

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**I. CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
for the six months ended 30 June 2008**

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

Condensed Consolidated Interim Balance Sheet as at 30 June 2008

(Amounts expressed in thousands of Euros)

	Note	30.06.08	31.12.07
Assets			
Non Current Assets			
Property plant and equipment	6	8 483	8 447
Intangible assets	7	34 610	34 737
Investments in associates	8	2 762	4 925
Deferred income tax assets	9	9 604	11 111
Total Non Current Assets		55 459	59 220
Current Assets			
Inventories	10	24 325	20 864
Trade and other receivables	11	107 439	120 155
Income tax receivable		1 378	1 486
Accrued income		19 605	14 357
Other current assets		3 468	3 180
Cash and cash equivalents	12	32 690	38 335
Total Current Assets		188 905	198 377
Assets for discontinued operations	23	6 529	-
Total Assets		250 893	257 597
Equity			
Share capital	13	15 701	15 701
Treasury shares	13	(186)	(249)
Share premium	13	49 213	49 213
Reserves and retained earnings		34 532	29 199
(Loss)/Profit for the period attributable to equity holders		(2 111)	6 997
Total Equity attributable to the company's equity holders		97 149	100 861
Minority interest	14	10 438	13 641
Total Equity		107 587	114 502
Liabilities			
Non Current Liabilities			
Borrowings	15	3 835	5 762
Provisions		1 952	1 662
Deferred income tax liabilities	9	483	392
Total Non Current Liabilities		6 270	7 816
Current Liabilities			
Borrowings	15	9 482	12 692
Trade and other payables	16	105 176	105 409
Income tax payable		955	131
Deferred income and other current liabilities		11 750	17 047
Total Current Liabilities		127 363	135 279
Total Liabilities		133 633	143 095
Liabilities for discontinued operations	23	9 673	-
Total Equity and Liabilities		250 893	257 597

The accompanying notes are an integral part of these condensed consolidated interim financial statements

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

Condensed Consolidated Interim Income Statement for the 6 months ended 30 June 2008

		(Amounts expressed in thousands of Euros)	
		6 M *	6 M *
		30.06.08	30.06.07
Continuing Operations			
Sales	4	89 163	75 269
Services rendered	4	58 141	54 277
Cost of goods sold		(75 590)	(65 909)
External supplies and services		(24 395)	(21 143)
Employee benefit expense	17	(33 719)	(30 013)
Other losses	18	(12)	(1 696)
Depreciation and amortisation		(2 966)	(2 642)
Operating Profit		10 622	8 143
Finance income		2 139	1 686
Finance costs		(3 514)	(2 185)
Share of profit of associates		4	20
Profit Before Income Tax		9 251	7 664
Income tax expense	19	(1 774)	(1 404)
Loss from continuing operations		7 477	6 260
Discontinued operations			
(Loss)/Profit from discontinued operations	23	(8 806)	(617)
Profit for the period		(1 329)	5 643
Attributable to:			
Equity holders of the Company		(2 112)	3 893
Minority interest	14	783	1 750
		(1 329)	5 643
Earnings per share for profit			
attributable to the equity holders of the Company (expressed in EUR per share) - basic and diluted	20	(0.07) euros	0.12 euros
Earnings per share for profit from continuing operations			
attributable to the equity holders of the Company (expressed in EUR per share) - basic and diluted	20	0.22 euros	0.14 euros

6 M * - period of 6 months ended

The Accountant

The Board of Directors

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

Condensed Consolidated Interim Cash Flow Statement for the 6 months ended 30 June 2008

(Amounts expressed in thousands of Euros)

	Note	6 M * 30.06.08	6 M * 30.06.07
<i>Cash flows from operating activities</i>			
Cash receipts from customers		138 064	119 443
Cash paid to suppliers and employees		(127 251)	(115 953)
Cash Generated from Operations		10 813	3 490
Income taxes paid		(842)	(412)
Other operating payments		(889)	(931)
		(1 731)	(1 343)
Net Cash generated in operating activities from continuing operations		9 082	2 147
Net Cash used in operating activities from discontinued operations	23	(1 504)	(5 328)
<i>Cash flows from investing activities</i>			
Receipts:			
Sale of subsidiary, net of cash acquired		266	-
Interest received		714	765
		980	765
Payments:			
Acquisition of subsidiary		(1 507)	(1 575)
Purchases of Property plant and equipment		(1 830)	(1 093)
Purchases of Intangible assets		(1 130)	(593)
		(4 467)	(3 261)
Net Cash used in investing activities from continuing operations		(3 487)	(2 496)
Net Cash used in investing activities from discontinued operations	23	(3)	(144)
<i>Cash flows from financing activities</i>			
Receipts:			
Proceeds from borrowings	15	5 096	723
Proceeds from sale of treasury shares	13	45	110
		5 141	833
Payments:			
Repayments of borrowings	15	(11 769)	(3 375)
Interests and similar costs		(2 017)	(1 052)
Purchase of treasury shares	13	(965)	-
		(14 751)	(4 427)
Net Cash used in financing activities from continuing operations		(9 610)	(3 594)
Net Cash generated in financing activities from discontinued operations	23	402	6 037
Cash and bank overdrafts from continuing operations - net		(4 015)	(3 943)
Cash and bank overdrafts from discontinued operations - net	23	(1 105)	565
Cash and bank overdrafts at the beginning of the period		31 278	31 152
Cash and bank overdrafts at the end of the period	12	27 263	27 774
6 M * - period of 6 months ended			

The accompanying notes are an integral part of these condensed consolidated interim financial statements

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

Condensed Consolidated Interim Statement of Changes in Equity for the 6 months ended 30 June 2008

(Amounts expressed in thousands of Euros)

	Note	Attributable to equity holders of the Company						Minority Interest	Total Equity
		Share Capital	Share premium	Treasury shares	Legal (*) reserves	Fair value adjust. (*) and other reserves	Stock Options reserves (*)	Retained earnings	
Balance at January 1, 2007		15 701	49 213	(260)	1 276	229	518	28 036	105 924
Profit for the period		-	-	-	-	-	-	3 893	5 643
Total recognized income / (expense)		-	-	-	-	-	-	3 893	5 643
Treasury shares movements	13	-	-	110	-	-	-	-	110
Stock Options	13	-	-	-	-	-	84	-	84
Sale of available-for-sale financial assets		-	-	-	-	(229)	-	-	(229)
Acquisitions to minority interests	14	-	-	-	-	-	-	(592)	(1 396)
Changes in consolidation universe	5 and 14	-	-	-	-	-	-	(479)	(479)
Balance at 30 June 2007		15 701	49 213	(150)	1 276	-	602	31 337	109 657
Balance at January 1, 2008		15 701	49 213	(249)	1 276	-	686	34 234	114 502
Profit for the period		-	-	-	-	-	-	(2 112)	(1 329)
Total recognized income / (expense)		-	-	-	-	-	-	(2 112)	(1 329)
Treasury shares movements	13	-	-	63	-	-	-	791	854
Stock Options	13	-	-	-	-	-	84	-	84
Acquisitions to minority interests	14	-	-	-	-	-	-	(2 538)	(6 779)
Changes in consolidation universe	5 and 14	-	-	-	-	-	-	255	255
Balance at 30 June 2008		15 701	49 213	(186)	1 276	-	770	30 375	107 587

(*) These reserves cannot be distributed to equity holders

NOVABASE S.G.P.S., S.A.
Selected Notes to the Condensed Consolidated Interim Financial Statements
for the 6 months ended 30 June 2008

1. General Information

Novabase, S.G.P.S., SA (hereunder referred to as Novabase or the company), with head-office in Av. D. João II, Lote 1.03.2.3, Parque das Nações - 1998-031 Lisboa - Portugal, holds and manages the financial holdings in all Group companies as an indirect way of doing business, being the Group's Holding Company.

The group operates in the IT sector and, during the period of 6 months ended 30 June 2008 developed its activity in three distinct business areas 'Consulting', 'Infrastructures and Managed Services (IMS)' and 'Digital TV'.

In March 14, 2008, by decision of the Board of Directors, the group has decided to initiate the legal procedures to the cessation of activity of the 'Mobility Solutions' business, which activity is the supply of systems and solutions in the mobile communications area. This was considered an inevitable decision in the present strategic and financial conditions of the business, consequently, the net loss of this business was presented, in the consolidated financial statements, in the heading 'Discontinued operations' in the income statement and in separate headings in assets and liabilities in the consolidated balance sheet.

Novabase is listed on the Euronext Lisbon.

These condensed consolidated interim financial statements were authorized by the Board of Directors on July 29, 2008. The Board of directors believes that these financial statements fairly present the group operations, as well as its financial position, financial performance, and cash flows.

2. Basis of Preparation

These condensed consolidated interim financial statements for the 6 months ended 30 June 2008 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2007, which have been prepared in accordance with IFRSs.

These financial statements are presented in thousands of Euros.

3. Accounting Policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

a) There are new standards, amendments to standards and interpretations that have been issued but are mandatory only for periods beginning on or after 1 July 2008, and have not been early adopted by the Group:

- IFRS 8, 'Operating segments' (effective for annual periods beginning on or after 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131. The impact of the adoption is being assessed by management.
- IAS 23 (amendment), 'Borrowing costs' (effective for annual periods beginning from 1 January 2009). This amendment is not relevant to the Group.
- IFRS 2 (amendment), 'Share based payments' (effective for annual periods beginning on or after 1 January 2009). The impact of the adoption is being assessed by management.
- IFRS 3 (amendment), 'Business combinations' and IAS 27 (amendment), 'Consolidated and separate financial statements' (effective for annual periods beginning on or after 1 July 2009). This amendment might have impact in Group's future business acquisitions.
- IAS 1 (amendment), 'Presentation of financial statements' (effective for annual periods beginning on or after 1 January 2009). This amendment has not been yet adopted by the European Union (EU). The impact of the adoption is being assessed by management.
- IAS 32 (amendment), 'Financial instruments: presentation' and consequential amendments to IAS 1, 'Presentation of financial statements' (effective for annual periods beginning on or after 1 January 2009). This amendment has not been yet adopted by the European Union (EU). The fundamental principle of IAS 32 is that a financial instrument should be classified as either a financial liability or an equity instrument according to the substance of the contract, not its legal form. The impact of the adoption is being assessed by management.
- IFRS 1 (amendment), 'First-time adoption of financial international reporting standards' and consequential amendments to IAS 27, 'Consolidated and separate financial statements' (effective for annual periods beginning on or after 1 January 2009). This amendment will not have an impact in the financial statements of the Group.
- IFRIC 13, 'Customer loyalty programmes' (effective for annual periods beginning on or after 1 July 2008). The effect of the adoption of this standard is not relevant for the Group.
- IFRIC 15, 'Agreements for the Construction of Real Estate' (effective for annual periods beginning on or after 1 January 2009). This interpretation will not have an impact in the financial statements of the Group.
- IFRIC 16, 'Hedges of a Net Investment in a Foreign Operation' (effective for annual periods beginning on or after 1 October 2008). This interpretation will not have an impact in the financial statements of the Group.

b) The following interpretations are mandatory for annual periods beginning on or after 1 January 2008, however, the Group has not early adopted them because they haven't yet been adopted by the European Union (EU):

- IFRIC 12, 'Service concession arrangements'. 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 14, 'The limit on a defined benefits asset, minimum funding requirements and their interaction' (effective for annual periods beginning on or after 1 January 2008). At the present date, this interpretation is not relevant for the Group.

c) The impact of the adoption of new standards and interpretations that became mandatory for annual periods beginning on 1 January 2008, is as follows:

- IFRIC 11, IFRS 2, 'Group and treasury share transactions'. Its adoption had no impact in the group's financial statements.

4. Segment information

Novabase business was marked, in the first half 2008, by two relevant facts: (i) the discontinuation of the Mobility Solutions business and, (ii) the launch of Novabase IMS (Infrastructures and Managed Services), business segment that merge the IT Infrastructures and Ticketing areas (previously within 'Engineering' business segment) and Outsourcing area (previously within 'Consulting' business segment). The business offer of IMS (Infrastructures and Managed Services) includes the IT Infrastructures business (which already included Infrastructure Outsourcing), the Ticketing area and Applicational Outsourcing (previously within Novabase Consulting).

Due to this reorganization, the 'Engineering' business segment (that, beside the areas mentioned above, also included the Mobility Solutions business) disappeared.

The business segment results presented below consider the new internal reporting organization, with the comparable values in the prior periods represented.

Therefore, as at 30 June 2008, for business segment report, the Group is organized as follows:

- Consulting
- IMS
- Digital TV
- Other

The business segment results for the 1st Half of 2007, are as follows:

	Consulting	IMS	Digital TV	Other	Novabase Group	Disc. Operat. Mobile
Total Sales and Services rendered of the segment	38 289	44 504	53 932	77	136 802	21 547
Sales and Services rendered inter-segment	(3 920)	(802)	(2 534)	-	(7 256)	(26)
Sales and Services rendered	34 369	43 702	51 398	77	129 546	21 521
Operating profit	4 771	1 560	2 062	(250)	8 143	(346)

The business segment results for the 1st Half of 2008, are as follows:

	Consulting	IMS	Digital TV	Other	Novabase Group	Disc. Operat. Mobile
Total Sales and Services rendered of the segment	41 047	54 655	60 996	263	156 961	11 148
Sales and Services rendered inter-segment	(4 511)	(10 269)	5 277	(154)	(9 657)	(73)
Sales and Services rendered	36 536	44 386	66 273	109	147 304	11 075
Operating profit	4 286	3 511	2 922	(97)	10 622	(7 022)

5. Companies included in consolidation

The companies consolidated by full method on 30 June 2008 were the following:

Holding company, Subsidiaries and Associates	Head Office and Country	Share Capital 30.06.08	Shareholding %	
			30.06.08	31.12.07
Parent company - Group holding : Novabase S.G.P.S.	Lisbon - Portugal	€ 15 700 697	-	-
Consulting:				
(i) Novabase Consulting, S.A.	Lisbon - Portugal	€ 2 041 000	100.0%	96.3%
(i) Novabase B. I., S.A.	Lisbon - Portugal	€ 250 000	100.0%	96.3%
Novabase Core Fin. Software Sol., S.A.	Lisbon - Portugal	€ 100 000	100.0%	100.0%
(i) NBO Recursos em TI	Lisbon - Portugal	€ 50 000	100.0%	96.3%
(i) Novabase A. C. D., S.A.	Lisbon - Portugal	€ 750 000	97.0%	93.4%
(i) Novabase Consulting SGPS, S.A.	Lisbon - Portugal	€ 10 675 498	100.0%	96.3%
(i) Novabase E. A., S.A.	Lisbon - Portugal	€ 150 000	100.0%	96.3%
(i) CelFocus, S.A.	Lisbon - Portugal	€ 100 000	55.0%	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	52.4%	50.7%
(i) SAF, S.A.	Lisbon - Portugal	€ 325 000	90.0%	86.7%
Novabase International Solutions BV	Amsterd. - Netherl.	€ 18 000	90.0%	90.0%
Nbase International Investments B.V.	Amsterd. - Netherl.	€ 1 220 800	100.0%	100.0%
(iv) NB Solutions Middle East FZ-LLC	Dubai - UAE	2 700 000 AED	90.5%	-
IMS:				
(ii) Novabase Infraestruturas, SGPS, S.A.	Lisbon - Portugal	€ 50 000	100.0%	87.3%
(ii) Novabase IIS, S.A.	Lisbon - Portugal	€ 70 500	100.0%	87.3%
Novabase Consulting Espanha, S.A.	Madrid - Spain	€ 1 000 000	100.0%	100.0%
Octal - Engenharia de Sistemas, S.A.	Lisbon - Portugal	€ 3 000 000	100.0%	100.0%
Gedotecome, Lda.	Lisbon - Portugal	€ 25 000	100.0%	100.0%
(iv) Contactless SBICA	Lisbon - Portugal	€ 500 000	63.7%	-
(v) Novabase SRL	Bucharest - Romania	35 920 RON	100.0%	-
(vi) Ficedula SP Z O.O.	Warsaw - Poland	50 000 PLN	100.0%	-
Mobile:				
Novabase Infr. Integracion S. Inf., S. A.	Madrid - Spain	€ 120 202	100.0%	100.0%
Octal 2 Mobile (c)	Lisbon - Portugal	€ 2 050 000	99.5%	80.0%
Digital TV:				
Techno Trend Holding NV (a)	Amsterd. - Netherl.	€ 97 295	39.5%	39.5%
Techno Trend AG (b)	Erfurt - Germany	€ 5 263 320	39.5%	39.5%
Novabase Interactive TV (b)	Lisbon - Portugal	€ 278 125	39.5%	39.5%
(iii) Octal TV, S.A. (b)	Lisbon - Portugal	€ 250 000	51.6%	31.6%
OnTV, S.A. (b)	Lisbon - Portugal	€ 100 000	39.5%	39.5%
(vii) TVLab, S.A.	Lisbon - Portugal	€ 525 000	100.0%	-
Capital:				
Novabase Capital SGCR, S.A.	Lisbon - Portugal	€ 2 500 000	100.0%	100.0%
Novabase Shared Services:				
Novabase Serviços, S.A.	Lisbon - Portugal	€ 250 000	100.0%	100.0%

(a) The Group has the power to govern the financial and operating policies of Techno Trend Holding NV.

(b) This company is controlled by Techno Trend Holding NV.

(c) The increase of the % shareholding in this company is due to a share capital increase subscribed.

The following changes occurred in the consolidation perimeter, in the 1st Half of 2008:

a) Acquisitions to minority interests

(i) Acquisition of 3.69% of Novabase Consulting SGPS (sub-holding company of the Group for the Consulting area) (see note 14).

(ii) Acquisition of 12.73% of Novabase Infraestruturas SGPS, SA (see note 14).

(iii) Acquisition of 20% of Octal TV, S.A. (see note 14).

b) Entries in the consolidation perimeter

(iv) The companies NB Solutions Middle East and Contactless, although have been incorporated in December 2007, started their activities only in 2008, and therefore were included by its fair value in 2007 accounts.

(v) The company Novabase SRL was incorporated in 2008.

(vi) The company Ficedula SP Z O.O. was acquired in 2008.

(vii) Novabase acquired, in the first half of 2008, a holding of 55% in this company, and has now the power to govern the financial and operating policies.

The companies consolidated using the equity method on 30 June 2008 were the following:

Holding company	Head Office and Country	Shareholding %	
		30.06.08	31.12.07
Superemprego, S. A.	Lisbon - Portugal	36.25%	36.25%
Mind, S.A.	Lisbon - Portugal	50.0%	50.0%
Sapi 2 ci, Consultadoria Informática, S.A. (*)	Oporto - Portugal	50.0%	50.0%
Sapi 2 pi, Projectos Informáticos, Lda (*)	Oporto - Portugal	50.0%	50.0%
Fundo Capital Risco	Lisbon - Portugal	30.0%	30.0%
Key Lab	Lisbon - Portugal	-	15.0%
Globaleda - Tel. e Sist. Informação, S.A.	Ponta Delg. - Portugal	25.1%	-

(*) In July 2008, it was celebrated a sale and purchase agreement of this financial holding, by the amount of EUR 390 thousand (see note 25).

6. Property plant and equipment

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

	30.06.08			31.12.07		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Buildings and other constructions	3 101	380	2 721	2 072	222	1 850
Basic equipment	4 909	2 330	2 579	5 017	2 151	2 866
Transport equipment	4 593	3 082	1 511	4 715	2 687	2 028
Tools and utensils	685	488	197	632	440	192
Furniture, fittings and equipment	2 464	995	1 469	2 415	911	1 504
Other tangible fixed assets	12	6	6	19	12	7
	15 764	7 281	8 483	14 870	6 423	8 447

During 2007, movements on Property plant and equipment were as follows:

	01.01.07 Balance	Acquisitions / Increases	Disposals	Transfers	Change in Consolidation Universe	Discontinued Operations	31.12.07 Balance
<i>Cost :</i>							
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
<i>Accumulated Depreciation :</i>							
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

During the 1st Half of 2008, movements on Property plant and equipment were as follows:

	01.01.08 Balance	Acquisitions / Increases	Disposals	Transfers	Change in Consolidation Universe	Discontinued Operations	30.06.08 Balance
<i>Cost :</i>							
Buildings and other constructions	2 072	1 029	-	-	-	-	3 101
Basic equipment	5 017	732	(290)	(400)	72	(222)	4 909
Transport equipment	4 715	5	(9)	-	-	(118)	4 593
Tools and utensils	632	48	-	-	5	-	685
Furniture, fittings and equipment	2 415	150	(57)	-	-	(44)	2 464
Other tangible fixed assets	19	-	(7)	-	-	-	12
	<u>14 870</u>	<u>1 964</u>	<u>(363)</u>	<u>(400)</u>	<u>77</u>	<u>(384)</u>	<u>15 764</u>
<i>Accumulated Depreciation :</i>							
Buildings and other constructions	222	158	-	-	-	-	380
Basic equipment	2 151	578	(286)	(70)	7	(50)	2 330
Transport equipment	2 687	469	(9)	-	-	(65)	3 082
Tools and utensils	440	46	-	-	2	-	488
Furniture, fittings and equipment	911	151	(56)	-	-	(11)	995
Other tangible fixed assets	12	-	(6)	-	-	-	6
	<u>6 423</u>	<u>1 402</u>	<u>(357)</u>	<u>(70)</u>	<u>9</u>	<u>(126)</u>	<u>7 281</u>

Property plant and equipment increases in the 1st Half of 2008 refers essentially to the construction works in the new headquarter of the group and equipment acquired for it.

Buildings and other constructions includes assets in the amount of EUR 2 532 thousand installed on third party premises.

The heading 'Transport Equipment' includes the finance lease contracts, as detailed below:

	30.06.08	31.12.07
Acquisition cost	4 572	4 686
Accumulated depreciation	(3 068)	(2 668)
Net book value	<u>1 504</u>	<u>2 018</u>
	30.06.08	30.06.07
Depreciation charge	465	609

7. Intangible assets

Intangible assets are analyzed as follows:

	30.06.08			31.12.07		
	Cost	Accumulated Amortisation	Net book value	Cost	Accumulated Amortisation	Net book value
Internally generated intangible assets	4 908	2 400	2 508	4 226	1 637	2 589
Industrial property and other rights	12 580	7 232	5 348	11 792	6 563	5 229
Work in progress	397	-	397	516	-	516
Goodwill	26 357	-	26 357	26 403	-	26 403
	<u>44 242</u>	<u>9 632</u>	<u>34 610</u>	<u>42 937</u>	<u>8 200</u>	<u>34 737</u>

During 2007, movements on Intangible assets were as follows:

	01.01.07 Balance	Acquisitions / Increases	Impairment ch. Disposals	Transfers	Change in Consolidation Universe	Discontinued Operations	31.12.07 Balance
<i>Cost :</i>							
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
	<u>43 517</u>	<u>1 262</u>	<u>(1 252)</u>	<u>(243)</u>	<u>(347)</u>	<u>-</u>	<u>42 937</u>
<i>Accumulated Amortisation</i>							
Internally generated intangible assets	1 230	1 636	(1 229)	-	-	-	1 637
Industrial property and other rights	5 328	1 258	(23)	-	-	-	6 563
	<u>6 558</u>	<u>2 894</u>	<u>(1 252)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8 200</u>

During the 1st Half of 2008, movements on Intangible assets were as follows:

	01.01.08 Balance	Acquisitions / Increases	Impairment ch. Disposals	Transfers	Change in Consolidation Universe	Discontinued Operations	30.06.08 Balance
<i>Cost :</i>							
Internally generated intangible assets	4 226	711	(244)	-	215	-	4 908
Industrial property and other rights	11 792	58	(103)	855	-	(22)	12 580
Work in progress	516	359	(23)	(455)	-	-	397
Goodwill	26 403	2	-	-	-	(48)	26 357
	<u>42 937</u>	<u>1 130</u>	<u>(370)</u>	<u>400</u>	<u>215</u>	<u>(70)</u>	<u>44 242</u>
<i>Accumulated Amortisation</i>							
Internally generated intangible assets	1 637	888	(245)	-	120	-	2 400
Industrial property and other rights	6 563	676	(57)	70	-	(20)	7 232
	<u>8 200</u>	<u>1 564</u>	<u>(302)</u>	<u>70</u>	<u>120</u>	<u>(20)</u>	<u>9 632</u>

8. Investments in associates

This heading is analyzed as follows:

	Shareholding %		Acquisition Cost	
	30.06.08	31.12.07	30.06.08	31.12.07
(i) Plano B	75%	75%	9	9
WRC	4%	4%	15	15
Tape	1%	1%	4	4
Intelcart	10%	10%	2	2
(ii) TV Lab (see note 5)	-	45%	-	49
(iii) Key Lab	-	15%	-	1 325
Fundo Capital Risco	30%	30%	2 128	2 128
(iv) SAPI2	50%	50%	432	432
(v) NB Middle East (see note 5)	-	91%	-	700
(v) Contactless (see note 5)	-	62%	-	245
Globaleda	25%	-	159	-
Other			13	16
			<u>2 762</u>	<u>4 925</u>

- (i) This company is dormant and therefore was excluded from consolidation.
- (ii) In the 1st Half of 2008, with the acquisition of an additional holding of 55%, the Group has the power to govern the financial and operating policies of this company, and therefore included this subsidiary in the consolidation by full method (see notes 5 and 14).
- (iii) Due to the decision of discontinuation of the 'Mobility Solutions' business, the Board of Directors decided to sell this financial holding in March 2008, which represented a loss of EUR 800 thousand, entirely recognized in the income statement in the 'Discontinued operations' heading.
- (iv) Novabase does not have the power to control the operational and financial policies of this company. In July 2008, it was celebrated a sale and purchase agreement of this financial holding, by the amount of EUR 390 thousand (see note 25).
- (v) Companies incorporated in December 2007, that started their activities only in 2008, and therefore, were included in the consolidation by full method in the 1st Half of 2008.

9. Deferred income tax assets and liabilities

Novabase Group recognizes 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:

	30.06.08	31.12.07
Deferred tax assets:		
To be recovered within 12 months	2 247	1 531
To be recovered after more than 12 months	7 357	9 580
	<u>9 604</u>	<u>11 111</u>
Deferred tax liabilities:		
To be recovered within 12 months	-	-
To be recovered after more than 12 months	483	392
	<u>483</u>	<u>392</u>

The movement in the deferred income tax is as follows:

	30.06.08	31.12.07
Balance at 1 January	11 111	9 829
Discontinued operations	(1 449)	-
Transfers	178	256
Income statement charge	(236)	1 026
Balance at the end of the period	9 604	11 111

The movement in deferred tax **assets** during the period, 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 2007	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
Charged to the income statement	(584)	(93)	285	156	(236)
Transfers	247	-	(44)	(25)	178
Discontinued operations	(1 334)	-	(15)	(100)	(1 449)
Balance at 30 June 2008	4 982	-	3 865	757	9 604

10. Inventories

This heading is analyzed as follows:

	30.06.08	31.12.07
Merchandise	6 506	9 652
Finished products	1 365	2 085
Raw materials, subsidiary goods and consumables	18 754	12 448
	26 625	24 185
Inventory impairment	(2 300)	(3 321)
	24 325	20 864

Movements in inventory impairment are analyzed as follows:

	30.06.08	31.12.07
Balance at 1 January	3 321	2 017
Change in consolidation universe	42	-
Impairment	294	2 868
Impairment reversal	(98)	(1 023)
Discontinued operations	(1 259)	-
Write-offs	-	(541)
	2 300	3 321

11. Trade and other receivables

This heading is analyzed as follows:

	30.06.08	31.12.07
Trade receivables	102 954	117 359
Impairment of trade receivables	(2 300)	(3 291)
	100 654	114 068
Prepayments to suppliers	2 773	1 940
Employees	345	264
Taxes	1 004	936
Subsidies from European Social Fund	100	102
Related parties debtors	517	517
Financial investments disposals	263	22
Other	1 783	2 306
	6 785	6 087
	107 439	120 155

The heading 'Taxes' refers essentially to the Value Added Tax (V.A.T.) receivable.

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

12. Cash and cash equivalents

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

	30.06.08	31.12.07
- Cash	7	5
- Short term bank deposits	32 683	38 330
Cash and cash equivalents	32 690	38 335
- 'Overdrafts'	(5 427)	(7 057)
	27 263	31 278

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

There is a bank deposit of EUR 1 500 thousand given as collateral related to a EUR 10 000 thousand factoring line from Coface to Techno Trend AG.

13. 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 2007	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
Treasury shares purchased	-	-	-	(183)	(183)
Treasury shares transferred	-	-	-	241	241
Treasury shares disposed	-	-	-	5	5
Balance at 30 June 2008	31 401	15 701	49 213	(186)	64 728

The number of treasury shares held by Novabase S.G.P.S. on 30.06.08 is under the limits established by its statutory rules (10% of share capital) and in accordance with the Portuguese commercial law.

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

During the 1st Half of 2008, the company purchased on the stock market 365 229 shares at the average price of EUR 2.64, transferred 480 355 shares at the average price of EUR 3.7, and 10 974 shares were disposed by the exercise of stock options, at the average price of EUR 4.09.

At 30 June 2008, Novabase S.G.P.S. held 371 308 treasury shares, representing 1.18% 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 30 June 2008 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:

	30.06.08		31.12.07	
	Average exercise price in EUR per share	Options (thousands)	Average exercise price in EUR per share	Options (thousands)
Balance at 1 January		2 442		4 725
Granted	4.09	33	-	-
Exercised	4.09	(11)	4.91	(23)
Lapsed	6.03	(854)	5.74	(2 260)
Balance at the end of the period		<u>1 610</u>		<u>2 442</u>

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

Expiry date	Exercise price	Shares (thousands)	
		30.06.08	31.12.07
2008	6.03	-	854
2009	6.39	1 588	1 588
2010	4.09	22	-
		<u>1 610</u>	<u>2 442</u>

In the income statement, under 'Employee benefit expense' heading, is booked a cost of EUR 79 thousand (2007: EUR 77 thousand), and in the 'Discontinued operations' heading is included a cost of EUR 5 thousand (2007: EUR 7 thousand).

14. Minority interest

This heading is analyzed as follows:

	30.06.08	31.12.07
Balance at 1 January	13 641	11 211
Acquisitions of minority by the group	(4 241)	(1 082)
Costs of issuance of ordinary shares of a subsidiary	-	(469)
Change in consolidation universe (*)	255	687
Minority interest in profit for the period	783	3 294
	<u>10 438</u>	<u>13 641</u>

(*) 2007: Collab share capital issue (EUR 877 thousand), NB Int. Sol. (EUR 13 thousand), SAPI2 (EUR -203 thousand); 2008: Contactless (EUR 255 thousand).

As referred in note 5, in the 1st Half of 2008, the Group made three operations of acquisitions to minorities, as detailed below:

Company	%	Acquisition Cost	% share of the Equity value	Acquisition Difference
NB Consulting SGPS, S.A.	3.69%	2 721	1 700	1 021
NBIIS SGPS, S.A. (*)	12.73%	1 186	2 036	(849)
Octal TV, S.A.	20.00%	2 871	505	2 366
Total		6 778	4 241	2 538

(*) The acquisition cost has been estimated as the total amount to pay related to the acquisition of this financial holding depends on the achievement of future goals by the subsidiary.

Part of the acquisitions to minorities of Novabase Consulting SGPS and Novabase IIS SGPS were paid in cash, and part with the transfer of treasury shares of Novabase SGPS. The treasury shares transferred were valued at its tradable price in stock Exchange in the day the acquisition occurred.

In the operations described above, 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, in the total amount of EUR 2 538 thousand.

These operations had an impact in minority interest, which decreased EUR 4 241 thousand.

15. Borrowings

This heading is analyzed as follows:

	30.06.08	31.12.07
Non current		
Bank borrowings	2 844	4 325
Finance lease liabilities	991	1 437
	<u>3 835</u>	<u>5 762</u>
Current		
Bank borrowings	8 516	11 584
Finance lease liabilities	966	1 108
	<u>9 482</u>	<u>12 692</u>
Total borrowings	<u>13 317</u>	<u>18 454</u>

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 2007	10 120	1 464	11 584
At 30 June 2008	7 035	1 481	8 516

The maturity of non current borrowings is as follows:

	30.06.08	31.12.07
Between 1 and 2 years	2 162	2 979
Between 2 and 5 years	682	1 346
	<u>2 844</u>	<u>4 325</u>

The effective interest rates at the balance sheet date were as follows:

	30.06.08	31.12.07
Bank borrowings	6.186%	5.622%
Bank overdrafts	5.467%	4.921%

	30.06.08	31.12.07
Finance lease liabilities – minimum lease payments:		
Not later than 1 year	966	1 108
Between 1 and 5 years	991	1 437
	<u>1 957</u>	<u>2 545</u>
Future finance charges of finance leases	653	852
Present value of finance lease liabilities	<u>2 610</u>	<u>3 397</u>

The present value of finance lease liabilities can be analyzed as follows:

	30.06.08	31.12.07
Not later than 1 year	1 264	1 474
Between 1 and 5 years	1 346	1 923
Present value of finance lease liabilities	<u>2 610</u>	<u>3 397</u>

16. Trade and other payables

This heading is analyzed as follows:

	30.06.08	31.12.07
Trade payables	67 164	59 081
Marketing	9	54
Personnel - remuneration, vacation and vacation subsidies	9 542	6 866
Bonus	3 533	6 184
Projects in progress	5 256	8 906
VAT	7 523	8 461
Social security contributions	868	1 528
Income tax withholding	742	1 053
Employees	983	432
Subscribers of share capital in subsidiaries	537	537
Retirement benefit obligations	357	357
Prepayments from clients	188	269
Other accruals	3 455	5 398
Other payables	5 019	6 283
	<u>105 176</u>	<u>105 409</u>

The fair value of Trade and other payables balance approximates it's carrying amount.

17. Employee benefit expense

This heading is analyzed as follows:

	30.06.08	30.06.07
Board members remuneration	3 447	3 322
Salaries and wages	25 351	22 356
Social security charges	4 259	3 694
Stock options attributed	79	77
Other personnel expenses	583	564
	<u>33 719</u>	<u>30 013</u>

Average number of personnel is analyzed as follows:

	30.06.08	30.06.07
'Consulting'	949	859
'IMS'	353	290
'Digital TV'	319	292
'Capital' :	2	1
'Shared services'	101	82
	<u>1 724</u>	<u>1 524</u>

18. Other losses

This heading is analysed as follows:

	30.06.08	30.06.07
Gain on financial participation disposals	19	-
Client impairment and reversal of client impairment	(319)	(52)
Inventories impairment and reversal of inventories impairment	(196)	(1 422)
Warranties provisions	26	(391)
Other Provisions	(23)	33
Subsidies	315	200
Other	166	(64)
	<u>(12)</u>	<u>(1 696)</u>

19. Income tax expense

This heading is analyzed as follows:

	30.06.08	30.06.07
Current tax	1 538	1 633
Deferred tax due to timing differences	236	(229)
	<u>1 774</u>	<u>1 404</u>

Group income tax for the year differs from that obtained when using the holding company's country average tax rate as a result of:

	30.06.08	30.06.07
Profit before tax	9 251	7 664
Income tax at nominal rate	2 313	1 916
Fiscal benefits from work creation	(142)	(98)
Provisions and amortisations not considered for fiscal purposes	156	93
Autonomous taxation	152	171
Losses in companies where no deferred tax is recognized	146	18
Expenses not deductible for tax purposes	256	60
R&D fiscal benefits	(1 145)	(903)
Income tax adjustment	169	177
Other	(131)	(30)
Income tax	<u>1 774</u>	<u>1 404</u>

20. Earnings per share

Basic

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 13).

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 analyzed as follows:

	30.06.08	30.06.07
Weighted average number of ordinary shares in issue	29 931 362	31 189 522
Stock options adjustment	-	-
Adjusted weighted average number of ordinary shares in issue	<u>29 931 362</u>	<u>31 189 522</u>
(Loss)/Profit attributable to equity holders of the Company	(2 112)	3 893
Basic earnings per share (euro per share)	<u>(0.07) euros</u>	<u>0.12 euros</u>
Diluted earnings per share (euro per share)	<u>(0.07) euros</u>	<u>0.12 euros</u>
Loss from continuing operations attributable to equity holders of the Company	6 694	4 510
Basic earnings per share (euro per share)	<u>0.22 euros</u>	<u>0.14 euros</u>
Diluted earnings per share (euro per share)	<u>0.22 euros</u>	<u>0.14 euros</u>
Profit from discontinued operations attributable to equity holders of the Company	(8 806)	(617)
Basic earnings per share (euro per share)	<u>(0.29) euros</u>	<u>(0.02) euros</u>
Diluted earnings per share (euro per share)	<u>(0.29) euros</u>	<u>(0.02) euros</u>

21. Commitments

The financial commitments not included in the balance sheet are bank guarantees provided to third parties for ongoing projects, and are detailed as follows:

	Bank	30.06.08	31.12.07
Novabase S.G.P.S.	BPI	170	101
Novabase S.G.P.S.	BES	3 000	5 500
Novabase S.G.P.S.	SANTANDER	1 000	-
Novabase Consulting, S.A.	BPI	2 071	1 734
Novabase Consulting, S.A.	BES	5 333	5 004
Novabase B. I., S.A.	BPI	3	5
NBO Recursos em TI	BPI	523	523
Novabase A. C. D., S.A.	BES	976	-
Novabase Serviços, S.A.	BPI	405	405
Novabase Serviços, S.A.	BES	371	371
SAF, S.A.	BPI	8	10
Novabase Core Fin. Software Sol., S.A.	BPI	2	2
COLLAB – Sol. I. Com. e Colab., S.A.	BPI	152	152
Octal - Engenharia de Sistemas, S.A.	BCP	1 159	1 159
Octal - Engenharia de Sistemas, S.A.	BES	21	21
Novabase IIS, S.A.	BES	1 090	1 205
Novabase IIS, S.A.	BCP	18	13
Novabase Infr. Integracion S. Inf., S. A.	BESSA	280	224
Gedotecome, Lda.	BCP	18	19
Octal TV , S.A.	BCP	8	26
Octal TV , S.A.	BBVA	237	237
Novabase Consulting Espanha, S.A.	BESSA	10	11
Octal 2 Mobile	BBVA	4 500	4 500
		21 355	21 222

The commitments detailed above includes bank guarantees in the amount of EUR 3 000 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 1st Half of 2008, the Group had the following grouped credit lines contracted:

Group of companies	Credit line (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
NB SGPS; Octal; NB IIS; Octal2Mobile	5.0

With the intention to stabilize its cash flows, the group uses full factoring transactions. As at 30.06.08, the amount transferred to factoring companies was EUR 14 104 thousand.

22. 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

	30.06.08	30.06.07
BES group	6 075	6 616
	6 075	6 616

The above identified transactions were performed at arms length.

ii) Purchases of goods and services

	30.06.08	30.06.07
BES group	96	72
	96	72

iii) Key management compensation

	30.06.08	30.06.07
Salaries and other short-term employee benefits	3 447	3 311
Post-employment benefits	-	11
	3 447	3 322

iv) Balances arising from sales/purchases of goods/services

	30.06.08	31.12.07
Receivables from related parties:		
BES group	5 823	7 796
	<u>5 823</u>	<u>7 796</u>
Payables from related parties:		
BES group	-	19
	<u>-</u>	<u>19</u>

At 30 June 2008 and 31 December 2007, no provisions for loans provided to associates were considered necessary.

v) Acquisitions of financial holdings to related parties

	30.06.08	31.12.07
Minority interest NB Consulting SGPS, S.A.	2 701	-
Minority interest Novabase Infraestruturas SGPS, S.A.	1 186	-
Minority interest Octal TV, S.A.	2 871	-
	<u>6 758</u>	<u>-</u>

vi) Loans from related parties

	30.06.08	31.12.07
BES group	2 550	3 400

vii) Bank deposits and finance investments (including 'overdrafts')

	30.06.08	31.12.07
BES group	141	1 084

viii) Interests paid on loans to related parties

	30.06.08	30.06.07
BES group	110	144

23. Discontinued operations

In March 14, 2008, by decision of the Board of Directors, the group has decided to initiate the legal procedures to the cessation of activity in 'Mobility Solutions' business, which activity is the supply of systems and solutions in the mobile communications area. This was considered an inevitable decision in the present strategic and financial conditions of the business. A provision of EUR 8.8 Millions was booked for the closure of the Mobility Solutions area, which already includes all risks and costs involved in the closure of the activity. The implementation of the closure plan has been carried out as forecasted.

The balance sheet for discontinued operations is detailed as follows

	30.06.08
Total Non Current Assets	290
Total Current Assets	<u>6 239</u>
Assets for discontinued operations	<u>6 529</u>
Total Non Current Liabilities	249
Total Current Liabilities	<u>9 424</u>
Liabilities for discontinued operations	<u>9 673</u>

The income statement for discontinued operations is detailed as follows

	30.06.08	30.06.07
Sales	10 845	21 380
Services rendered	230	141
Cost of goods sold	(10 726)	(19 204)
External supplies and services	(1 937)	(2 120)
Employee benefit expense	(549)	(855)
Provisions	(4 862)	273
Other operating expenses	(14)	(53)
Depreciation and amortisation	(35)	(32)
Other operating income	26	124
Operating Loss	(7 022)	(346)
Financial Losses	(335)	(373)
Income tax expense	(1 449)	102
Loss from discontinued operations	(8 806)	(617)

In the heading 'Provisions' is booked an amount of approximately EUR 5 Million which include the costs not yet incurred with impairment of some trade receivables, impairment of other assets (inventories and/or fixed assets) and other costs directly related to the closure of the activity.

The cash flows for discontinued operations is detailed as follows:

	30.06.08	30.06.07
Cash flows from operating activities	(1 504)	(5 328)
Cash flows from investing activities	(3)	(144)
Cash flows from financing activities	402	6 037
Cash and bank overdrafts from discontinued operations - net	(1 105)	565

24. Other Information

On 30 June 2008 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 Business 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 to EUR 7.5 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. Both these cases await final hearing.
- (iii) A labour court action is pending against Novabase Sociedade Gestora de Participações Sociais, S. A. and its subsidiary SAF, S.A., brought forward by Patrícia Talhinhas Pita formerly a services renderer of SAF SA, who claims the existence of an employment contract with this subsidiary of Novabase. Novabase was called by the plaintiff as solitarily responsible for the payments due by its subsidiary should the latter fail in complying with court orders. The total amount of potential liability under this action is EUR 23 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. This case awaits final hearing.
- (iv) Court procedure brought by the plaintiff Carlos António Pinto Eliseu Baptista Lopes against two subsidiaries of the Novabase Group (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 unfavorable 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.
- (v) 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 commercializing 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 non-compliance 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. The preliminary hearing was postponed sine die due to the judge's illness.

- (vi) 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 premises of the co-defendant of the Subsidiary of Novabase and that belongs to it and (ii) the payment of an indemnity for the damages it suffered to be determined at the time of enforcement of the decision. Under the same proceedings, Novabase's subsidiary in question filed 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.
- (vii) 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 pronouncement of the Plaintiff, meanwhile the Plaintiff's lawyer has foregone its power of attorney.
- (viii) 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.
- (ix) A Subsidiary of Novabase (Gedotecom - 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.
- (x) A Subsidiary of Novabase (Gedotecom - 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 158 thousand. The Defendant presented reply and a counterclaim against the Plaintiff in the amount of approximately EUR 7 thousand regarding amounts unlawfully paid to the Plaintiff. The procedure awaits final hearing.
- (xi) A subsidiary of Novabase (Novabase Consulting, SGPS, S. A.) is a defendant in a proceeding brought against it by Fidelidade Mundial, S. A., the latter is claiming the payment of approximately EUR 518 for non-payment of insurance premium. The company presented a reply to this action. The procedure awaits final hearing.
- (xii) A subsidiary of Novabase (Novabase IIS - Infraestrutura e Integração de Sistemas Informáticos, S. A.) has a claim against Haironville Portugal, Ind. Perfilados S.A. to recover an amount of EUR 10 thousand plus interest in late payment. The defendant brought forward a counter-claim to recover fifteen thousand euros. The procedure awaits the scheduling of the final hearing.
- (xiii) 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.

25. Subsequent events

It was celebrated a sale and purchase agreement of 50% of the financial holding in Sapi 2 ci, Consultadoria Informática, S.A., by the amount of EUR 390 thousand. In the second half of 2008, this sale agreement will become effective and the Group will no longer have any financial holding in the referred company.

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**II. SUPERVISORY BOARD AND AUDITORS REPORT IN
RESPECT OF THE CONDENSED CONSOLIDATED
INTERIM 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 Half Year Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the period of 6 month ended 30 June 2008.

Over the course of the six month period ended June 30 2008, 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 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 Limited Review Report on the Consolidated half year Financial Information, it is our opinion that:

- The Consolidated Half Year Report be approved;
- The Consolidated Financial Statements be approved.

Lisbon, 28 August 2008

The Audit Committee

Luis Mira Amaral (Chairman)

João Quadros Saldanha (Member)

Manuel Alves Monteiro (Member)

Limited Review Report on the Consolidated Half Year Financial Information

(Free Translation from the original in Portuguese)

Introduction

1 As required by the Portuguese Securities Market Code (“Código dos Valores Mobiliários”) we hereby present our Limited Review Report on the consolidated condensed information for the period of six months ended 30 June 2008, of Novabase SGPS, S.A., included in: the interim Directors’ Report, consolidated balance sheet (which shows a total of euros 250.893 thousand, a total shareholders’ equity of euros 107.587 thousand including minority interests of euros 10.438 thousand, including a loss for the period of euros 2.111 thousand), consolidated statement of income, consolidated statement of changes in equity and consolidated cash flow statements for the period then ended and the respective condensed notes.

2 The amounts in the consolidated financial statements, as well as the financial information, were obtained from the accounting records.

Responsibilities

3 The Company’s board of Directors is responsible for: (a) the preparation of consolidated financial information that present a true and fair view of the financial position of the companies included in the consolidation and the consolidated results of their operations; (b) the preparation of historical financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the EU that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code (“Código dos Valores Mobiliários”); (c) to adopt adequate accounting policies and criteria; (d) to maintain appropriate systems of internal control; and (e) to disclose any relevant matters which have influenced their activity, financial position or results.

4 Our responsibility is to verify the financial information included in the above mentioned documents, namely if, it is complete, true, timely, clear, objective and licit, as required by the Securities Market Code (“Código dos Valores Mobiliários”), and to issue a professional and independent report based on our work.

Novabase SGPS, SA

Scope

5 Our work was performed, with the objective of obtaining moderate assurance about whether the financial information referred to above is free of material misstatement. Our work, which was performed in accordance with the Standard and Technical Recommendations approved by the Portuguese Institute of Statutory Auditors, was planned in accordance with that objective, and consisted: (a) mainly of enquiries and analytical procedures to review: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting policies adopted considering the circumstances and their consistent application; (iii) the applicability, or otherwise, of the going concern basis of accounting; (iv) the presentation of the financial information; and (v) if, the consolidated financial information is complete, true, timely, clear, objective and licit; and (b) in substantive tests to the unusual significant transactions.

6 Our work also covered verification of the consistency of the consolidated condensed financial information included in the Directors' Report with the remaining documents referred to above.

7 We believe that our work provides a reasonable basis for issuing this report on the half yearly consolidated financial information.

Conclusion

8 Based on our work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated condensed financial information for the period of six months ended 30 June 2008 is not free of material misstatements that affects its conformity with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU and that it is not complete, true, timely, clear, objective and licit.

Lisbon, 28 August 2008

PricewaterhouseCoopers & Associados, SROC, Lda.
represented by:

[This is a translation not to be signed]

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 30.06.08

	Share Capital	Total n° of shares	Shares held by board members at 31.12.07	Transactions	Shares held by board members at 30.06.08	% of shares held by board members 30.06.08
Novabase SGPS, S.A.	15 700 697	31 401 394	11 337 395	68 931	11 406 326	36.3%
José Afonso Oom Ferreira de Sousa			2 498 746	16 201	2 514 947	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	16 250	1 803 040	5.7%
João Nuno da Silva Bento			1 783 563	16 230	1 799 793	5.7%
Álvaro José da Silva Ferreira			804 866	16 250	821 116	2.6%
Manuel Saldanha Tavares Festas			74 946	0	74 946	0.2%
Manuel Alves Monteiro			5 000	4 000	9 000	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.	61 333	61 333	18 750	0	18 750	30.6%
Pedro Cabrita Quintas			3 750	0	3 750	6.1%
Manuel Amaral Beja			15 000	0	15 000	24.5%
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	(394 117)	0	0.0%
João Rafael Leitão Ivo da Silva			105 687	(105 687)	0	0.0%
Luís Miguel Mota da Cunha Lobo			107 299	(107 299)	0	0.0%
Nuno Carlos Dias Santos Fórneas			67 362	(67 362)	0	0.0%
Pedro Miguel Correia Vala Chagas			113 769	(113 769)	0	0.0%
Novabase Infraestruturas, SGPS, S.A.	50 000	5 000 000	419 993	(419 993)	0	0.0%
Miguel Vicente			381 812	(381 812)	0	0.0%
Luís Dias			38 181	(38 181)	0	0.0%
Novabase International Solutions, B.V.	18 000	18 000	1 080	0	1 080	6.0%
Paulo Jorge Barros Pires Trigo			720	0	720	4.0%
Jamie Bridel			360	0	360	2.0%
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 Holding, B.V.	97 295	9 729 470	4 247 391	0	4 247 391	43.7%
Heiko Kieser			3 689 684	0	3 689 684	37.9%
Michael Pauli			407 707	0	407 707	4.2%
Miguel Rolo			150 000	0	150 000	1.5%

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