

Novabase

Report and Accounts

3rd Quarter 2009

Report & Accounts

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Consolidated Results on September 30, 2009

Privileged Information (IFRS/IAS)

November 5, 2009

Turnover reaches 180.4 M€
(222.2 M€ in 9M08)

EBITDA reaches 16.7 M€
(16.9 M€ in 9M08)

Net profit from continuing operations: 9.2 M€
(8.2 M€ in 9M08)

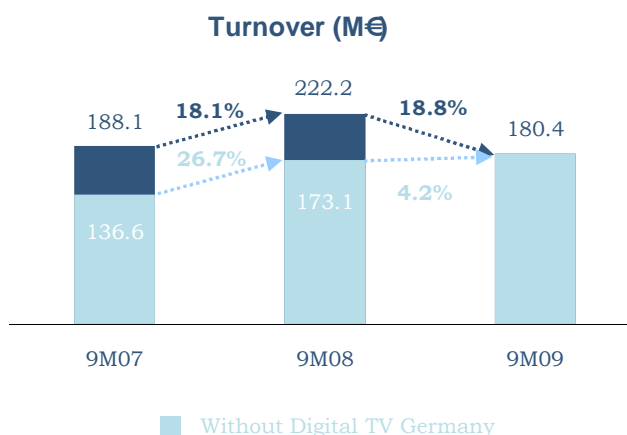
Net Profit: 9.3 M€
(-0.6 M€ in 9M08)

1. Key Indicators

The turnover and EBITDA do not consider the Mobility Solutions business (discontinued during 1Q2008) and consider the TV business in Germany only in 2007 and 2008.

1.1. Turnover

The Consolidated Sales and Services Volume in the 3rd quarter of 2009 (9M09) reached 180.4 M€ (million euros), which represents a decrease of 18.8% vs. the 222.2 M€ in 9M08. However, this turnover represents an increase of 4.2% compared to 9M08 without the TV business in Germany (173.1 M€).



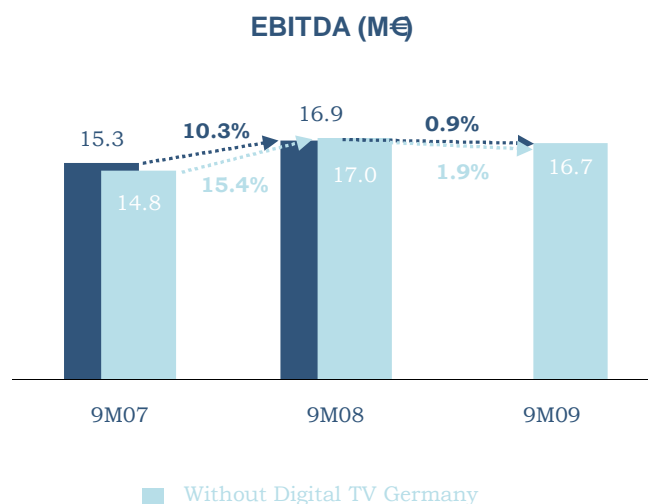
Novabase SGPS, S.A.
Public Company
Euronext code: NBA.AM
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182
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1.2. EBITDA

EBITDA reached 16.7 M€ in 9M09 which represents a decrease compared to the 16.9 M€ in the 9M08 and represents a decrease of 1.9% compared to 9M08 without the TV business in Germany (17.0 M€).

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



EBITDA margin in 9M09 was 9.3%, compared to 7.6% in 9M08.

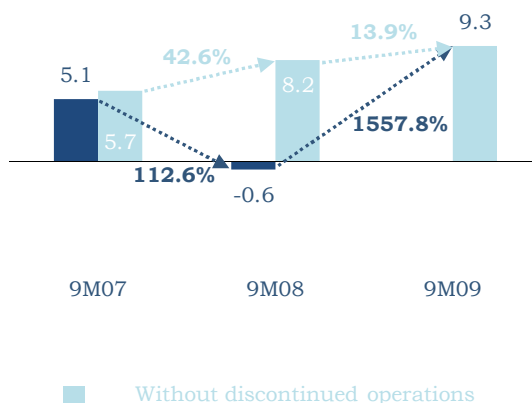
1.3. Net Profit

Operating profit (EBIT) reached 13.0 M€, reflecting an increase of 3.4% compared to 9M08 (12.6 M€). However, this EBIT represents a decrease of 3.9% compared to 9M08 without the TV business in Germany (13.6 M€).

EBTM reached 11.9 M€ in this period, registering an increase of 15.6% vs. the 10.3 M€ booked in 9M08, and a decrease of 11.9% compared to 9M08 excluding the TV business in Germany (13.5 M€).

The Consolidated Net Results, after minority interests and results from discontinued operations, reached 9.3 M€, showing an increase vs. the -0.6 M€ in 9M08, which however included a cost of 8.8 M€ for the closure of the Mobility Solutions business. Still, they would have increased 13.9% when compared to the 8.2 M€ Net Profit in 9M08 without that effect.

Net Profit (M€)



2. Short Summary of the Activity

The 3rd quarter of 2009 shows a good performance given the current economic context. These results reflect the value-oriented management focused on the Novabase core business (in the areas of Consulting, IMS and Digital TV) after the implemented targeting during the financial year 2008 (exit from the Mobile distribution business and from non-strategic assets of Digital TV in Germany). With this same objective, we analyze separately the venture capital activity developed in Novabase Capital, which was previously disclosed within Novabase Consulting.

This area of Novabase Capital generated the following turnover and EBITDA in the prior periods, 9M07 e 9M08:

Novabase Capital	9M07	9M08
Turnover (M€)	0.922	1.094
EBITDA (M€)	-0.489	-0.541

Thus, the table below shows the turnover, EBITDA (with the variation over the prior period) and EBITDA margins for each of the current Novabase businesses.

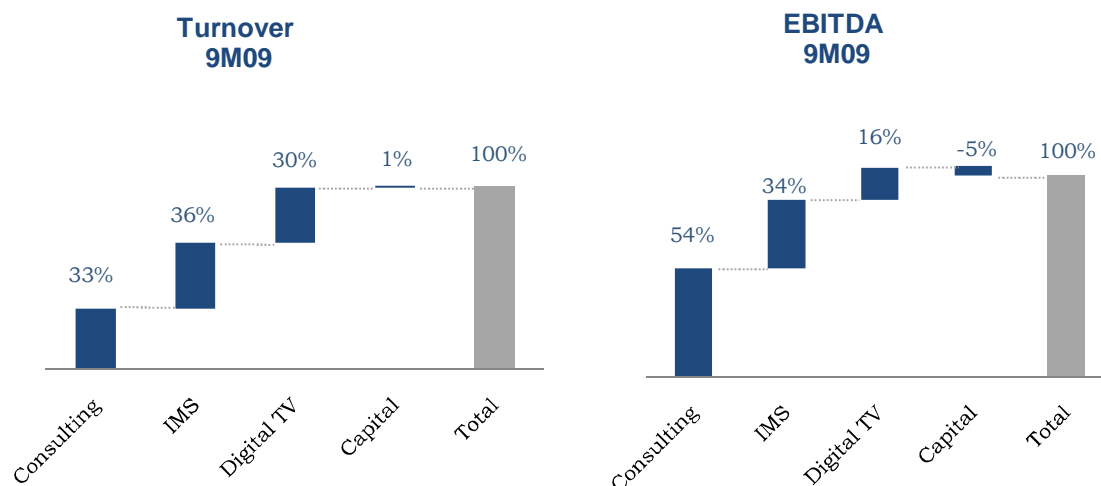
	Turnover		EBITDA		
	Value (M€)	YoY (%)	Value (M€)	YoY (%)	EBITDA (%)
Novabase Consulting	60.2	8.8%	9.1	5.1%	15.0%
Novabase IMS	64.8	-1.0%	5.7	6.6%	8.8%
Novabase Digital TV	54.3	-45.9%	2.7	-21.0%	4.9%
Novabase Capital	1.1	-0.6%	-0.8	-42.0%	-70.7%
Total	180.4	-18.8%	16.7	-0.9%	9.3%

Novabase Consulting business in 9M09 reached an EBITDA margin of 15.0% (which compares to 15.6% in 9M08, and a margin of 14.9% in 12M08).

EBITDA margin in the Novabase IMS business reached 8.8% (which compares to 8.2% in 9M08, and 7.3% in 12M08). The IT Infrastructures and Outsourcing areas had a good performance despite reflecting pressures in gross margins (product components).

Novabase Digital TV business showed an EBITDA margin of 4.9% (which compares to 3.4% in 9M08, and 4.5% in 12M08 if we exclude the effect of consolidating the Digital TV business in Germany).

The percentage breakdown of turnover and EBITDA by the different businesses in the 9M09 is as follows:



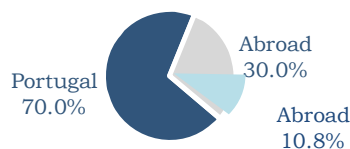
In the 9M09 an excellent performance in cash generation was maintained, without use of factoring for the second consecutive quarter. Novabase ended the 9M09 with 28.7 M€ in net cash which compares to 19.2 M€ in the 12M08 (which included 4.7 M€ of factoring).

Of the 180.4 M€ turnover, 11.0% is generated outside Portugal, that is 19.8 M€, which represents a decrease of 70.3% towards the 66.6 M€ registered in 9M08.

However, it is to be noted that in the 9M08 the TV business in Germany was still being consolidated, which contributed with 47.9 M€, that is 71.8% of total turnover generated outside of Portugal.

Removing this effect, the percentage of turnover generated outside Portugal in 9M08 would have been 10.8% (18.8 M€).

Turnover 9M08



Turnover 9M09



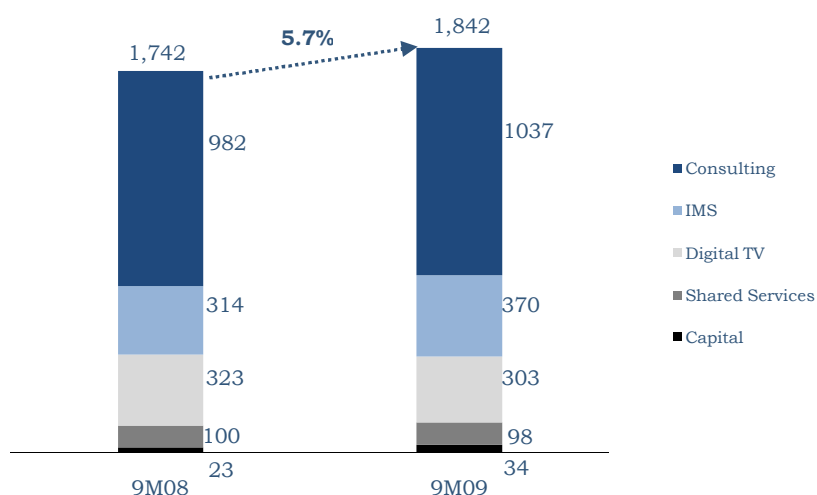
Without Digital TV Germany

Growth abroad was registered mainly in the Novabase Consulting and Novabase IMS business areas, with international sales representing 13.9% and 13.2% of the respective turnover.

In terms of Human Resources, Novabase had on average in the 9M09, 1,842 employees, which represents an increase of 5.7% compared to the 9M08 (1,742) and an increase of 8.2% compared to FY08 (1,703).

The distribution by business area is as follows:

Average Number of Employees



2.1. Novabase Consulting

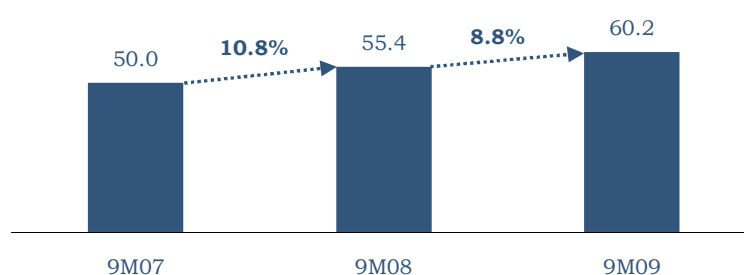
Novabase Consulting today has 1,037 consultants. This area accounts for 33% of Novabase overall turnover and 54% of the global EBITDA generated in the 9M09.

Novabase Consulting is organized around the following competency areas:

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

This business area, which no longer includes the business of Novabase Capital, recorded a 8.8% growth in 9M09.

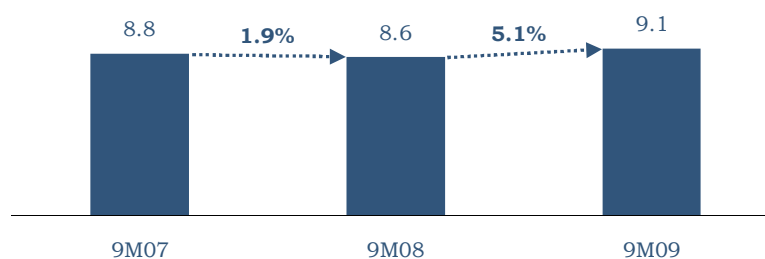
Turnover Novabase Consulting (M€)



Novabase Consulting EBITDA in 9M09 increased 5.1% year on year (from 8.6 M€ to 9.1 M€) reaching an EBITDA margin of 15.0%.

Operational profitability of this area is above the comparables in the sector internationally and can be regarded as remarkable in the current market conditions.

EBITDA Novabase Consulting (M€)



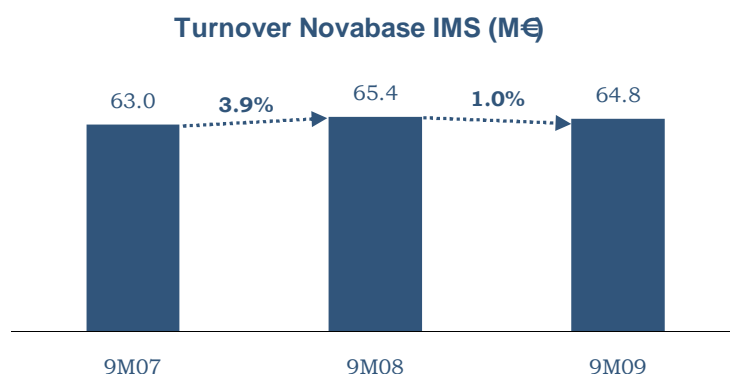
2.2. Novabase IMS

This area, with 370 employees, accounts for 36% of Novabase overall turnover and 34% of the global EBITDA generated in the 9M09.

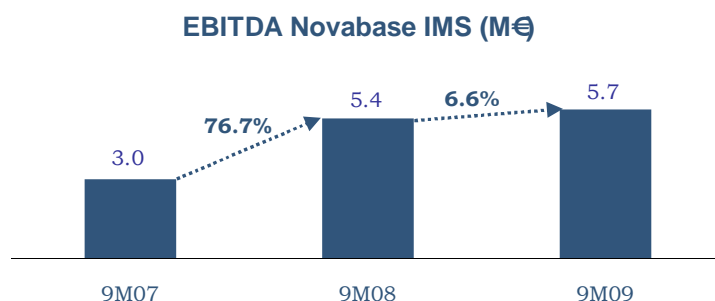
This area includes three lines of business:

- Outsourcing: including Application Outsourcing and Infrastructure Outsourcing;
- IT Infrastructures: solutions including IT infrastructures ranging from physical components (cabling, routers, etc.) to business communications services, including videoconferencing and video on demand;
- 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 64.8 M€, which represents a decrease of 1.0% compared to 9M08.



Novabase IMS EBITDA in 9M09 increased 6.6% year on year.



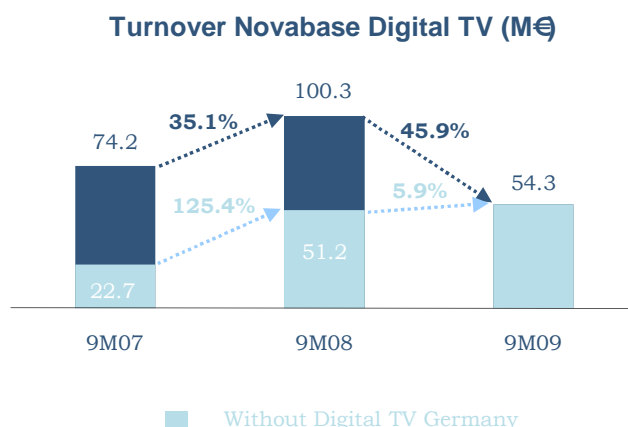
This reflects a strategy of focusing on projects with higher technological complexity and higher added value as a measure to offset the economic pressure on prices in the product sales component.

2.3. Novabase Digital TV

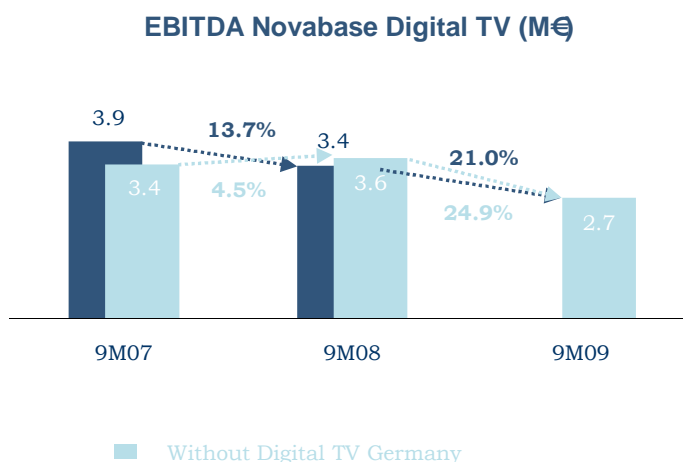
Novabase Digital TV currently has 303 employees and accounts for 30% of Novabase overall turnover and 16% of the global EBITDA generated in the 9M09.

The business of Novabase Digital TV has a profound know-how and an offer oriented to the operators business, complemented with licensing solutions and Chips-on-board (COB).

This business registered in 9M09 a turnover of 54.3 M€, below the 100.3 M€ registered in 9M08. This decrease is due to the fact that TV business in Germany is still considered in the 9M08 and not in 9M09. Excluding this effect, Novabase Digital TV increased its turnover by 5.9%.



Novabase Digital TV EBITDA in 9M09 decreased 21.0% compared to 9M08, reaching 2.7 M€. However, removing the effect of considering in the 9M08 the Digital TV business in Germany (resulting in 3.6 M€), EBITDA of this area decreased by 24.9%.



This negative evolution is mainly due to the product maturity stage and the development of new technologies for the COBS business.

2.4. Novabase Capital

Novabase Capital currently has 34 employees and accounts for 1% of Novabase overall turnover and -5% of the global EBITDA generated in the 9M09.

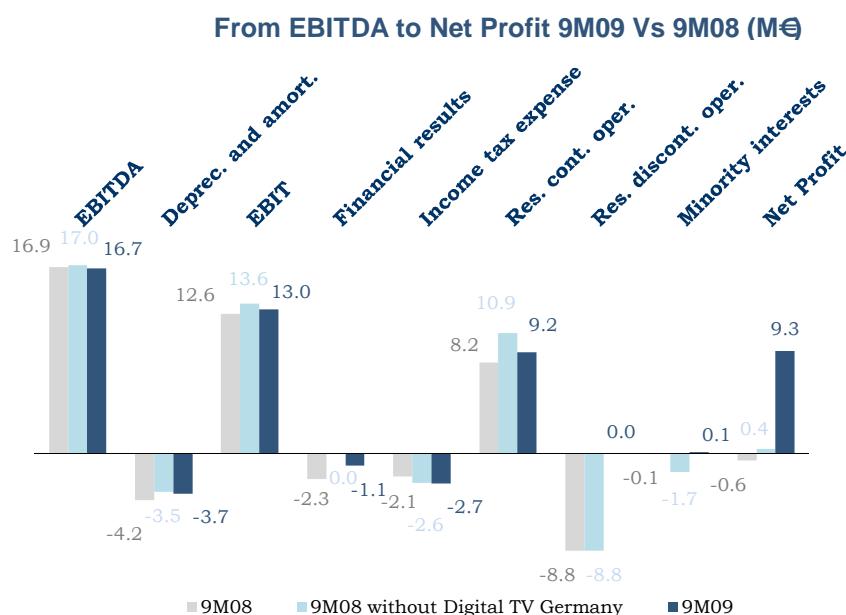
This area of Novabase develops, in a small scale, a Corporate Venture Capital activity and supports strategic and M&A projects of the Group.

In the 9M09 this business reached a turnover of 1.1 M€, 0.6% below the amount registered in 9M08.

Novabase Capital EBITDA in 9M09 decreased 42.0% compared to 9M08, reaching -0.8 M€. This result is due to the current phase of investment in international expansion and also product development of the subsidiary Collab (software company that develops solutions for IP multimedia contact centers).

3. Economical-Financial Analysis

The reconciliation between EBITDA and Net Profit is as follows:



EBITDA reached 16.7 M€, reflecting a decrease of 0.9% compared to 9M08 (16.9 M€).

Depreciation and amortization decreased 13.5% reaching -3.7 M€.

EBIT, in the amount of 13.0 M€, increased 3.4% compared to 9M08 (12.6 M€).

The Financial results reached a net negative value of 1.1 M€, which compares to a net negative value of 2.3 M€ registered in the same period of the prior year.

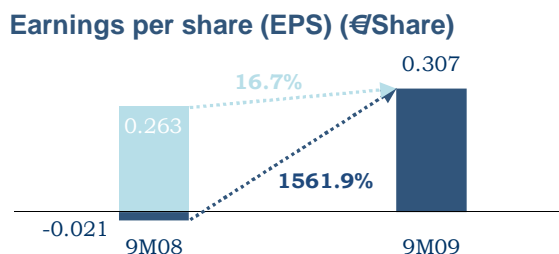
Income tax expense in the 9M09 reached -2.7 M€, which compares to -2.1 M€ in 9M08.

Minority interests in 9M09 amounted to 0.1 M€, which compares to -0.1 M€ in 9M08. This evolution is mainly due to the acquisition of the full capital of all the Portuguese Digital TV subsidiaries in the end of 2008 and the results of Collab in Novabase Capital.

Net Consolidated Results, after minority interests and results from discontinued operations reached in 9M09 a profit of 9.3 M€, representing an increase when compared to the -0.6 M€ loss registered in 9M08.

The Earnings per share (EPS) rose from -0.021 (which already included the costs of closure of Mobility Solutions business) to 0.307 euros per share.

Removing the effect of discontinued operations in 9M08, still, earnings per share would have increased 16.7%.



■ Without discontinued operations

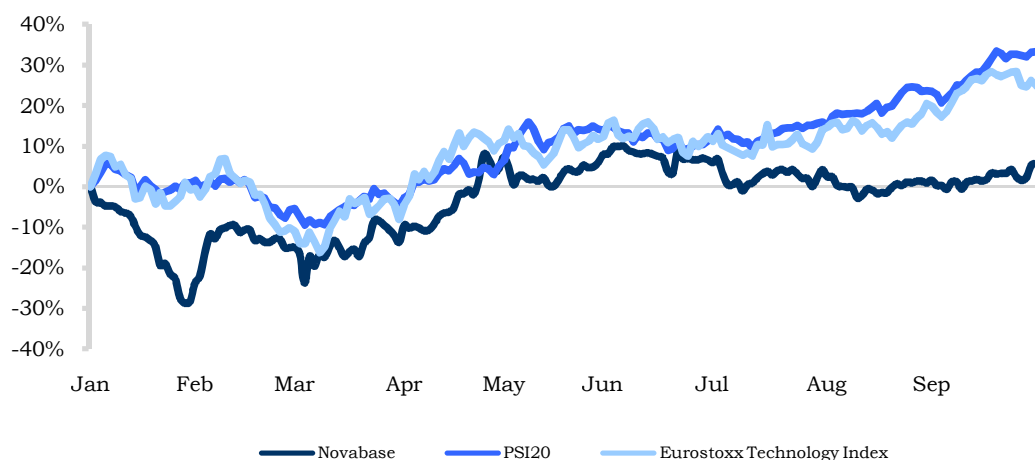
4. Stock Performance

The nine months of 2009 were marked by a gain in the PSI20 and in the EuroStoxx Technology Indexes of 33.6% and 24.6%, respectively.

Novabase share price gained 4.6%, and remained stable in the quarter (from 4.86 to 4.8).

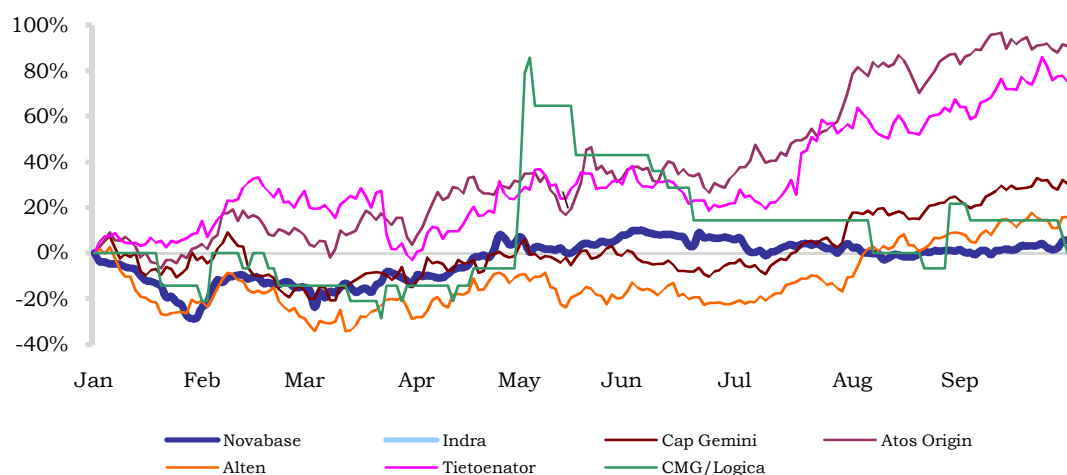
Rotation in 9M09 represented 20.9% of the capital and 6.6 million shares were traded, below the values that have occurred in 9M08 (rotation of 60.9% of the capital and 19.1 million shares traded), reflecting the current negative situation in the stock market.

Novabase and the Market



When comparing Novabase share prices with other companies in the IT sector in Europe, we verify that Novabase share performance was lower than the average performance of other IT.

Novabase and other TMT



The average price, weighted by volume, of Novabase shares during 9M09, was 4.31 euros per share. Approximately 6.6 million shares were traded in all the 190 Stock Exchange sessions in the 9M09, corresponding to a transaction value of 28.2 M€.

The average daily number of shares traded in 9M09 was approximately 34.5 thousand shares, corresponding to a daily average value of approximately 0.1 M€.

The price in the stock Exchange in the last tradable day of the 9M09, September 30, 2009, was 4.80 euros.

The maximum closing price which took place during 3Q09 was 4.90 euros, while the minimum price registered was 4.46 euros. The market capitalization at the end of 9M09 was 150.7 M€.

Summary	3Q09	2Q09	1Q09	4Q08	3Q08
Mínimum price (€)	4.46	4.09	3.21	4.00	3.60
Máximum price (€)	4.90	5.05	4.50	5.05	5.07
Volume weighted average price (€)	4.63	4.67	3.94	4.47	4.57
Closing price at the end of the Quarter (€)	4.80	4.86	4.15	4.59	4.93
Nr. of shares traded	1,390,806	2,541,391	2,620,634	1,861,787	3,319,981
Market cap in the last day of the period (M€)	150.7	152.6	130.3	144.1	154.8

Novabase

Consolidated Statement of Financial Position as at 30 September 2009

	30.09.09	31.12.08
	(Thousands of Euros)	
Assets		
Tangible assets	8 113	8 121
Intangible assets	29 340	29 481
Financial investments	1 973	2 314
Deferred tax assets	9 273	10 092
Other non-current assets	131	193
Total Non-Current Assets	48 830	50 201
Inventories	6 952	13 154
Trade debtors and accrued income	85 435	104 160
Other debtors and prepaid expenses	12 249	8 665
Derivative financial instruments	137	62
Cash and deposits	28 435	24 710
Total Current Assets	133 208	150 751
Assets for continuing operations	182 038	200 952
Assets for discontinued operations	932	2 258
Total Assets	182 970	203 210
Shareholders' Equity		
Share capital	15 701	15 701
Treasury stock	(588)	(429)
Share premium	49 213	49 213
Reserves and retained earnings	17 841	17 340
Consolidated net income	9 286	1 608
Total Shareholders' Equity	91 453	83 433
Minority interests	4 639	5 165
Total Equity	96 092	88 598
Liabilities		
Long term borrowings	3 000	1 346
Creditors of fixed assets	1 396	1 353
Provisions	1 898	1 850
Deferred tax liabilities	100	483
Other non-current liabilities	1 210	1 865
Total Non-Current Liabilities	7 604	6 897
Short term borrowings	2 378	8 150
Trade creditors	26 513	42 421
Other creditors and accruals	34 249	37 487
Derivative financial instruments	50	35
Deferred income	15 002	17 300
Total Current Liabilities	78 192	105 393
Total Liabilities for cont. operations	85 796	112 290
Total Liabilities for discount. operations	1 082	2 322
Total Liabilities	86 878	114 612
	182 970	203 210
Net Cash	28 701	19 153

Consolidated Income Statement for the period of 9 Months ended 30 September 2009

	30.09.09	30.09.08	Var. %
	(Thousands of Euros)		
CONTINUING OPERATIONS			
Sale of goods	90 231	135 232	
Cost of goods sold	(81 035)	(117 385)	
Gross margin	9 196	17 847	-48.5 %
Other income			
Services rendered	90 166	86 993	
Supplementary income	263	614	
Other operating income	546	578	
	90 975	88 185	
	100 171	106 032	
Other expenses			
External suppliers and services	(32 153)	(36 996)	
Personnel expenses	(51 060)	(51 257)	
Provisions	68	(263)	
Other operating expenses	(321)	(666)	
	(83 466)	(89 182)	
Gross Net Profit (EBITDA)	16 705	16 850	-0.9 %
Depreciation and amortization	(3 673)	(4 244)	
Operating Profit (EBIT)	13 032	12 606	3.4 %
Financial Gains / (Losses)	(1 111)	(2 293)	
Net Profit before Taxes	11 921	10 313	15.6 %
Income tax expense	(2 747)	(2 068)	
Net Profit from continuing operations	9 174	8 245	11.3 %
DISCONTINUED OPERATIONS			
Net Loss from discount. operations	-	(8 806)	100.0 %
Minority interests	112	(76)	
Attributable Net Profit / (Loss)	9 286	(637)	1557.8 %
Other information:			
Turnover	180 397	222 225	-18.8 %
EBITDA margin	9.3 %	7.6 %	
Net profit bef. taxes % on Turnover	6.6 %	4.6 %	
Net profit % on Turnover	5.1 %	-0.3 %	

Novabase

Consolidated Financial Statements by BUSINESS SEGMENT for the period of 9 Months ended 30 September 2009

(Thousands of Euros)

	Consulting	IMS	Digital TV	Novabase Capital	NOVABASE
CONTINUING OPERATIONS					
Sale of goods	87	44 066	46 078	-	90 231
Cost of goods sold	-82	-39 012	-41 941	-	-81 035
Gross margin	5	5 054	4 137	-	9 196
Other income					
Services rendered	60 152	20 729	8 198	1 087	90 166
Supplementary income and subsidies	217	5	-	41	263
Other operating income	92	309	144	1	546
	60 461	21 043	8 342	1 129	90 975
	60 466	26 097	12 479	1 129	100 171
Other expenses					
External suppliers and services	-17 787	-9 213	-4 721	-432	-32 153
Personnel expenses	-33 293	-11 153	-5 168	-1 446	-51 060
(Provisions) / Provisions reversal	-158	91	135	-	68
Other operating expenses	-167	-94	-41	-19	-321
	-51 405	-20 369	-9 795	-1 897	-83 466
Gross Net Profit (EBITDA)	9 061	5 728	2 684	-768	16 705
Depreciation and amortization	-2 118	-938	-574	-43	-3 673
Operating Profit (EBIT)	6 943	4 790	2 110	-811	13 032
Financial Gains / (Losses)	738	-370	-1 134	-345	-1 111
Net Profit/ (Loss) before Taxes	7 681	4 420	976	-1 156	11 921
Income tax expense	-1 349	-1 370	-265	237	-2 747
Net Profit/ (Loss) from cont. operations	6 332	3 050	711	-919	9 174
Minority interests	-413	39	-	486	112
Attributable Net Profit/ (Loss)	5 919	3 089	711	-433	9 286

Other information :

Turnover	60 239	64 795	54 276	1 087	180 397
EBITDA	9 061	5 728	2 684	-768	16 705
EBITDA % on Turnover	15.0%	8.8%	4.9%	-70.7%	9.3%
Income before taxes % on Turnover	12.8%	6.8%	1.8%	-106.3%	6.6%

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Condensed Consolidated Interim Financial Statements for the 3rd quarter 2009
(unaudited)

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

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**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
for the period of 9 Months ended 30
September 2009**

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

Condensed Consolidated Interim Statement of Financial Position as at 30 September 2009

(Amounts expressed in thousands of Euros)

	Note	30.09.09	31.12.08
Assets			
<i>Non-current assets</i>			
Property plant and equipment		8 113	8 121
Intangible assets		29 340	29 481
Investments in associates		1 973	2 314
Deferred income tax assets		9 273	10 092
Other non-current assets		131	193
Total non-current assets		<u>48 830</u>	<u>50 201</u>
<i>Current assets</i>			
Inventories		6 952	13 154
Trade and other receivables	5	76 389	96 576
Accrued income		14 155	11 949
Income tax receivable		4 242	2 053
Derivative financial instruments		137	62
Other current assets		2 898	2 247
Cash and cash equivalents		28 435	24 710
Total current assets		<u>133 208</u>	<u>150 751</u>
Assets for discontinued operations		932	2 258
Total assets		<u><u>182 970</u></u>	<u><u>203 210</u></u>
<i>Equity</i>			
Share capital		15 701	15 701
Treasury shares		(588)	(429)
Share premium		49 213	49 213
Reserves and retained earnings	6	17 841	17 340
Profit for the period attributable to equity holders		9 286	1 608
Equity attributable to the company's equity holders		<u>91 453</u>	<u>83 433</u>
Minority interest	7	4 639	5 165
Total equity		<u>96 092</u>	<u>88 598</u>
<i>Liabilities</i>			
<i>Non-current liabilities</i>			
Borrowings	8	4 396	2 699
Provisions	9	1 898	1 850
Deferred income tax liabilities		100	483
Other-non current liabilities	14	1 210	1 865
Total non-current liabilities		<u>7 604</u>	<u>6 897</u>
<i>Current liabilities</i>			
Borrowings	8	3 814	9 256
Trade and other payables	10	57 021	78 787
Income tax payable		2 305	15
Derivative financial instruments		50	35
Deferred income and other current liabilities		15 002	17 300
Total current liabilities		<u>78 192</u>	<u>105 393</u>
Liabilities for discontinued operations		1 082	2 322
Total liabilities		<u>86 878</u>	<u>114 612</u>
Total equity and liabilities		<u><u>182 970</u></u>	<u><u>203 210</u></u>

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 Comprehensive Income for the period of 9 Months ended 30 September 2009

(Amounts expressed in thousands of Euros)

		9 M *		3 M *	
	Note	30.09.09	30.09.08	30.09.09	30.09.08
Continuing Operations					
Sales	3	90 231	135 232	31 186	46 069
Services rendered	3	90 166	86 993	29 344	28 852
Cost of sales		(81 035)	(117 385)	(28 226)	(41 795)
External supplies and services		(32 153)	(36 996)	(10 902)	(12 601)
Employee benefit expense		(51 060)	(51 257)	(16 974)	(17 538)
Other gains/(losses) - net	11	556	263	236	275
Depreciation and amortisation		(3 673)	(4 244)	(1 295)	(1 278)
Operating profit		13 032	12 606	3 369	1 984
Finance income		2 410	3 586	464	1 447
Finance costs		(3 197)	(5 868)	(613)	(2 354)
Share of post tax (loss)/profit of associates		(324)	(11)	91	(15)
Profit before income tax		11 921	10 313	3 311	1 062
Income tax expense	12	(2 747)	(2 068)	(1 014)	(294)
Profit from continuing operations		9 174	8 245	2 297	768
Discontinued operations					
Loss from discontinued operations		-	(8 806)	-	-
Profit/(Loss) for the period		9 174	(561)	2 297	768
Other comprehensive income					
		-	-	-	-
Total comprehensive income for the period		9 174	(561)	2 297	768
Profit/(Loss) attributable to:					
Equity holders of the Company		9 286	(637)	2 290	1 475
Minority interest	7	(112)	76	7	(707)
		9 174	(561)	2 297	768
Total comprehensive income attributable to:					
Equity holders of the Company		9 286	(637)	2 290	1 475
Minority interest	7	(112)	76	7	(707)
		9 174	(561)	2 297	768
Earnings per share for profit from continuing operations attributable to the equity holders of the Company during the period (expressed in EUR per share) - basic and diluted					
	13	0.31 euros	0.26 euros	0.08 euros	0.05 euros
Earnings per share for loss from discontinued operations attributable to the equity holders of the Company during the period (expressed in EUR per share) - basic and diluted					
	13	Zero euros	(0.29) euros	Zero euros	Zero euros

9 M * - period of 9 months ended

3 M * - period of 3 months ended

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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 period of 9 Months ended 30 September 2009

(Amounts expressed in thousands of Euros)

Note	Attributable to equity holders of the Company						Minority Interest	Total Equity
	Share Capital	Treasury shares	Share premium	Legal (*) reserves	Stock Options reserves (*)	Retained earnings		
Balance at January 1, 2008	15 701	(249)	49 213	1 276	686	34 234	13 641	114 502
Total comprehensive income for the period	-	-	-	-	-	(637)	76	(561)
Treasury shares movements	-	33	-	-	-	580	-	613
Share based payments	-	-	-	-	126	-	-	126
Acquisitions to minority interest	-	-	-	-	-	(2 537)	(4 241)	(6 778)
Changes in consolidation universe	-	-	-	-	-	-	255	255
Balance at September 30, 2008	15 701	(216)	49 213	1 276	812	31 640	9 731	108 157
Balance at January 1, 2009	15 701	(429)	49 213	1 276	854	16 818	5 165	88 598
Total comprehensive income for the period	-	-	-	-	-	9 286	(112)	9 174
Legal reserve	-	-	-	282	-	(282)	-	-
Treasury shares movements	-	(159)	-	-	-	(1 326)	-	(1 485)
Share based payments	-	-	-	-	142	-	-	142
Acquisitions to minority interest	6 and 7	-	-	-	-	77	(272)	(195)
Changes in consolidation universe	7	-	-	-	-	-	(142)	(142)
Balance at September 30, 2009	15 701	(588)	49 213	1 558	996	24 573	4 639	96 092

(*) These reserves cannot be distributed to equity holders

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

Condensed Consolidated Interim Statement of Cash Flows for the period of 9 Months ended 30 September 2009

(Amounts expressed in thousands of Euros)

	9 M *		3 M *	
	30.09.09	30.09.08	30.09.09	30.09.08
<i>Cash flows from operating activities</i>				
Net Cash generated / (used) in operating activities	20 511	4 643	7 886	(4 439)
<i>Cash flows from investing activities</i>				
Receipts:				
Proceeds on disposal of subsidiary	78	776	78	510
Loan repayments received from associates	229	-	-	-
Interest received	726	1 066	141	352
	1 033	1 842	219	862
Payments:				
Acquisition of subsidiary	(3 245)	(1 853)	-	(346)
Dissolution of subsidiary	(215)	-	(215)	-
Loans granted to associates	(547)	-	(32)	-
Loans received from associates	(1 505)	-	(1 505)	-
Purchases of property plant and equipment	(690)	(2 246)	(173)	(416)
Purchases of intangible assets	(1 903)	(2 267)	(685)	(1 137)
	(8 105)	(6 366)	(2 610)	(1 899)
Net Cash used in investing activities	(7 072)	(4 524)	(2 391)	(1 037)
<i>Cash flows from financing activities</i>				
Receipts:				
Proceeds from borrowings	3 000	7 036	-	1 940
Proceeds from sale of treasury shares	45	45	-	-
	3 045	7 081	-	1 940
Payments:				
Repayments of borrowings	(3 424)	(12 394)	(704)	(1 347)
Rents and leasing	(1 264)	(1 058)	(446)	(336)
Interests and similar costs	(709)	(2 503)	(99)	(486)
Purchase of treasury shares	(2 448)	(1 205)	-	(240)
	(7 845)	(17 160)	(1 249)	(2 409)
Net Cash used in financing activities	(4 800)	(10 079)	(1 249)	(469)
Cash, cash equivalents and bank overdrafts at start of period	19 796	31 278	24 189	27 263
Net increase / (decrease) of cash, cash equivalents and bank overdrafts	8 639	(9 960)	4 246	(5 945)
Effect in cash and bank overdrafts from change in consolidation universe	-	935	-	935
Cash, cash equivalents and bank overdrafts at end of period	28 435	22 253	28 435	22 253

9 M * - period of 9 months ended

3 M * - period of 3 months ended

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

NOVABASE S.G.P.S., S.A.
Selected Notes to the Condensed Consolidated Interim Financial Statements
for the period of 9 Months ended 30 September 2009

1. General Information

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

Novabase is listed on the Euronext Lisbon.

These condensed consolidated interim financial statements were authorized by the Board of Directors on October 29, 2009. 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. Accounting Policies

These condensed consolidated interim financial statements for the period of nine months ended September 30, 2009 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 2008, which have been prepared in accordance with IFRSs, as adopted by the European Union (EU).

These financial statements are presented in thousands of Euros.

These financial statements have not been audited.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those financial statements.

Taxes on income in this interim period were accrued using the tax rate that would be applicable to expected total annual earnings for the year 2009.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009:

(i) IAS 1 (revised), 'Presentation of financial statements'. The revised standard introduced some changes in terminology (namely in the titles of the consolidated financial statements), and resulted in some changes in presentation and detail of information. Entities can choose whether to present two performance statements (the income statement and statement of comprehensive income) or only this last one. The Group decided to adopt only the statement of comprehensive income.

(ii) IFRS 8, 'Operating segments'. This new standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented (see note 3).

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not relevant for the Group:

IAS 23 (amendment), 'Borrowing costs'

IFRS 2 (amendment), 'Share-based payment'

IAS 32 (amendment), 'Financial instruments: Presentation'

IFRIC 13, 'Customer loyalty programmes'

IFRIC 15, 'Agreement for the construction of real estate'

IFRIC 16, 'Hedges of a net investment in a foreign operation'

IAS 39 (amendment), 'Financial instruments: Recognition and measurement'

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2009 and have not been early adopted by the Group:

IFRS 3 (revised), 'Business combinations' (effective for annual periods beginning on or after 1 July 2009). The revised standard was not yet adopted by EU. The revised standard continues to apply the acquisition method to business combinations, with some significant changes at level of valuation of the acquisition cost, in which all payments to purchase a business are to be recorded at fair value. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at the non-controlling interest's proportionate share of the acquiree's net assets or at fair value of the assets and liabilities acquired ("full goodwill"). This revised standard will impact Group's future business acquisitions.

IFRIC 17, 'Distribution of non-cash assets to owners' (effective for annual periods beginning on or after 1 July 2009). This interpretation was not yet adopted by EU. The objective of this interpretation is to clarify how an entity should measure distributions of assets other than cash when it pays dividends to its owners. This interpretation will not have an impact on the Group's financial statements.

3. Segment information

The Group has adopted IFRS 8, 'Operating Segments', with effect from 1 January 2009. This new standard requires that the operating segments are identified based on internal reports regarding the Group components that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard IAS 14 required that the company identified two sets of segments (business and geographical), using a risks and rewards approach.

In 2009, as a result of management focus on Novabase core business (represented by segments of (i) Consulting, (ii) IMS and (iii) Digital TV), the Administration decided to isolate the venture capital activity in a fourth segment ('Novabase Capital'), separated from the Consulting segment in which was included until the end of 2008. The figures presented below already reflect this segmentation, also for 2008.

	Consulting	IMS	Digital TV	Novabase Capital	Novabase	Disc. Operat. Mobile
3rd quarter 2008						
Sales and services rendered	55 384	65 429	100 318	1 094	222 225	11 525
Operating profit/(loss)	6 313	4 615	2 293	(615)	12 606	(6 892)
Finance costs – net	978	(576)	(2 674)	(10)	(2 282)	(460)
Share of post tax (loss)/profit of associates	-	-	-	(11)	(11)	-
Income tax expense	(1 179)	(1 023)	34	100	(2 068)	(1 454)
Profit/(Loss) from operations	6 112	3 016	(347)	(536)	8 245	(8 806)
3rd quarter 2009						
Sales and services rendered	60 239	64 795	54 276	1 087	180 397	-
Operating profit/(loss)	6 943	4 790	2 110	(811)	13 032	-
Finance costs – net	741	(370)	(1 134)	(24)	(787)	-
Share of post tax (loss)/profit of associates	(3)	-	-	(321)	(324)	-
Income tax expense	(1 349)	(1 370)	(265)	237	(2 747)	-
Profit/(Loss) from operations	6 332	3 050	711	(919)	9 174	-

The values shown for the first nine months of 2008 consider the company Technotrend which was still consolidated by the full method, contrary to what happens for the same period of 2009. This change in the consolidation universe is the main responsible for the decrease of the various headings in the Digital TV segment.

4. Companies included in consolidation

In October 2008, the Group started to consolidate its associate Technotrend Holding NV by the equity method, as the result of loss of control over the associate. In December 2008, Novabase Digital TV GmbH, which includes part of the business of the associate, was incorporated. Thus the results for the first nine months of 2008 include the Technotrend NV and its subsidiaries consolidated by the full method. This change in the consolidation universe is the main responsible for the decrease of the various profit and loss headings.

5. Trade and other receivables

	30.09.09	31.12.08
Trade receivables	74 245	94 904
Provision for impairment of trade receivables	(2 965)	(2 693)
	<u>71 280</u>	<u>92 211</u>
Prepayments to suppliers	1 088	1 514
Employees	261	144
V.A.T.	2 083	1 440
Subsidies from European Social Fund	-	12
Receivables from related parties (note 14)	639	457
Financial holdings disposals	148	75
Other	4 644	4 683
Provison for impairment of other receivables	(3 754)	(3 960)
	<u>5 109</u>	<u>4 365</u>
	<u><u>76 389</u></u>	<u><u>96 576</u></u>

Movements in provisions for impairment of trade and other receivables are as follows:

	Trade receivables		Other receivables		Total	
	30.09.09	31.12.08	30.09.09	31.12.08	30.09.09	31.12.08
Balance at 1 January	2 693	3 291	3 960	3 664	6 653	6 955
Change in consolidation universe	-	(59)	-	(70)	-	(129)
Impairment	429	642	66	716	495	1 358
Impairment reversal	(157)	(347)	(226)	(70)	(383)	(417)
Transfers	-	95	(232)	(280)	(232)	(185)
Discontinued operations	-	(801)	-	-	-	(801)
Write-offs	-	(128)	186	-	186	(128)
	<u>2 965</u>	<u>2 693</u>	<u>3 754</u>	<u>3 960</u>	<u>6 719</u>	<u>6 653</u>

6. Reserves and retained earnings

In 2009, the Group performed operations of acquisitions to minorities, with the following impact (see note 14):

	Acquisition Cost	% share of the Equity value	Acquisition Difference
12.73% of Novabase Infraestruturas SGPS (*)	180	-	180
24.5% of Collab	15	272	(257)
	<u>195</u>	<u>272</u>	<u>(77)</u>

(*) In the sequence of the acquisition occurred in 2008, an additional amount was paid related to the achievement of goals by the subsidiary.

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 -77 thousand. The minority interest decreased EUR 272 thousand.

7. Minority interest

	30.09.09	31.12.08
Balance at 1 January	5 165	13 641
Acquisitions of minority by the Group - see note 6	(272)	(7 777)
Change in consolidation universe (*)	(142)	(650)
Minority interest in profit for the period	(112)	(49)
	<u>4 639</u>	<u>5 165</u>

(*) In 2009, Contactless was dissolved.

8. Borrowings

	30.09.09	31.12.08
Non-current		
Bank borrowings	3 000	1 346
Finance lease liabilities	1 396	1 353
	<u>4 396</u>	<u>2 699</u>
Current		
Bank borrowings	2 378	8 150
Finance lease liabilities	1 436	1 106
	<u>3 814</u>	<u>9 256</u>
Total borrowings	<u>8 210</u>	<u>11 955</u>

The periods in which the current bank borrowings will be negotiated with different conditions are as follows:

	30.09.09	31.12.08
6 months or less	1 696	6 652
6 to 12 months	682	1 498
	<u>2 378</u>	<u>8 150</u>

The maturity of non-current bank borrowings is as follows:

	30.09.09	31.12.08
Between 1 and 2 years	1 000	1 346
Between 2 and 5 years	2 000	-
	<u>3 000</u>	<u>1 346</u>

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

	30.09.09	31.12.08
Bank borrowings	2.557%	3.867%
Bank overdrafts	N/A	3.814%

Gross finance lease liabilities – minimum lease payments:

	30.09.09	31.12.08
No later than 1 year	1 870	1 509
Between 1 and 5 years	1 921	1 913
	<u>3 791</u>	<u>3 422</u>
Future finance charges on finance leases	(959)	(963)
Present value of finance lease liabilities	<u>2 832</u>	<u>2 459</u>

The present value of finance lease liabilities is as follows:

	30.09.09	31.12.08
No later than 1 year	1 436	1 106
Between 1 and 5 years	1 396	1 353
	<u>2 832</u>	<u>2 459</u>

9. Provisions

Movements in Provisions are analyzed as follows:

	Warranties	Legal Disputes	Other risks and charges	Total
Balance at 1 January 2008	1 429	100	133	1 662
Additional provisions	567	-	709	1 276
Used during the period	(485)	-	(362)	(847)
Changes in consolidation universe	(393)	-	479	86
Discontinued operations	(327)	-	-	(327)
Balance at 31 December 2008	791	100	959	1 850
Additional provisions	112	-	-	112
Used during the period	(182)	-	(104)	(286)
Transfers	-	384	(162)	222
Balance at 30 September 2009	<u>721</u>	<u>484</u>	<u>693</u>	<u>1 898</u>

10. Trade and other payables

	30.09.09	31.12.08
Trade payables	25 077	41 315
Remunerations, vacations and vacation and Christmas subsidies	8 551	7 181
Bonus	7 432	7 580
Ongoing projects	2 228	2 303
V.A.T.	5 686	8 170
Social security contributions	878	1 658
Income tax withholding	758	1 127
Other shareholders	3	1 508
Employees	165	43
Subscribers of share capital in subsidiaries	503	3
Prepayments from trade receivables	185	184
Acquisition of financial holdings (note 14)	765	4 124
Other accrued expenses	4 353	3 458
Other payables	437	133
	57 021	78 787

11. Other gains/(losses) - net

	30.09.09	30.09.08
Gain on financial investments disposals	-	14
Impairment and impairment reversal of trade and other receivables	(112)	(347)
Impairment and impairment reversal of inventories	6	(376)
Warranties provision	70	128
Provisions for other risks and charges	104	332
Operational subsidies	150	410
Other	338	102
	556	263

12. Income tax expense

The tax on the group's profit before tax differs from the theoretical amount that would arise using the weighted average rate applicable to profits of the consolidated entities as follows:

	30.09.09	30.09.08
Profit before tax	11 921	10 313
Income tax expense at nominal rate	2 980	2 578
Tax benefit on the net creation of employment for young and long term unemployed people	(300)	(212)
Provisions and amortisations not considered for tax purposes	158	339
Recognition of tax on the events of previous years	2	28
Non taxable gains arising from financial holdings disposals	(23)	(331)
Associates' results reported net of tax	104	3
Autonomous taxation	400	237
Losses in companies where no deferred tax is recognized	99	254
Expenses not deductible for tax purposes	(87)	131
Differential tax rate on companies located abroad	(4)	(45)
Research & Development tax benefit	(828)	(1 145)
Municipal surcharge	266	237
Other	(20)	(6)
Income tax expense	2 747	2 068

In 2009, the Group decided to opt for 'tax consolidation' and changed the individual taxation regime by company to the special taxation regime for groups of companies (Group taxation relief).

13. Earnings per share

	30.09.09	30.09.08
Weighted average number of ordinary shares in issue	30 327 594	30 895 993
Profit/(loss) attributable to equity holders of the Company	9 286	(637)
Basic earnings per share (euro per share)	0.31 euros	(0.02) euros
Diluted earnings per share (euro per share)	0.31 euros	(0.02) euros
Profit from continuing operations attributable to equity holders of the Company	9 286	8 169
Basic earnings per share (euro per share)	0.31 euros	0.26 euros
Diluted earnings per share (euro per share)	0.31 euros	0.26 euros
Loss from discontinued operations attributable to equity holders of the Company	-	(8 806)
Basic earnings per share (euro per share)	-	(0.29) euros
Diluted earnings per share (euro per share)	-	(0.29) euros

14. Related-party transactions

For reporting purposes, related party consider subsidiaries, associated companies, shareholders with management influence and key elements in the Group management.

The following transactions were carried out with related parties:

i) Sales of goods and services

	30.09.09	30.09.08
BES group	19 203	9 734
	<u>19 203</u>	<u>9 734</u>

The above identified transactions were performed at arms length.

ii) Purchases of goods and services

	30.09.09	30.09.08
BES group	159	160
	<u>159</u>	<u>160</u>

iii) Key management compensation

	30.09.09	30.09.08
Salaries and other short-term employee benefits	5 696	5 002
	<u>5 696</u>	<u>5 002</u>

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

	30.09.09	31.12.08
Receivables from related parties:		
BES group	3 932	3 080
	<u>3 932</u>	<u>3 080</u>
Payables from related parties:		
BES group	-	-
	<u>-</u>	<u>-</u>

v) Acquisitions of financial holdings to related parties (note 6)

	30.09.09	31.12.08
Minority interest Novabase Consulting SGPS	-	2 701
Minority interest Novabase Infraestruturas, SGPS	180	1 186
Minority interest NB Digital TV, S.A., Novabase Interactive TV and OnTV	-	14 736
Minority interest Novabase A. C. D.	-	657
Minority interest SAF	-	272
Minority interest Collab	15	-
	195	19 552

vi) Balances arising from acquisitions of financial holdings to related parties

	Non-current		Current (note 10)		Total	
	30.09.09	31.12.08	30.09.09	31.12.08	30.09.09	31.12.08
Min. interest Novabase Consulting SGPS	612	919	307	307	919	1 226
Min. interest Novabase Infraestruturas, SGPS	-	51	50	50	50	101
Min. interest NB Dig. TV, NB ITV and OnTV	266	563	297	3 324	563	3 887
Min. interest NB A. C. D.	235	235	78	313	313	548
Min. interest SAF	97	97	33	130	130	227
	1 210	1 865	765	4 124	1 975	5 989

vii) Other balances with related parties (note 5)

	30.09.09	31.12.08
Loan to Mind	259	259
Loan to Superemprego	-	142
Loan to Forward	22	-
Loan to NB Atlântico	302	-
Loans to other associates	56	56
	639	457
Provisions for loans provided to associates	(259)	(442)
	380	15

viii) Loans from related parties

	30.09.09	31.12.08
BES group	850	1 700

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

	30.09.09	31.12.08
BES group	16 510	10 013

15. Contingencies

Given the disclosed in the annual financial statements for the year 2008, the material changes in the judicial processes are the following:

- Court procedure brought by the company Drink In – Novabase’s subsidiary in question filed a reply and a counterclaim in the amount of approximately EUR 404 thousand concerning unpaid invoices in the referred project. The hearing has finished and final ruling has been issued by the Court considering unfounded the Plaintiff’s arguments thereby ruling in favor of Novabase and considering the amounts claimed by Novabase to be due. In addition, the court has deemed the Plaintiff’s action to have been abusive. The above-mentioned company Drink In has filed for insolvency, whereby Novabase’s subsidiary Novabase Enterprise Applications has claimed payment of credits in the amount of approximately EUR 404 thousand concerning unpaid invoices and interest. The proceedings are pending the presentation by the insolvents’ Administration of the insolvency plan after which a Creditors’ Assembly will be convened to analyze the said plan.
- The company Qimonda Portugal S.A. has filed for insolvency, whereby NBO has claimed credits in the amount of approximately EUR 980 thousand corresponding to the unpaid invoices and compensation for breach of prior notice for termination of contract. New General Creditors Assembly will take place on November 25 for final discussion of the insolvency plan.
- Novabase Consulting, S.A., has been served regarding two procedures brought forward by the Instituto de Gestão Financeira da Segurança Social. The first procedure refers to alleged absence of payment of social security contributions in the years 2004, 2005, 2006 and 2007 in the amount of EUR 131 thousand. The second procedure refers to alleged absence of payment of social security contributions in the years 2002 and 2003, in the amount of EUR 266 thousand. The company has filed opposition regarding the allegations demonstrating compliance with applicable laws, payment of all amounts due and providing documents to that respect. The servings are contradictory with the statements issued by the same Social Security services informing of the companies absence of debt. The procedures await decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- TVLab has filed a claim against Pelicano Investimentos Imobiliários S.A., requesting payment of the amount EUR 212 thousand corresponding to unpaid invoices, interest and court fees. The procedure awaits scheduling of the preliminary hearing.
- A company has filed insolvency procedure against TBZ - Marketing, Acções Promocionais, SA whereby Novabase’s subsidiary Novabase IMS - Infraestruturas & Managed Services, S. A. has claimed credits in the amount of approximately EUR 24 thousand corresponding to the unpaid invoices. The procedure is currently in liquidation of the insolvents’ assets in order to pay creditors.

16. Events occurring after the reporting period

The legal dispute that opposed Novabase SGPS and its subsidiary TechnoTrend NV to the company Goetzpartners has finished through an agreement between the parts, in which the first ones have assumed a cost of approximately EUR 750 thousand.

17. Seasonality

The activity of Consulting and IMS is usually lower in 3rd quarter due to holiday period.

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