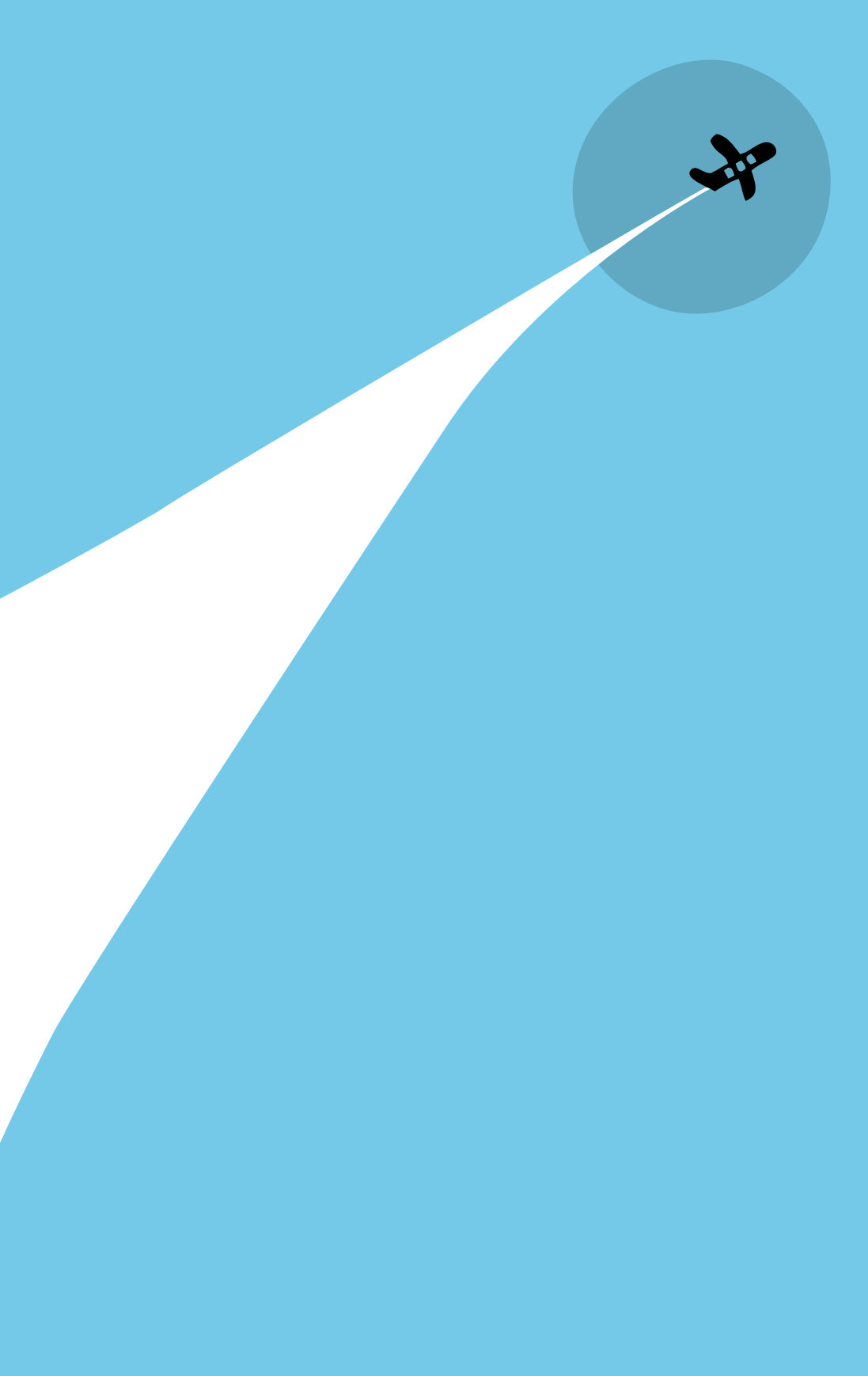




11

relatório & contas 2011 annual report & accounts

fly





MUNDO WORLD

Novabase, destino mundo.

Em menos de 20 anos, a Novabase tornou-se a maior tecnológica portuguesa. Os próximos 20 anos serão de conquista de um lugar de relevo no mundo. Por isso, se 2010 tinha sido o ano da marca, 2011 foi o ano da internacionalização, o ano em que assumimos o crescimento internacional como a prioridade mais estratégica do nosso futuro.

A expansão do negócio nos mercados internacionais será tema de médio e longo prazo, mas a história que 2011 conta é a de passos decisivos nesse movimento. Passos como a standartização da oferta e da sua comunicação a uma escala global, como as experiências de negócio de equipas fixas em novos mercados, ou de uma construção de uma cultura de design thinking, a cultura de pensar fazendo e fazer pensando que nos distingue, e que requer uma aprendizagem constante de disponibilidade, experimentação e interacção com o contexto.

Nesta viagem de crescimento e aprendizagem, queremos que todos venham connosco. Todos os colaboradores, todos os clientes, todos os parceiros, todos os stakeholders Novabase.

Estamos todos ligados e estaremos mais ainda.
Somos muitos, diversos, e seremos mais ainda.

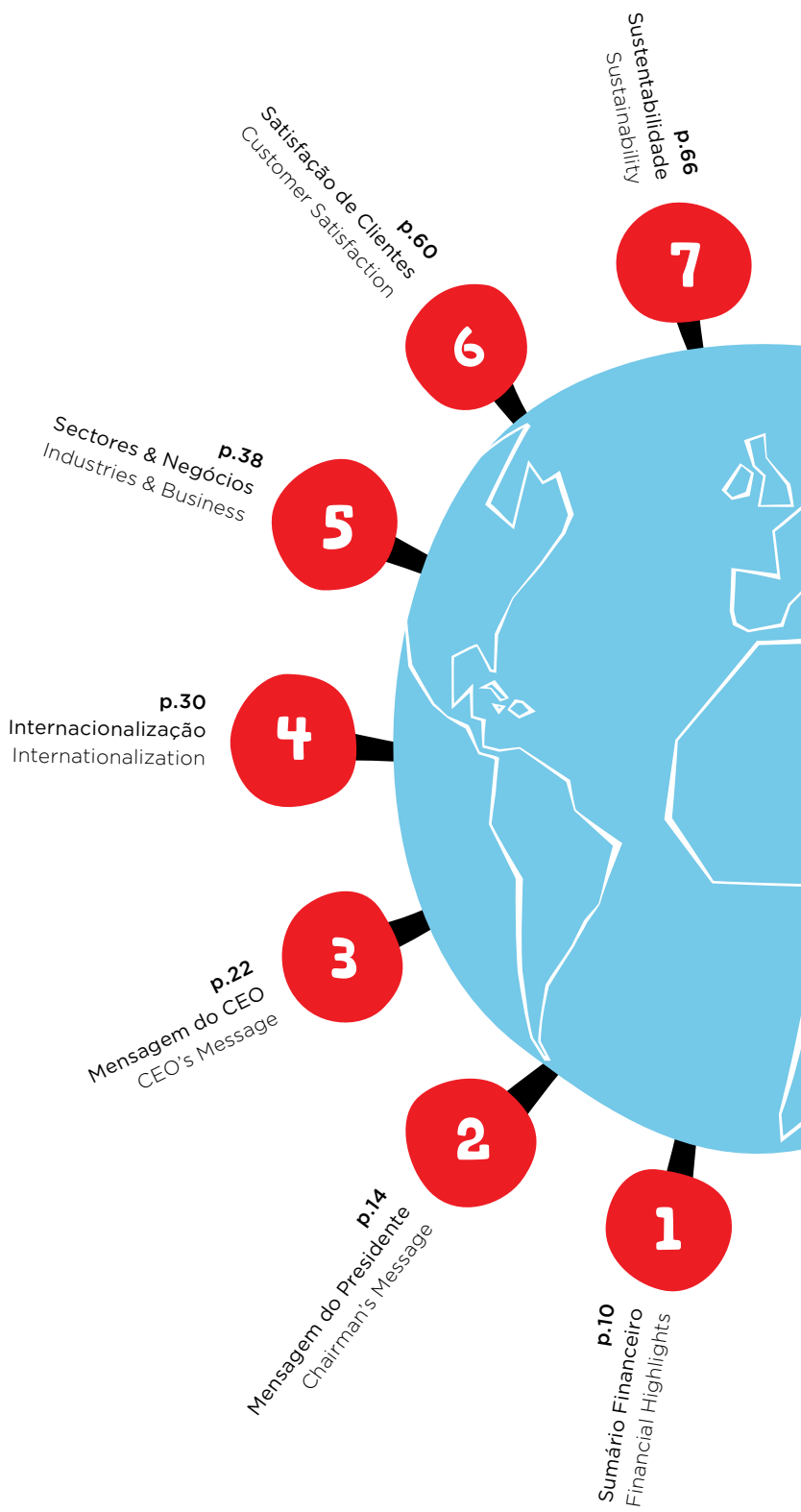
Novabase, destination world.

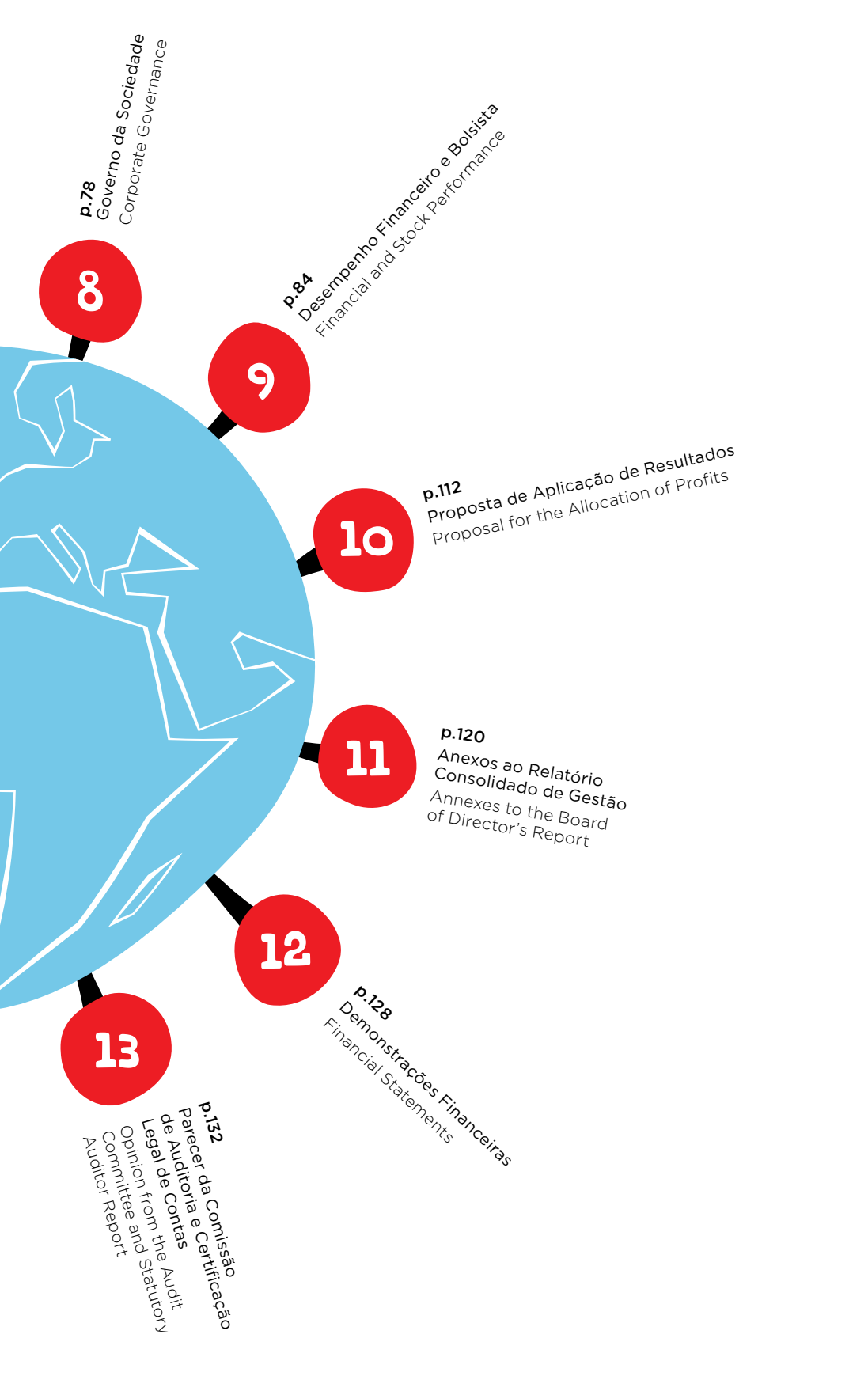
In less than 20 years, Novabase has become the largest Portuguese technology company. The next 20 years will be spent winning a frontline position in the world. For this reason, if 2010 was the year of the brand, 2011 was the year of internationalization, a year in which we made international growth the main strategic priority for our future.

The expansion of our business into international markets will be a medium and long-term pursuit, while 2011 tells a story of decisive steps in this direction. These steps include standardizing our products and services and communicating them on a global scale; the business experiences of teams established in new markets; the construction of a design-thinking culture, the culture of thinking by doing and doing by thinking that distinguishes us, and requires constant learning with openness, experimentation and interaction with our surroundings.

We want everyone to come with us on this journey of growth and learning. All of our employees, customers, partners, all of Novabase stakeholders.

We are all connected, and will be even more so in the future.
We are many, we are diverse... and there will be even more of us.





GO!



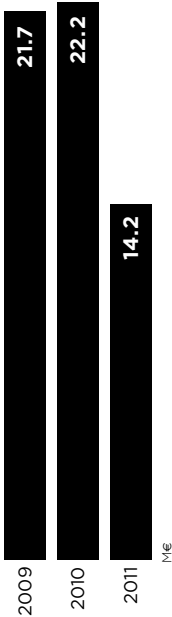




Sumário Financeiro

Financial Highlights

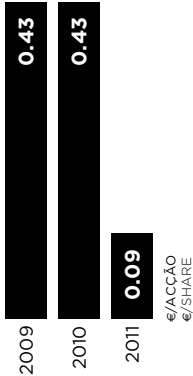
EBITDA
EBITDA



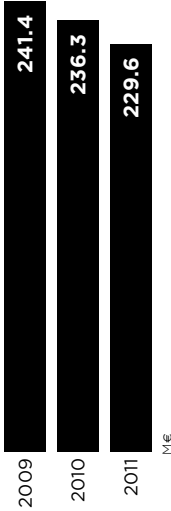
RESULTADOS LÍQUIDOS
NET PROFIT



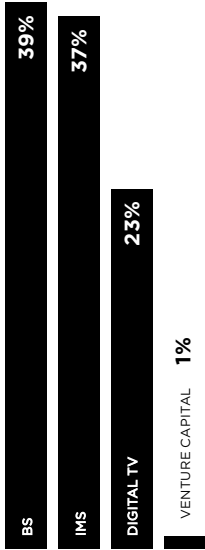
EARNINGS PER SHARE
EARNINGS PER SHARE



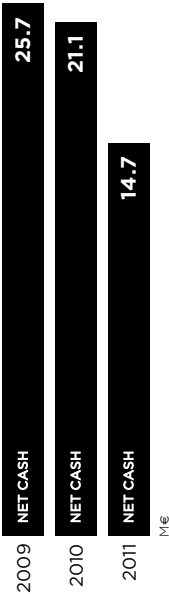
VOLUME DE NEGÓCIOS
TURNOVER



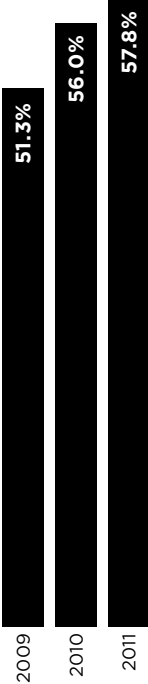
VOLUME DE NEGÓCIOS POR ÁREA
TURNOVER PER AREA



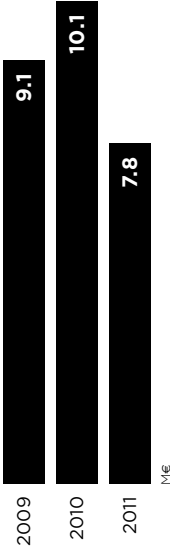
GERAÇÃO DE CASH
CASH GENERATION



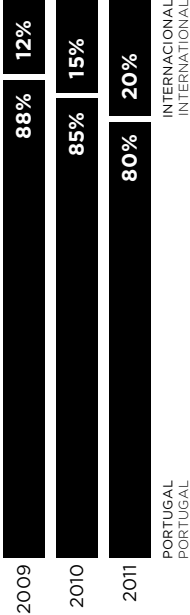
PRESTAÇÃO DE SERVIÇOS (% VOLUME DE NEGÓCIOS)
SERVICES RENDERED (% TURNOVER)



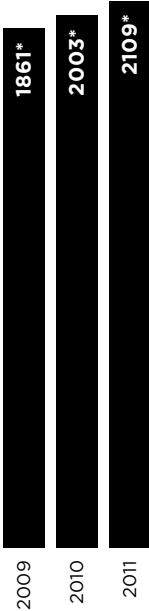
INVESTIGAÇÃO & DESENVOLVIMENTO
RESEARCH & DEVELOPMENT



NEGÓCIO INTERNACIONAL
INTERNATIONAL BUSINESS



COLABORADORES
STAFF



*NÚMERO MÉDIO DE COLABORADORES
AVERAGE NUMBER OF EMPLOYEES

NEGÓCIO INTERNACIONAL POR ÁREA DE NEGÓCIO
INTERNATIONAL BUSINESS PER BUSINESS AREA







2

Mensagem do Presidente Chairman's Message



**“A medida do sucesso
da Novabase está no negócio
conseguido e executado
fora de Portugal.”**

**“The measure of Novabase’s
success is the increase
of international business.”**

Senhores Accionistas,

O exercício de 2011 foi marcado no plano doméstico pela chegada em força dos primeiros impactos da crise económica ao nosso sector de actividade. Um grande número de clientes reduziu as suas intenções de aquisição, atrasou decisões ou pediu mesmo a redução dos custos de projectos já contratados e em curso. Assim, o mercado nacional passou a exigir preços impraticáveis em muitos projectos para o nível de qualidade que a Novabase faz questão de manter.

Dear Shareholders,

On the domestic scene, 2011 was marked by the full-on arrival of the economic crisis' first impacts on our business sector. A large number of customers cut back their purchasing plans, postponed decisions or even asked for lower prices on projects already agreed to and underway. As such, the domestic market began to demand impractical prices for many projects vis-à-vis Novabase's desired quality standards.

A resposta da Novabase a este difícil cenário económico foi marcada pelo aprofundamento da internacionalização, que tem vindo a acontecer a um ritmo muito forte, tendo o crescimento da nossa actividade fora de Portugal em 2011 sido acima dos 30%. A empresa empreendeu ainda um ambicioso plano de redução de custos para poder fazer face à redução da rentabilidade verificada na geografia Portugal, de forma a recuperar competitividade no ano de 2012 que entretanto iniciámos.

A diversificação da nossa aposta para outros mercados implica investimento em meios humanos e materiais, os quais contemplámos no orçamento de 2012 entretanto aprovado pelo Conselho de Administração. Implica ainda um aumento do risco de execução do nosso negócio, o qual é inevitável face à imperiosa urgência em aumentar as nossas receitas internacionais como forma de melhorar a proposta de valor que temos para com os nossos accionistas, bem como a sustentabilidade a médio/longo prazo do nosso negócio.

Para além do desempenho operacional, a Novabase continuou a materializar a aposta na sua nova marca e na implementação da sua visão. Esta última exige uma aposta na sensibilização e formação dos nossos gestores e colaboradores que será significativamente aumentada em 2012.

Novabase's response to this difficult economic backdrop was to concentrate even more on internationalization, which has kept a very solid pace, with our business outside of Portugal growing more than 30% in 2011. The company also embarked on an ambitious cost-cutting plan to address the reduced profitability of the Portuguese market, in order to recuperate our competitiveness in the year 2012 now underway.

Diversifying our products and services to other markets means investing in human and material resources, which are part of the 2012 budget approved by the Board of Directors. It also means a higher degree of business risk, which is inevitable in view of the overriding need to increase international revenues as a means of improving our value proposition for our shareholders, along with the medium and long-term sustainability of our business.

In addition to its operating performance, Novabase continued to focus on its new brand and implementing its vision. The latter requires a commitment to educating and training our managers and employees, which will be significantly increased in 2012.

Em ordem a reforçar a nossa proposta de valor para os accionistas, no mandato que agora termina, a Novabase aprovou uma política de distribuição regular de dividendos e pagou mesmo um dividendo extraordinário em 2010. No exercício que agora termina, apesar de termos registado uma redução de cerca de 80% dos resultados líquidos em 2011 face aos de 2010, o Conselho de Administração irá propor à Assembleia Geral a manutenção da actual política de distribuição de dividendos, materializada neste ano pelo pagamento de 3 cêntimos de euro por acção.

Auscultamos permanentemente a opinião dos nossos principais stakeholders, designadamente os nossos clientes (98% de respostas obtidas num universo de 1130 projectos), e temos dado particular atenção ao tratamento de reclamações. Continuámos a realização regular de roadshows com accionistas, as reuniões trimestrais com os analistas que seguem o comportamento do título, bem como um conjunto vasto de contactos com os media.

Os mecanismos de governo societário estão plenamente adquiridos e os vários órgãos sociais funcionam e relatam o seu funcionamento com regularidade. O Chairman tem recebido a plena colaboração do CEO, da Comissão Executiva, da Comissão de Auditoria e das Comissões Especializadas do Conselho de

To strengthen our value proposition to our shareholders, in the term now ending, Novabase passed a regular dividend distribution policy, and even paid an extraordinary dividend in 2010. In the year now ending, despite a decrease of around 80% in net profits between 2010 and 2011, the Board of Directors will propose to the General Meeting of Shareholders that the current dividend distribution policy be upheld, this year with a payment of 3 cents per share.

We continuously listen to the opinions of our main stakeholders, particularly our customers (98% response rate from a total of 1,130 projects), with special attention to how we handle complaints. We continue to hold regular road shows with shareholders, quarterly meetings with analysts following our stock performance, and a wide range of media contacts.

Corporate governance mechanisms have been fully acquired, and the company's corporate boards operate and report regularly on their operations. The Chairman has received the full cooperation of the CEO, Executive Committee, Auditing Committee and the specialized committees of the

Administração (CA) bem assim como de todos e de cada um dos colegas não executivos do CA e dos Auditores Externos.

Destaco ainda finalmente o reforço da atenção prestada ao tema do risco, através de um acompanhamento mais próximo em conjunto pelo Chairman, pela Comissão de Auditoria e pelo Chief Risk Officer (CRO).

A Novabase reforçou a sua política de solidariedade social, não apenas através das acções no domínio do ensino das tecnologias de informação e inglês que tem vindo a realizar nos últimos anos em parceria com a CAISL (Carlucci American International School of Lisbon) e a Câmara Municipal de Sintra, mas também através de novas acções de apoio a camadas da população mais carenciadas, as quais foram financiadas em 2011 através de verbas anteriormente utilizadas na festa de Natal da empresa, que este ano optámos por não realizar.

A medida do sucesso da Novabase volta-se hoje mais do que nunca para o negócio conseguido e executado fora de Portugal bem como pela criação de novas áreas de negócio. Para apoiar o alargamento da oferta de outsourcing

Board of Directors, as well as each and every one of Board of Directors' non-executive colleagues and external auditors.

I would also like to point out the attention paid to the topic of risk by the closer joint monitoring of this issue by the Chairman, the Audit Committee and the Chief Risk Officer (CRO).

Novabase reinforced its social solidarity policy through educational activities in the areas of information technologies and English, held in recent years in partnership with the Carlucci American International School of Lisbon (CAISL) and Sintra City Council, as well as new activities to support more underprivileged population groups, which were financed in 2011 using funds previously allocated to the company Christmas party, which we chose not to have this year.

Now more than ever, Novabase's success revolves around the business it wins and operates outside of Portugal, and the creation of new business areas. To support its expanding offerings in outsourcing, Novabase built a new

a Novabase construiu o novo Centro de Operações do Parque Oriente. O mesmo foi inaugurado por S. Exa o Ministro da Economia e do Emprego, Prof. Álvaro Santos Pereira já em Janeiro de 2012.

Infelizmente a ainda reduzida dimensão relativa das nossas operações internacionais, somada às dificuldades que todos os players do nosso mercado estão a sentir no plano nacional, não contribuíram em 2011 para uma melhoria do comportamento bolsista das acções da Novabase. Este comportamento traduziu-se pela redução da capitalização bolsista e da liquidez do título.

Contudo, estamos seguros que a estratégia que estamos a implementar traduzir-se-á num progressivo reforço a prazo das propostas de valor da Novabase para todos os seus stakeholders. O aprofundamento progressivo da internacionalização da empresa trará consigo um aumento significativo da sustentabilidade do nosso negócio. Os colaboradores da Novabase estão unidos em torno da nova visão e revêem-se na estratégia. A força e a criatividade que demonstrámos no passado serão também a nossa marca distintiva para o futuro.

Operations Centre at Parque Oriente. This was inaugurated in January 2012 by the Minister of the Economy and Employment, Álvaro Santos Pereira.

Unfortunately, the relatively small size of our international operations, combined with the difficulties experienced by every player in our domestic market, did not improve the performance of Novabase's shares in 2011. This performance resulted in decreased market capitalization and share liquidity.

However, we are confident that the strategy we are implementing will progressively strengthen Novabase's value propositions over time for all of its stakeholders. The progressive growth of the company's internationalization will significantly boost the sustainability of our business. Novabase's employees are united around our new vision, and our strategy resonates with them. The strength and creativity we have shown in the past will also be our trademark for the future.



ROGÉRIO CARAPUÇA
PRESIDENTE DO CONSELHO DE ADMINISTRAÇÃO
CHAIRMAN OF THE BOARD OF DIRECTORS





“Queremos uma Novabase cada vez mais aberta ao mundo, capaz de atrair uma rede crescente de talentos, de saberes, de culturas e de geografias.”

“We want Novabase increasingly open to the world, capable of attracting a growing network of talents, knowledge, cultures and geographies.”



3

Mensagem do CEO

CEO's Message

Caros Accionistas,

O exercício de 2011 foi especialmente desafiante. Para além da crise financeira, abateu-se no mercado doméstico uma das mais graves crises económicas das últimas décadas. O desempenho operacional foi negativamente afectado, tendo os bons resultados na internacionalização mitigado parcialmente este efeito.

Dear Shareholders,

2011 was an especially challenging year. In addition to the financial crisis, one of the most serious economic crises of the past decades hit the domestic market. Operating performance was negatively affected, although this was partially offset by the positive results of our internationalization.

A actividade internacional cresceu mais de 30%, representando já um quinto do negócio total. Contudo, devido à contracção em Portugal na componente de produto, o Volume de Negócios global não cresceu. Ao nível das margens operacionais registámos uma contracção superior a 30%, decorrente da forte pressão conjuntural que impactou sobretudo os negócios IMS, DTV e a rentabilidade das vendas. O Resultado Líquido sofreu uma redução de 80%, fortemente penalizado pelos resultados financeiros e pelos custos de reestruturação. Este programa foi executado com o duplo objectivo de melhorar a nossa competitividade doméstica, principalmente ao nível dos custos, e de reforçar os meios, sobretudo os humanos, para a continuação do crescimento internacional.

2011 foi, também, o terceiro e último ano do nosso mandato. Foram três anos invulgares sob todos os pontos de vista. A começar pelo contexto externo. Enfrentámos a mais grave crise financeira mundial das últimas décadas, a que se seguiu uma profunda crise económica em alguns dos nossos principais mercados, em particular em Portugal.

Our international business grew more than 30%, and now accounts for one fifth of the total business. However, due to the contraction of the product component in Portugal, overall turnover did not grow. We saw a contraction of more than 30% in our operating margins due to strong external pressures primarily impacting the IMS and DTV businesses and the profitability of sales. Net profit fell 80%, strongly penalized by the financial results and restructuring costs. This restructuring had the dual objective of improving our domestic competitiveness, mainly in terms of costs, and boosting our resources, human resources in particular, to continue our international growth.

2011 was also the third and last year of our current term. These three years were unusual from every standpoint. First of all, the external environment. We had to face the world's most serious financial crisis in decades, followed by a profound economic crisis in a number of our main markets, particularly in Portugal.

Por tudo isto, o balanço que fazemos deste mandato é muito positivo. Tivemos os melhores resultados agregados na história da empresa. Os accionistas receberam os primeiros dividendos. Criámos uma nova visão que empolga os nossos colaboradores e nos desafia todos os dias a construir melhores soluções. A satisfação dos clientes atingiu valores recorde. Estabelecemos uma nova cultura e novos valores que acreditamos irão acelerar o ritmo de inovação e renovação das nossas ofertas. Investimos mais de 26 M€ em I&D e estabelecemos parcerias com algumas das melhores universidades do mundo na nossa área. Contratámos centenas de recém-licenciados, criando postos de trabalho altamente qualificados. Ultrapassámos os 2000 colaboradores e reforçámos a aposta nos programas de formação avançada. Unificámos a estrutura da empresa e consolidámos a nossa posição de liderança em Portugal. Especializámos as ofertas por sector de actividade para crescermos o nosso negócio no mundo, tendo actualmente soluções a funcionar em dezenas de países.

For all of these reasons, we can weigh up this term as a highly positive one. We had the best aggregated results in the company's history. Shareholders received the first dividends. We have created a new vision that engages our employees and challenges us every day to make better solutions. Customer satisfaction has reached record levels. We have established a new culture and new values that we believe will quicken the pace of product and service innovation and renewal. We have invested more than €26 million in R&D and established partnerships with some of the world's best universities in our area. We have hired hundreds of university graduates, creating highly qualified job positions. We have more than 2,000 employees, with a renewed focus on advanced training programs. We have unified our corporate structure and consolidated our leadership position in Portugal. Our products and services have been tailored to different business sectors to grow our business around the world, with solutions now operating in dozens of countries.

As Tecnologias de Informação são das áreas que mais dependem do contexto macroeconómico. Por isso, os últimos anos representaram um enorme teste às nossas capacidades enquanto organização. Os resultados obtidos espelham, no seu conjunto, uma empresa capaz de enfrentar as maiores adversidades. Reflectem também uma organização resiliente, com uma grande capacidade de adaptação, pragmatismo e motivação para a mudança. São trunfos importantes num sector onde as disrupções tecnológicas e de modelos de negócio são tão frequentes.


Finalmente, estes resultados são sobretudo uma prova inequívoca do talento e da dedicação dos colaboradores da Novabase, que são, afinal, a verdadeira fonte da nossa diferenciação.

Information technologies are among the areas that are most dependent on the macro-economic backdrop. This is why the last few years have been a major test of our ability as an organization. The results obtained, on a whole, reflect a company capable of facing the greatest of adversities. They also reflect a resilient organization with a great ability to adapt, pragmatism and motivation for change. These are all important trump cards in a sector with such frequent disruptions in technologies and business models.

Finally, and above all, these results are proof positive of the talent and dedication of Novabase's employees who, in the end, are our true source of differentiation.

Em 2011, o título desvalorizou 28% em linha com o índice PSI20 e com os principais comparáveis europeus. No triénio 2009-2011 esta desvalorização - descontada a remuneração accionista extraordinária de 2010 - foi de 44%, o que compara com uma desvalorização de 13% no PSI20. A elevada exposição da Novabase a mercados sem grande potencial de crescimento, em particular o Português é, certamente, uma das principais razões para esta evolução. Por este motivo, o principal objectivo nos próximos anos é a continuação da expansão internacional da actividade da empresa. Queremos uma Novabase cada vez mais aberta ao mundo, capaz de atrair uma rede crescente de talentos, de saberes, de experiências, de culturas e de geografias. Para levar a mais pessoas e a mais empresas uma vida mais simples e mais feliz.

In 2011, our share price fell 28% in line with the PSI20 and main comparable European indices. From 2009 to 2011, this drop - not counting the extraordinary shareholder remuneration in 2010 - was 44%, compared to a 13% drop in the PSI20. Novabase's high degree of exposure to markets with low growth potential, particularly the Portuguese market, is certainly one of the main reasons for this. This is why the main objective for the coming years will be to continue to expand our company's business internationally. We want Novabase to be more and more open to the world, able to attract a growing network of talent, knowledge, experiences, cultures and regions. To take a simpler and happier life to more people and more businesses.



LUÍS PAULO SALVADO
PRESIDENTE DA COMISSÃO EXECUTIVA
CEO/CHAIRMAN OF THE EXECUTIVE COMMITTEE





4

Internacionalização Internationalization

Poucas são as empresas que atingem a sua visão. Mas foi o que nos aconteceu. Ao fim de 20 anos de vida, a Novabase concretizou uma visão como líder português em soluções de negócio baseadas em tecnologia, à frente das multinacionais instaladas em Portugal.

O desafio agora é outro. O caminho é claro e a ambição renovada também. 2011 marca o início desta nova etapa. Uma jornada que será marcada pela concretização da nova visão, não só em Portugal mas sobretudo no Mundo.

Few companies attain their vision. However, this is what we have done. After 20 years in existence, Novabase has achieved its vision as the Portuguese leader in IT business solutions, at the forefront of multinationals established in Portugal.

Now, there is a different challenge. The direction is clear, and with a renewed ambition. 2011 marks the start of this new chapter. A journey that will be marked by the pursuit of a new vision, not only in Portugal, but most of all in the entire world.



Com a actividade internacional a crescer nos últimos anos, e projectos de referência bem sucedidos nos quatro cantos do planeta, o negócio internacional é hoje o nosso caminho e uma aposta assumida. É também a nossa resposta ao cenário económico actual em Portugal. 2011 foi assim marcado pelo aprofundamento da internacionalização a um ritmo muito forte, com o crescimento da actividade fora de Portugal acima dos 30% e a constituir já 20% do nosso negócio.

With the international business growing in recent years, and with successful benchmark projects around the world, the international business is now our company's direction and focal point. It is also our response to the current economic scenario in Portugal. 2011 was thus marked by fast-paced growth in internationalization, with business outside of Portugal increasing more than 30%, and now accounting for 20% of our business.

A organização está a ser estruturada no sentido de reforçar e sofisticar os meios necessários, sobretudo os humanos, dedicados à actividade internacional.

A nossa estrutura de ofertas, organizada por sectores, pretende estar cada vez mais próxima das necessidades dos clientes, tendo por foco a especialização.

Esta aposta internacional implica a sofisticação da nossa capacidade de entrega e realização de projectos em contextos muito diversos. É necessário investirmos ainda mais na formação e treino das nossas pessoas e na optimização de processos e metodologias. Implica igualmente alargar e diversificar o modelo de entrega de projectos internacionais, localmente e também através de modelos de near-shore e off-shore. E, mais importante, conduz-nos a uma aposta crescente nas ofertas mais distintivas que temos, tirando partido das ideias e da grande criatividade das nossas pessoas.

Procurámos e lançámos uma visão que inspirasse o crescimento, que projectasse, a partir do que nos diferencia no nosso negócio, um valor único para a sociedade em qualquer ponto do mundo. Uma visão focada na relevância, em qualquer geografia.

The organization is being structured to strengthen and refine the resources, especially human resources, needed for the international business.

Our products and services, organized by sector, are structured to be increasingly closer to our customers' needs and focused on specialization.

This international effort will require a sophisticated capacity to deliver and carry out projects in a highly diverse range of contexts. We will have to invest even more in the education and training of our people, and in optimizing our processes and methodologies. It will also require a broader, more diversified international project delivery model, both locally and using near-shore and off-shore models. Most importantly, it will lead us to a growing focus on our most distinctive products and services, capitalizing on the ideas and great creativity of our people.

We looked for and launched a vision that inspired growth, that projected a unique value to society on the basis of what differentiates us in our business, in any corner of the globe. A vision focused on relevance anywhere in the world.

Os quadrantes da nossa visão reflectem o nosso modo de estar, a nossa estratégia de abertura, de abertura ao mundo: Pensar é fazer, Fazer é ligar, Ligar é abrir. Abrir é crescer. Abertura que atrai uma rede crescente de talentos de diversas áreas de conhecimento, de parcerias em múltiplos sectores de actividade, de culturas e geografias.

O que queremos é mudar a vida das pessoas e das empresas, através da tecnologia, é para isso que ela serve. A nossa aposta é crescer e fazer crescer, em qualquer ponto do mundo.

Neste desafio queremos posicionar-nos com a força da nossa marca. Com a força e diferença das nossas pessoas e da nossa atitude.

Somos uma marca de soluções tecnológicas capaz de olhar e de ler todo o contexto de sociedade, de negócio, de utilização, de aspirações e potenciais. Esse é o verdadeiro motor da inovação. É a base para uma cultura *human centred* e focada nos benefícios que cria para as pessoas. Em todo o mundo.

The quadrants of our vision reflect our way of being, our strategy of openness, of opening to the world: thinking is doing, doing is connecting, connecting is networking, networking is growing. An openness that attracts a growing network of talents in diverse knowledge areas, of partnerships in multiple activity sectors, of cultures and geographic areas.

We want to change the lives of people and businesses through technology, which is what technology is for. Our commitment is to grow and make grow, anywhere in the world.

In this challenge we want to position Novabase with the strength of our brand. With the strength and differentiation of our people and our attitude.

We are a brand of technological solutions with the ability to look at and read the global context of society, business, usage, aspirations and potential. That is the true engine of innovation. That is the basis for a human centred culture focused on the benefits it creates for people. Around the world.

NTalks, for innovative people:

outra maneira de abrir ao mundo

another way to open to the world

2011 foi o ano em que a Novabase lançou a sua marca de conferência “NTalks” com um convidado especial: Tom Kelley, partner e co-fundador da IDEO, uma das empresas que colocou o design no centro da estratégia empresarial.

Para uma plateia de 250 pessoas, Tom Kelley contou os 10 passos da inovação, desde a necessidade de olharmos os produtos e serviços com a disponibilidade de um antropólogo, à enorme vantagem de cruzarmos ideias de pessoas com diferentes backgrounds, perspectivas e idades.

No debate que se seguiu, além de Tom Kelley e de Luís Paulo Salvado (CEO da Novabase), interlocutores tão diferentes como Alberto Charrro (CEO BBVA Portugal), Miguel Carvalho (Administrador ActivoBank), Pedro Albuquerque (Partner da Albuquerque Designing Business) e Stella Barbot (Conselheira do FMI) trataram de pôr em prática o verbo que muitos anotaram: *crosspollinate*.

Por isso, o N Talks #1 teve tudo a ver com internacionalização. É que estimular uma cultura de atenção – ao contexto, ao utilizador, aos seus desejos e desafios – é importante não só para inovar mas para qualquer empresa que tenha como alvo o mercado internacional.



2011 was the year in which Novabase launched its “N Talks” conference brand with a special guest: Tom Kelley, partner and co-founder of IDEO, one of the companies that put design at the centre of corporate strategy.

In front of an audience of 250 people, Tom Kelley revealed the 10 steps of innovation, from the need to look at products and services with the disposition of an anthropologist, to the tremendous advantage of intersecting ideas from people of different backgrounds, perspectives and ages.

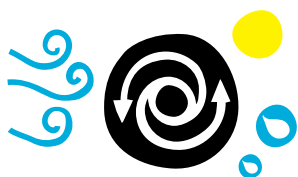
In the discussion that followed, in addition to Tom Kelley and Luís Paulo Salvado (Novabase CEO), spokespersons as diverse as Alberto Charro (CEO of BBVA Portugal), Miguel Carvalho (Director at ActivoBank), Pedro Albuquerque (Partner of Albuquerque Designing Business) and Stella Barbot (IMF Advisor) tried to put into practice the verb that many had noted down: “to cross-pollinate”.

This is why the first N Talks had everything to do with internationalization. Stimulating a culture of attention – to the context, to the user, to the user’s desires and challenges – is important not just to innovate, but also for any company with its eyes set on the international market.





AEROSPACE &



ENERGY

FINANCIAL



GOVERNMENT

MANUFACTURING

TELECOMS &

TRANSPORTATION

& UTILITIES

SERVICES

& HEALTHCARE

& SERVICES

MEDIA

Sectores & Negócios Industries & Business

Industries



Aerospace
& Transportation



Energy
& Utilities



Financial
Services



Government
& Healthcare



Manufacturing
& Services



Telecoms
& Media

Business Solutions



Venture Capital

Infrastructures
& Managed
Services



Digital TV

Business Solutions

O negócio Business Solutions agrega um conjunto de competências com capacidade tecnológica, de gestão, de design e de negócio. O conhecimento profundo e integração destas disciplinas permite-nos pensar, desenhar e implementar soluções para os nossos clientes.

No decorrer de 2011, foi criada uma estrutura de ofertas, organizada por sectores, que pretende estar próxima das necessidades dos clientes, tendo por foco a especialização e permitindo ter apostas claras para a internacionalização.

Business Solutions incorporates a number of competencies with technology, management, design and business expertise. Our in-depth knowledge and integration of these disciplines allows us to conceive, design and deploy solutions for our customers.

Over the course of 2011, we created a product and service structure, organized by sectors, aimed at being closer to our customers' needs, focused on specialization, with our sights clearly set on internationalization.



A nova organização veio contribuir para clarificar as prioridades e desafios, melhorar a colaboração através da simplificação da estrutura, clarificar as estruturas de responsabilidade (*accountability*) e estimular mais a cooperação entre as diversas funções que constituem a nossa actividade.

No reenquadramento de desafios, houve um realinhamento de prioridades e energias para as frentes internacionais, tendo por base as ofertas especializadas em cada sector, tentando levar para fora o melhor das nossas realizações em muitos dos clientes em Portugal.

The new organization has helped to clarify priorities and challenges, improve collaboration through a more simplified structure, lay out a framework for accountability and further encourage cooperation between the various functions comprising our business.

In redefining challenges, we realigned priorities and efforts for the international fronts based on specialized products and services in each sector, trying to take our very best work with a number of Portuguese customers to the world.

Este percurso feito em 2011, e que terá continuidade para 2012, permitiu desde logo obter resultados muito interessantes e retirar ensinamentos num processo que se pretende progressivo, que é difícil e que se aprende fazendo.

Como suporte a esta aposta sectorial e internacional, vamos continuar a investir em melhorar a nossa entrega e capacidade de fazer projectos em contextos muito diversos, investindo na formação e treino das nossas pessoas e em melhorar os nossos processos e metodologias, tendo como princípio orientador a simplicidade.

Vamos alargar a percentagem de projectos internacionais entregues através de modelos de *near-shore* e *off-shore*, com o objectivo de manter a nossa competitividade e assegurar uma elevada qualidade na solução

This journey in 2011, which will continue in 2012, led to compelling results and lessons learned in a process meant to be progressive, which is difficult, where we learn by doing.

To sustain this focus on international sectors, we will keep investing to improve our capacity to deliver and carry out projects in a highly diverse range of contexts, by investing in the education and training of our people, and in optimizing our processes and methodologies, with the guiding principle of simplicity.

We will increase the percentage of international projects using near-shore and off-shore models to maintain our competitiveness and ensure high quality in the final solution. We will also give more room to new investment

final. Vamos também dar mais espaço para investir em novas apostas, tentando criar ofertas distintivas e tirar partido das ideias e criatividade das nossas pessoas, tentando encontrar soluções para as diversas prioridades dos nossos clientes.

A aposta em Design Thinking, iniciada em 2011, enquadra-se neste espírito, funcionando como uma nova forma de olhar e enquadrar problemas, tentando trazer outras perspectivas para a solução.

Finalmente, vamos potenciar mais parcerias com os nossos clientes, nos principais sectores, com quem temos experiências muito relevantes e com elevado potencial de internacionalização.

Em 2011, a Novabase Business Solutions registou um volume de negócios de 89,6 M€ com uma margem EBITDA de 12,2%.

priorities by trying to create distinctive products and services and capitalizing on the ideas and creativity of our people, and trying to find solutions to our customers' wide range of priorities.

Our focus on design thinking, which began in 2011, is part of this concept, as a new way of looking at problems at putting them into context, and incorporating other viewpoints into the solution.

Finally, we will empower more partnerships with our customers in major sectors where we have a proven track record, and with high potential for internationalization.

In 2011, Novabase Business Solutions' turnover was €89.6 million with an EBITDA margin of 12.2%.



Infrastructures & Managed Services

A oferta desta área da Novabase foca as suas competências em engenharia e consultoria nas Tecnologias de Informação e Comunicações, para conceber, planear e implementar infra-estruturas complexas, bem como transformar, gerir, operar e otimizar esses activos, quer através de projectos abrangentes como de serviços de outsourcing.

No decorrer de 2011 e com o intuito de desenvolver e focar o seu crescimento em serviços e expandir internacionalmente, a IMS reestruturou a sua oferta, consolidando as suas áreas de soluções Intelligent Infrastructures e IT Management.

Agora só com um portfólio de **IMS Solutions**, continua especializada em **Soluções de Engenharia** e na **Gestão do IT**, mas com foco nos **Serviços Continuados** de Operação, Manutenção e Gestão e com destaque para áreas de **Outsourcing de Infra-estruturas**.

As soluções IMS desenvolvem as suas competências de engenharia na prestação de serviços de consultoria e implementação no desenho

This area of Novabase focuses its engineering and consulting expertise in information and communication technologies to design, plan and deploy complex infrastructures as well as transform, manage, operate and optimize these assets through comprehensive projects such as outsourcing services.

During 2011, and for the purpose of developing and focusing its growth on services and expanding internationally, IMS restructured its products and services by consolidating its areas of Intelligent Infrastructures and IT Management solutions.

Now with just one **IMS solutions** portfolio, it still specializes in **engineering solutions** and **IT management**, but focusing on **ongoing services** for operations, maintenance and management, in particular areas involving **infrastructure outsourcing**.

IMS' solutions use its engineering expertise to provide consulting and deployment services in designing and planning convergent quad-

e planeamento de arquiteturas de comunicações com convergência Quad-play incluindo o vídeo e a mobilidade, arquiteturas de Cloud Computing e Datacenters de nova geração. As arquiteturas e soluções desenhadas são sempre focadas na otimização e redução de custos de exploração através de metodologias e processos de consolidação, virtualização, automação e eficiência energética.

Na área da produtividade empresarial, existe uma vasta experiência e referências na colaboração e comunicações unificadas com os processos e aplicações de negócio, onde se destacam as soluções de telefonia e vídeo-conferência IP, Telepresença, Contact Centers IP e ainda a possibilidade de desenvolvimento e integração à medida destas tecnologias com as aplicações críticas de negócio.

As soluções e serviços IMS de gestão do IT compreendem áreas de auditoria, consultoria e formação em reengenharia e automação de processos, racionalização, risco e controlo interno, planos

play communications architectures including video and mobility, cloud computing architectures and next-generation data centres. The architectures and solutions designed are always focused on optimizing and reducing operating costs through consolidation, virtualization, automation and energy efficiency methodologies and processes.

In the area of enterprise productivity, it boasts substantial experience and references in collaboration and unified communications with business applications and processes, including solutions for telephony and IP video conferencing, telepresence, IP contact centres and the ability to custom-develop and integrate these technologies with business-critical applications.

IMS' IT management services and solutions include auditing, consulting and training services in process reengineering and automation, streamlining, risk and internal control,

estratégicos de SI/TI, integração de boas práticas e certificação em normas e conformidade com regulações. As áreas de actuação destas competências estendem-se à engenharia de serviços, segurança de informação, continuidade de negócio e sustentabilidade. Complementam esta oferta soluções de software para a gestão de portefólios de projectos e programas, a gestão e qualidade de serviço, monitorização, operações e segurança.

A Oferta IMS está disponível e verticalizada para os sectores Aerospace & Transportation, Energy & Utilities, Financial Services, Government & Healthcare, Manufacturing & Services e Telecoms & Media. Para todos eles está disponível num modelo de entrega de projecto ou preferencialmente num modelo de **Serviço Continuado ou Outsourcing** da Infra-estrutura, sendo este suportado a partir do centro de operações **IMS Agile Center**.

O **Agile Center** é uma estrutura concebida e implementada em 2010. Com áreas dedicadas a **call desk** (multi-canal) e **service desk, operação e monitorização** (com um videowall de 8x2m), além de salas multi-função, inclui espaços especificamente equipados para laboratório, que permitem a realização de demonstrações, provas

IS/IT strategic plans, best practice integration, certification in standards and compliance with regulations. These areas of expertise extend to service engineering, information security, business continuity and sustainability. Its offerings are rounded out by software solutions for managing project and program portfolios, service quality and management, monitoring, operations and security.

IMS' vertically integrated products and services are available for the Aerospace & Transportation, Energy & Utilities, Financial Services, Government & Healthcare, Manufacturing & Services and Telecoms & Media sectors. For all of these sectors, they are available under a project deliverables model or, preferably, an ongoing service or infrastructure outsourcing model supported by the IMS Agile operations centre.

The Agile Centre was designed and implemented in 2010. With areas dedicated to a call desk (multi-channel) and service desk, operations and monitoring (with a 8 x 2 m video wall) and multi-purpose rooms, it has spaces specifically equipped as labs for demonstrations, proofs-of-concept

de conceito ou testes dos mais variados tipos e **staging** de projectos de grande dimensão e qualquer tipo de equipamentos. Capaz de operar continuamente em regime 24/7/365, foi equipado com a mais actual tecnologia multimédia de alta definição. Do ponto de vista de comunicações, a vídeo-conferência ou a telepresença permitem uma ligação permanente a clientes e parceiros.

O **Agile Center** serve também como demonstração de uma nova oferta: o estudo, desenho, renovação e implementação de salas de controlo e comando ou centros de operações em que os aspectos de ergonomia, os factores humanos, eficiência energética e o design de marca do cliente, serão integrados de forma transparente através de uma abordagem interactiva e suportada em simulações e realidade virtual.

O ano de 2011 foi um ano que se destaca pela consolidação e reestruturação da oferta IMS, pela consolidação e desenvolvimento do centro de operações **Agile Center** de forma a preparar uma aposta muito forte na criação de valor através da prestação de serviços remotos para clientes nacionais e internacionais.

Em 2011, a Novabase IMS registou um volume de negócios de 86,0 M€ com uma margem EBITDA de 5,3%.

or testing for a wide variety of staging options for large-scale projects and all types of equipment. Capable of non-stop 24/7/365 operation, it is equipped with the latest high-definition multimedia technology. From a communications standpoint, video conferencing or telepresence provides a continuous connection to customers and partners.

The Agile Centre also serves as a showpiece for a new offering: the study, design, renovation and deployment of control and command rooms, or operating centres, where aspects involving ergonomics, human factors, energy efficiency and customer brand design will be integrated transparently using an interactive approach supported by simulations and virtual reality.

2011 was marked by the consolidation and restructuring of IMS' products and services, and the consolidation and development of the Agile Centre, to lay the groundwork for providing added value through remote services for domestic and international customers.

In 2011, Novabase IMS' turnover was €86.0 million with an EBITDA margin of 5.3%



Digital TV

A área de Digital TV da Novabase é hoje um player de referência internacional, com um posicionamento no mercado alinhado com uma estratégia de *intellectual property*, *system integrator* e de forte aposta no desenvolvimento da oferta direccionada para Operadores de Telecomunicações, Televisão e Media.

No mercado Português, a Novabase DigitalTV consolidou o seu posicionamento na cadeia de valor dos principais Operadores, integrando as componentes core da área de Video Digital, na implementação dos serviços emergentes mais sofisticados como o Video-On-Demand, IPTV e Conteúdos On-line.

Novabase Digital TV is now a player on an international scale, positioned in the market in close alignment with the strategy of intellectual property, system integrator and a solid focus on products and services targeting telecommunications, television and media operators.

In the Portuguese market, Novabase Digital TV has consolidated its position in the value chain of major operators, integrating core components from the digital video area, to deploy more sophisticated emerging services such as Video-On-Demand, IPTV and On-Line Content.

No mercado internacional, em 2011, cresceu significativamente a sua actividade (cerca de 70% face a 2010), tendo consolidado a sua posição no operador Reliance e tendo angariado um novo operador de cabo (IMCL). Ambas as operações no mercado indiano, o que nos dá boas perspectivas para o futuro nesta geografia.

Os Clientes nesta área são principalmente fabricantes de set-top-box (no mercado OEM/ODM), operadores de *pay TV* ou Telcos (no mercado de operadores). A Novabase está essencialmente focada nos mercados emergentes, onde estes investimentos vão acontecer em maior escala.

It significantly grew its business in the domestic market in 2011 (around 70% compared to 2010), consolidating its position with the operator Reliance and winning a new cable operator (IMCL), both in the Indian market, which gives us excellent future prospects in this region.

Customers in this area primarily include set-top box manufacturers (OEM/ODM market), pay TV operators or Telcos (operator market). Novabase is primarily focused on emerging markets where these investments will be occurring on a larger scale.

Estima-se que o mercado global de set-top-box para Digital TV cresça a ritmos muito elevados, impulsionado pelo fim de operação do sistema analógico, a ocorrer até 2012 na Europa, de acordo com o determinado pelos reguladores. Outro factor de mercado bastante relevante é o crescente investimento de Operadores de Cabo e Satélite em mercados emergentes, como a América do Sul, Índia e Países do Leste da Europa.

A Novabase é pioneira no desenvolvimento das mais recentes tecnologias de COB e SIP, com um histórico de inovação e lançamento

It is estimated that the global set-top box market for digital TV is growing at an extremely fast pace, driven by the upcoming switch-off of the analogue system in Europe in 2012, as determined by regulatory authorities. Another highly relevant market factor is cable and satellite operators' growing investments in emerging markets such as South America, India and Eastern European countries.

Novabase is a pioneer in developing the latest COB and SIP technologies, with a history of innovation and of launching new products of great

no mercado de novos produtos de grande valor para os Clientes (primeiro receptor DVB de tamanho reduzido, primeiro receptor FTA em formato scart, primeiro sistema de COB disponível, entre outros). A Novabase está preparada para endereçar o elevado potencial de crescimento, com menor exigência a nível de capacidade financeira, resultado da redefinição estratégica em relação à sua actuação no mercado.

Em 2011, a Novabase Digital TV registou um volume de negócios de 52,8 M€, com uma margem EBITDA de -0,1%.

customer value on the market (first compact DVB receiver, first FTA receiver in SCART format, first available COB system, among others). Novabase is poised to address the high potential for growth, with fewer demands in terms of financial capacity, thanks to its redefined strategy in terms of its market activities.

In 2011, Novabase Digital TV's turnover was €52.8 million with an EBITDA margin of -0.1%.

Venture Capital

A Novabase Capital, Sociedade de Capital de Risco, SA, é uma empresa de capital de risco, integralmente detida pela Novabase SGPS, SA, que tem como principal objectivo identificar e ajudar a desenvolver projectos empresariais portugueses de TICs, ainda embrionários ou em expansão, que apresentem um elevado potencial de valorização em sinergia com a Novabase.

A Novabase Capital participa em 3 Fundos de Capital de Risco (FCRs), que têm o capital total de 23,5 M€, designadamente FCR Novabase Capital, FCR Novabase Capital Inovação e Internacionalização e FCR IStart I, sendo os dois primeiros geridos pela Novabase Capital.

O **FCR Novabase Capital**, constituído em Maio de 2005 e integralmente investido, com uma dotação de 7,1 M€, é participado em 30% pela Novabase Capital e em 70% pelo IAPMEI através do Programa PRIME e com co-financiamento da União Europeia via FEDER.

Novabase Capital, Sociedade de Capital de Risco, SA is a venture capital firm owned entirely by Novabase SGPS, SA. Its main purpose is to find and support Portuguese ICT business projects – in early development or expanding – with high value potential in conjunction with Novabase.

Novabase Capital has ownership in three venture capital funds totalling €23.5 million in capital: FCR Novabase Capital, FCR Novabase Capital Inovação e Internacionalização and FCR IStart I (the first two managed by Novabase Capital).

FCR Novabase Capital, established in May 2005 and fully invested, with a provision of €7.1 million, is held by Novabase Capital (30%) and IAPMEI/ Institute for the Support of Small and Medium Enterprises (70%) through the PRIME Program, with co-funding from the European Union via the ERDF.



O portfolio do FCR Novabase Capital em 2011 incluía as seguintes participadas:

Manchete – Estudos, Tratamento e Gestão da Informação, SA

A Manchete é uma empresa especialista em informação, que foca a sua actividade nas áreas de Análise de Media (TV, Rádio, Internet, Jornais e Revistas), Inteligência Competitiva e Reputação.

Forward – Tecnologias de Informação, SA

A Forward presta serviços na área das Tecnologias de Informação, especialmente vocacionados para o sector das telecomunicações, tendo desenvolvido um produto inovador para Operadores Móveis Virtuais (MVNOs).

Dosapac – Automação de Edifícios, SA

Empresa especializada na concepção e instalação de Sistemas de Gestão de Edifícios, integrando a Gestão Técnica Centralizada, a Domótica e sistemas de controlo específicos.

In 2011, the Novabase Capital venture capital fund's portfolio included the following affiliates:

Manchete – Estudos, Tratamento e Gestão da Informação, SA

Manchete is a company specializing in information and focusing on the areas of media analysis (TV, radio, Internet, newspapers and magazines), competitive intelligence and reputation.

Forward – Tecnologias de Informação, SA

Forward provides services in the area of information technologies, particularly targeting the telecommunications sector, and has developed an innovative product for mobile virtual network operators (MVNOs).

Dosapac – Automação de Edifícios, SA

Company specializing in designing and installing building management systems integrating centralized technical management, home automation and specific control systems.

Collab – Soluções Informáticas de Comunicação e Colaboração, SA

Empresa de software que desenvolveu a solução OneContact para contact centers multimedia em ambiente IP, que integra todos os canais de relação com os clientes. O investimento contínuo em I&D tem tido amplo reconhecimento nos mercados internacionais onde actua.

Collab – Soluções Informáticas de Comunicação e Colaboração, SA

Software company that developed OneContact, a multimedia contact centre solution over IP, which integrates all customer relationship channels. Ongoing investments in R&D have been widely acknowledged in the international markets where it operates.

Globaleda – Telecomunicações e Sistemas de Informação, SA

Empresa vocacionada para o desenvolvimento inovador das Tecnologias de Informação nos Açores. Gere uma rede de lojas próprias que cobre as principais ilhas açorianas, sendo o terceiro maior agente Vodafone em Portugal, e desenvolve actividade de Manutenção de Infra-estruturas de Telecomunicações nos Açores e no Continente.

Globaleda – Telecomunicações e Sistemas de Informação, SA

Company dedicated to the innovative development of information technologies in the Azores. It manages a network of its own outlets covering the main Azorean islands, is the third largest Vodafone agent in Portugal, and performs maintenance activities for telecommunications infrastructures in the Azores and mainland Portugal.

O FCR Novabase Capital Inovação e Internacionalização, constituído em Outubro de 2011 com um total de 11,36 M€, tem duas dotações autónomas. A primeira dedicada à Região de Lisboa e a projectos na fase Early Stage, tem uma dotação de 1,26 M€, sendo 0,5 M€ comparticipados pelo POR Lisboa. A segunda dotação de 10,1 M€ destina-se às Regiões Norte, Centro e Alentejo, para projectos de inovação, modernização e internacionalização de PME's de base tecnológica, sendo comparticipada em 5 M€ pelo Programa COMPETE.

O portfolio do FCR Novabase Capital Inovação e Internacionalização em 2011 incluía as seguintes participadas:

FeedZai – Consultadoria e Inovação Tecnológica, SA

Empresa dedicada ao desenvolvimento de soluções para processamento de grandes volumes de dados em tempo real, sendo o primeiro spin-off do programa Carnegie Mellon University - Portugal, no qual a Novabase participa como parceiro de referência e co-financiador.

The *Novabase Capital Inovação e Internacionalização* venture capital fund, established in October 2011 with a total of €11.36 million, has two separate provisions. The first is dedicated to early stage-projects in the Lisbon region, with a provision of €1.26 million, with a €5.0 million contribution from the POR Lisboa program. The second provision of €10.1 million is aimed at financing projects for the innovation, modernization and internationalization of technology-based SMEs in the Northern, Central and Alentejo regions, with a €5.0 million contribution from the COMPETE program.

In 2011, the Novabase Capital Inovação e Internacionalização venture capital fund's portfolio included the following affiliates:

FeedZai – Consultadoria e Inovação Tecnológica, SA

Company specializing in solutions for processing large volumes of data in real time, and the first spin-off of the Carnegie Mellon University Portugal program, in which Novabase is involved as a key partner and co-financer.

PowerGrid, Lda

Empresa de desenvolvimento de soluções de software de energia inteligente, nomeadamente nas áreas de Metering, Distribution e Networking, com vocação nacional e internacional.

O último Fundo, FCR IStart I, constituído em Dezembro de 2011 e gerido pela Espírito Santo Ventures, possui um capital total de 5 M€ e visa apoiar a criação de provas de conceito e de protótipos, bem como o desenvolvimento de propriedade intelectual ou de modelos de negócio, tendo uma dotação para a Região de Lisboa de 2,522 M€, comparticipada em 1,008 M€ pelo POR Lisboa, e uma dotação de 2,5 M€ para as Regiões Norte, Centro e Alentejo, comparticipada pelo Programa COMPETE. A participação da Novabase Capital neste FCR é de 0,3 M€.

PowerGrid, Lda

Company specializing in intelligent energy software solutions in the areas of metering, distribution and networking, both domestically and internationally.

The last fund, **FCR IStart I**, established in December 2011 and managed by Espírito Santo Ventures, has a total of €5 million in capital for creating proofs-of-concept and prototypes and developing intellectual property and business models. It has a provision of €2.522 million for the Lisbon region, with a €1.008 million contribution from POR Lisboa, and a provision of €2.5 million for the Northern, Central and Alentejo regions, with a contribution from the COMPETE program. Novabase Capital has a contribution of €0.3 million in this venture capital fund.

Os FCR Novabase Capital Inovação e Internacionalização e FCR IStart I são apoiados pelos Programas COMPETE e POR Lisboa, estando integrados no QREN e com co-financiamento da União Europeia via FEDER.

Em 2011, a Novabase Capital registou um volume de negócios de 1,2 M€ com uma margem EBITDA de -100,4%.

The Novabase Capital Inovação e Internacionalização and FCR IStart I venture capital funds are supported by the COMPETE and POR Lisboa programs, and are included in the National Strategic Reference Framework (QREN) with co-funding from the European Union via the ERDF.

In 2011, Novabase Capital's turnover was €1.2 million with an EBITDA margin of -100.4%.

com o apoio:









6

Satisfação de Clientes Customer Satisfaction



Levar.

A Novabase mais além.

Em 2011, fizemos longe como fazemos perto.

Iniciámos um novo caminho com uma nova visão: tornar a vida das pessoas e das empresas mais simples e mais feliz, longe ou perto. Será que cumprimos?

Taking.

Novabase further.

In 2011 we were far and near.

We began a new path and a new vision: to make life simpler and happier for people and businesses, whether near or far. Were we successful?

Uma vez mais, monitorizámos toda a nossa actividade, inquirindo 1130 projectos e 764 entrevistados. E fizemo-lo, tal como em Portugal, também à escala global, para os projectos que desenvolvemos em 37 países e 9 fusos horários. O nosso objectivo: superar geografias, fazer no mundo como fazemos aqui.

Once more, we analyzed our entire activity, investigating 1130 projects and totalling 764 interviewees. We did this in Portugal and abroad with the projects we developed internationally in 37 countries and 9 different time zones. Our goal: to overcome geography, to do worldwide as we do here.

Valor acrescentado, expectativas superadas. Added value, exceeded expectations.

A Novabase acrescentou **mais** valor
ao seu negócio do que inicialmente previsto?
Did Novabase add **more** value
to your business than initially expected?

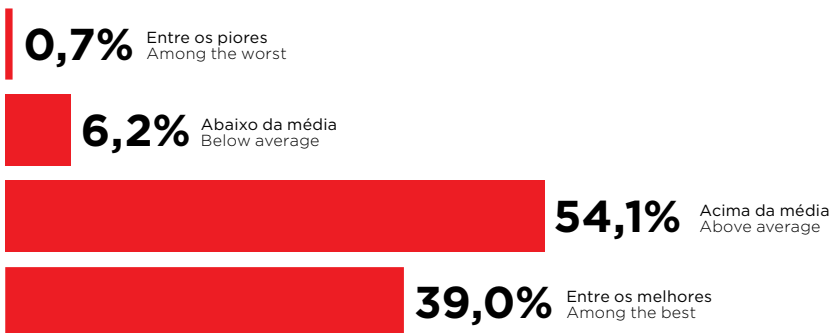


O desempenho atingiu completamente
ou superou as expectativas?
Did our performance fully meet
or exceed expectations?

Entre os melhores, acima da concorrência Among the best, above the competition

Em cada projecto, pedimos aos nossos clientes que nos comparassem com a concorrência. Inquirimos sobre as várias fases do serviço (proposta, gestão/implementação e manutenção), as características dos colaboradores Novabase e a relação qualidade/preço. Obtivemos mais de onze mil respostas, distribuídas da seguinte forma:

In each project, we asked our customers to compare us with our competitors. We inquired about various service phases (proposal, management/deployment and maintenance), the nature of Novabase employees and the quality/price ratio. We obtained more than 11,000 responses with the following breakdown:



De clientes a promotores. From customers to promoters.

2011

23

Um Net Promoter Score de 23 pontos é sinónimo da conquista que mais ambicionamos: de clientes a promotores.

A Net Promoter Score of 23 points is synonymous with achieving the goal we most wanted to reach: from customers to promoters.

O Net Promoter Score é uma métrica internacional de fidelização de clientes. À pergunta: "Recomendaria os serviços da Novabase a um amigo ou colega?", numa escala de 0 a 10, promotores são os que respondem 9 ou 10; detractores os que respondem de 0 a 6; e passivos os que escolhem 7 e 8. O resultado decorre da subtracção: % de Promotores menos a % de Detractores.

The Net Promoter Score is an international measurement of customer loyalty. To the question: "Would you recommend Novabase's services to a friend or colleague?", on a scale of 0 to 10, Promoters are those who answer 9 or 10; Detractors are those who answer 0 to 6; and Passives those who choose 7 and 8. The result is obtained by subtracting: the percentage of Detractors from the percentage of Promoters.

Visão em acção. Vision in action.

91,2%

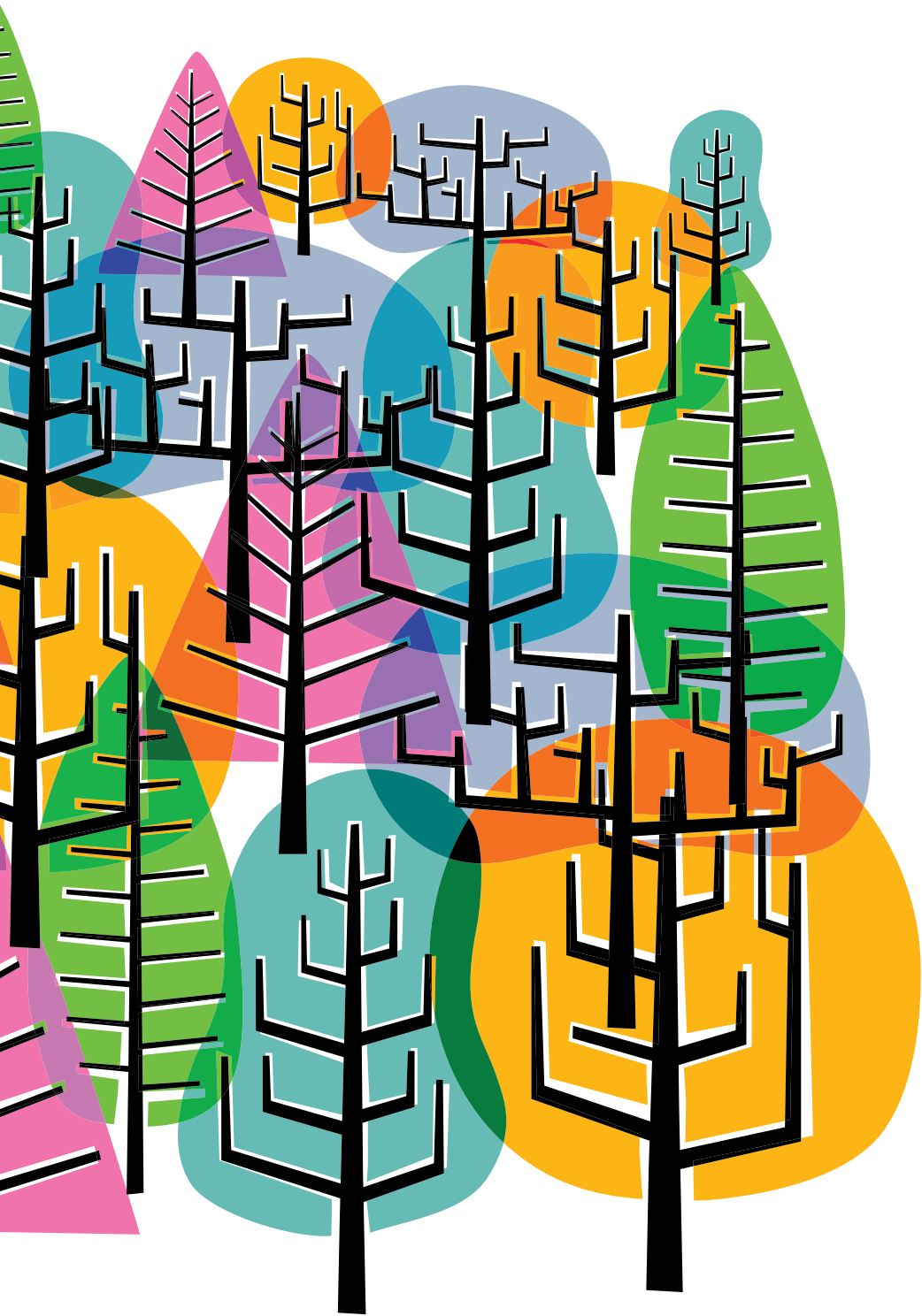
disseram Sim
said Yes

O trabalho da Novabase contribuiu para facilitar/simplificar a actividade da organização?
Has Novabase's work helped facilitate/simplify the organization's activity?

Pela primeira vez, pudemos verificar se estamos a cumprir a visão da marca.
E a resposta orgulha-nos, quer pela confirmação do benefício,
quer pela expressão da percentagem.

For the first time, we were able to determine whether we are fulfilling our brand's vision.
And we are proud of the answer, for the confirmation and the percentage we reached.





7

Sustentabilidade

Sustainability

Para a Novabase o desenvolvimento sustentável, a ética e a responsabilidade social não são uma questão de declaração de intenções. Acreditamos que as empresas podem fazer a diferença ao assumir a sustentabilidade e responsabilidade social corporativa como partilha de valor, tornando a sociedade mais saudável e as empresas mais competitivas.

2011 foi um ano de desafios e de mudança na Novabase, com a consolidação da visão e dos nossos valores. Diversificámos as geografias em que trabalhamos, aumentando o peso do negócio fora de Portugal.

O que nos guia? A nossa visão: tornar a vida das pessoas e das empresas mais simples e mais feliz. É o que inspira e guia a Novabase. Para nós, é para isso que a tecnologia tem que servir.

Na nossa visão, unimos desenho de solução e implementação, promovemos uma cultura de alegria e entrega total, crescemos em redes de conhecimento e competências.

For Novabase, sustainable development, ethics and social responsibility are not just a statement of intention. We believe that companies can make a difference when they incorporate sustainability and corporate social responsibility into their values, making society healthier and companies more competitive.

2011 was a year of challenge and change at Novabase, with the affirmation of our new vision and values. We diversified the countries we do business in, increasing the weight of international business.

What guides us? Our vision: to make life simpler and happier for people and businesses. This is what inspires and guides Novabase. For us, this is what technology is for.

In our vision, we combine solution design with implementation, promoting a culture of happiness and total commitment, turning customers into partners, projects into causes, growing in networks of knowledge and

Na nossa visão, os que nos rodeiam são parceiros e os nossos projetos, causas. Ouvimos, damos, ligamos, crescemos numa rede global de talentos. Onde chegamos, desenvolvemos; onde estivermos, tornamos mais simples e mais feliz.

Em que acreditamos? Nos nossos valores. Ditos na 1ª pessoa, 4 caminhos do eu ao nós:

Eu dou, compromisso de empenho, dedicação, integridade e alegria.

Eu ouço, disponibilidade para ouvir e aprender, para a atenção e para o outro.

Eu ligo, capacidade de ligar tudo e a tudo, de unir talentos, de cruzar olhares, de sentir diferentes papéis e perspectivas.

Eu cresço, vontade de crescer e fazer crescer, de chegar e superar, de entregar resultados que surpreendem.

skills. Wherever we go, we develop; wherever we are, we make things simpler and happier.

What do we believe in? In our values. Stated in the 1st person, four paths from “I” to “us”:

I give, a promise to commitment, dedication, integrity and happiness.

I listen, a willingness to listen to others, with attention, and to learn.

I connect, an ability to connect everything with anything, to join talents, to cross viewpoints, to feel different roles and perspectives.

I grow, a desire to grow and make grow, to meet and exceed, and to deliver astonishing results.

O nosso código de conduta, formalizado em 2011, é a afirmação dos nossos valores e dos nossos princípios. Tornado ação no que decidimos e fazemos, nas situações que vivemos, no encontro com os outros, no confronto com nós próprios. Reflete o que somos, na nossa totalidade, no que pomos nos nossos actos. Como Pessoas, Profissionais, Cidadãos, Indivíduos. Como Novabase.

Sabemos que os nossos actos contam, e queremos ser solução. Porque fazemos parte do mundo, onde estamos, com quem estamos. Conscientes de direitos e deveres. Criamos emprego, saber e riqueza que partilhamos com as pessoas, a sociedade, o futuro. Sendo cumpridores, justos e solidários. Olhando aos meios tanto quanto aos números. Avaliando decisões e actos nas suas consequências, para os outros, para o ambiente, para além de nós, para além do nosso tempo.

Our code of conduct defined in 2011 is founded in the affirmation of our values and our principles transformed into action. Into what we decide and do, the situations we experience, how we interact with others and how we face ourselves. As people, professionals, citizens, individuals, as Novabase.

Because we are part of the world, where we are, with whom we are with. We are aware of rights and duties. We create jobs, share knowledge and wealth, returning it to people, society and to the future. We meet our commitments, we are fair and we care. We look at the means and the numbers. We analyze decisions and execution in terms of their consequences, knowing that their impact is felt beyond us and beyond our time. They are felt by others, everyone and the environment.

INOVAMOS, DESENVOLVEMOS

Para criar futuro. Sabemos que o sucesso da nossa visão depende da nossa capacidade para inovar, para criar soluções novas, diferentes. Investigamos, desenvolvemos e criamos valor. Para os clientes e parceiros, para os acionistas e investidores, para as nossas pessoas, para a sociedade. Em 2011 investimos 7,8 milhões de euros em Investigação e Desenvolvimento.

Criamos emprego e desenvolvemos conhecimento. Com o objectivo de reforçar a aposta na criação de emprego altamente qualificado e diferenciado, a Novabase contratou em cinco anos 436 recém-licenciados e mestres, através do programa Novabase Academy. Este programa de recrutamento, com várias edições anuais desde 2006, proporciona o ingresso de jovens no mercado de trabalho, tendo como principal objectivo a integração na vida empresarial de jovens oriundos de áreas académicas diversificadas.

Apostamos continuamente no desenvolvimento dos colaboradores, quer na vertente tecnológica, com vista à certificação nas mais variadas tecnologias e soluções, quer numa vertente de competências comportamentais e de soft-skills, através do programa de formação novabasecampus.

WE INNOVATE, WE DEVELOP

To create a future. We know that the success of our vision depends on our capacity to innovate and create new and different solutions. We research, develop and create value. For customers and partners, shareholders and investors, for our people, for society. In 2011 we invested 7.8 M€ in Research & Development.

We create jobs and develop knowledge. To strengthen its commitment to creating highly qualified and differentiated jobs, Novabase has hired 436 university graduates in five years through its Novabase Academy program. This recruitment program, with annual editions since 2006, introduces young employees to the workplace, with the main goal of introducing university graduates in different areas (such as engineering, management and economics) to the business world.

Novabase is also committed to developing its employees both in terms of technology, certifying its employees in an array of technologies and solutions, in transversal and soft-skills, through the novabasecampus program.

Apoiamos a realização de mestrados pelos nossos colaboradores em diversas áreas, com destaque para os Mestrados em Engenharia de Software e Human Computer Interaction, leccionados em parceria pela Carnegie Mellon University (EUA) e por universidades portuguesas, através do programa de atribuição de bolsas Novabase/CMU.

Contribuímos para a aprendizagem de crianças de zonas menos favorecidas em Portugal. Numa parceria com a Escola Americana de Lisboa, a CAISL – Carlucci American International School of Lisbon, o apoio da Câmara Municipal de Sintra e do Ministério da Educação, desenvolvemos, nos últimos seis anos, cursos de verão em inglês e tecnologias de informação para alunos de escolas públicas do concelho de Sintra. Graças a esta ação, crianças com idades entre os 9 e os 10 anos têm contacto com uma forma diferente de ensino, em áreas fundamentais para o seu desenvolvimento. Chegámos a cerca de 120 crianças em 2011, face a 90 no ano anterior. Queremos dar um impulso fundamental na vida e futuro de muitos destes jovens.

We also sponsor master's degrees in various areas, including the noteworthy Master of Software Engineering degree, taught jointly through Carnegie Mellon University (USA) and the University of Coimbra's School of Science and Technology, through the Novabase CMU/MSE scholarships.

We help children from underprivileged regions in Portugal to learn. In partnership with CAISL – Carlucci American International School of Lisbon and with the support of Sintra City Council and the Ministry of Education, over the last six years, Novabase has offered summer courses in English and information technology for young public school students from underprivileged areas of the municipality of Sintra. Thanks to this initiative, these students, aged 9 to 10 years, have been exposed to a new learning approach in areas that are essential to their future academic performance. We were able to reach some 120 children in 2011, compared to 90 in the previous year. We want to be the driving force in the life and future of many of these children.

COMUNICAMOS

Como empresa cotada desde Julho de 2000, a Novabase funciona de acordo com um modelo de governo em permanente evolução, que otimiza o seu desempenho e com o objectivo de beneficiar todos os *stakeholders*, nomeadamente os acionistas, clientes, parceiros e os colaboradores.

A Novabase mantém uma comunicação permanente com os seus *stakeholders*, quer na área de Investor Relations, quer na comunicação interna e externa, com rigor e transparência.

Consultamos os clientes sobre o nosso desempenho, sobre a qualidade do que entregamos, para aferir a sua satisfação e melhorar continuamente. Consultamos as equipas de projeto sobre motivação e satisfação. Consultamos todos os colaboradores sobre o desempenho das áreas funcionais, em temas como as condições de trabalho, a gestão de talento ou os sistemas de informação.

WE COMMUNICATE

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

Novabase has remained in constant contact with its stakeholders, whether through investor relations, whether with its internal and external communication policy, with rigor and transparency.

We asked our customers about our projects, about the quality of our work. We consulted our employees about the performance of support areas, such as management of people and talent, infrastructures, working conditions and information systems. We consulted the teams regarding motivation, growth and satisfaction.

LIGAMOS

Tornamos a vida dos nossos clientes mais simples e mais feliz. Contribuímos para a concretização das metas sustentáveis dos nossos clientes, implementando soluções que melhoram a eficiência e desmaterializam processos ou otimizam a utilização de recursos.

No desenvolvimento destas soluções controlamos os riscos para o negócio, para o ambiente e para a saúde e bem-estar das pessoas. Para fazermos bem, adoptamos as boas práticas de mercado e implementámos sistemas de gestão da qualidade, ambiente e saúde e segurança no trabalho de acordo com normas reconhecidas internacionalmente. Porque acreditamos que a perspectiva das entidades certificadoras nos desafia e potencia a melhoria contínua, certificámos estes sistemas de acordo com as respectivas normas: NP EN ISO 9001 – desde 1994; NP EN ISO 14001 – em 2011; OHSAS 18001/NP 4397 – em 2011.

Em 2010 a Novabase associou-se ao BCSD Portugal, Conselho Empresarial para o Desenvolvimento Sustentável, associado do WBCSD – World Business Council for Sustainable Development. Esta organização tem como missão incentivar a liderança empresarial em Portugal a actuar como catalisadora da mudança rumo ao Desenvolvimento

WE CONNECT

We make life simpler and happier for our customers. More efficient. In 2011, through our solutions we were involved in improving the efficiency of our customers' processes, in the computerization of their processes, optimizing their costs and resources, and helping them achieve their sustainable targets.

And we do this with quality. This is the only way we can guarantee the satisfaction of our customers and partners, contributing to their success and building relationships of partnership and trust. Serious and long-lasting. We control risk for business, the environment and the health of the people who work with us. For the sake of quality, we have implemented quality management systems for occupational health, safety and environment, in accordance with internationally recognized standards. Because we believe that external recognition improves credibility, we have certified these systems in accordance with the respective standards (NP EN ISO 9001 – since 1994; NP EN ISO 14001 – in 2011; OHSAS 18001/NP 4397 – in 2011).

In 2010 Novabase teamed up with BCSD Portugal – Business Council for Sustainable Development Portugal, associated with WBCSD – World Business Council for Sustainable Development, whose mission it is to encourage corporate leaders in Portugal to act as catalysts for change

Sustentável e promover nas empresas a eco-eficiência, a inovação e a responsabilidade social.

and sustainable development, and promote eco-efficiency, innovation and social responsibility in businesses.

MEDIMOS

O crescimento da Novabase tem sido orientado pela criação sustentável de valor. Medimos para gerir as vertentes económicas, ambientais e sociais do nosso negócio.

WE MEASURE

Novabase's growth has been guided by sustainable value generation. We measure, manage and address the economical, environmental and social aspects of our business.

INDICADORES FINANCEIROS

FINANCIAL INDICATORS

CRIAÇÃO DE VALOR PARA OS ACCIONISTAS CREATION OF VALUE FOR THE SHAREHOLDERS	
VN Turnover	229,6 M€
EBITDA EBITDA	14,2 M€
Resultado líquido accionistas Atributable Net Profit	2,7 M€
Taxa de crescimento do VN Turnover growth rate	-2,8%
Taxa de crescimento do VN internacional International turnover growth rate	30,5%
Taxa de crescimento do EBITDA EBITDA growth rate	-35,7%
Taxa de crescimento do resultado líquido accionistas Atributable Net Profit growth rate	-79,7%
Crescimento do "net cash" Net cash growth	-6,5 M€
Return on Equity Return on Equity	2,9%
Return on Assets Return on Assets	2,2%

OUTROS INDICADORES

OTHER INDICATORS

TEMA TOPIC	MÉTRICA MEASUREMENT	RESULTADO RESULT
CLIENTES CUSTOMER		
Satisfação Satisfaction	NPS NPS	23
COLABORADORES STAFF		
Formação Training	Programa Novabase Academy Novabase Academy Program	2 academias 62 participantes 2 academies 62 participants
	Programa Novabasecampus Novabasecampus Program	33 ações 1,740 participantes 22.006 horas 33 initiatives 1,740 participants 22,006 hours
	Bolsas Novabase/CMU Novabase/CMU scholarships	8 mestrandos 8 master's degree students
Satisfação Satisfaction	Satisfação Novabase Serviços Novabase Serviços Satisfaction	Nível médio de satisfação: 7 (escala de 1 a 10) Taxa de participação: 72% Average satisfaction level 7 (scale of 1 to 10) Participation rate: 72%
Saúde e Segurança no Trabalho Occupational Health and Safety	Acidentes de trabalho Accidents in the workplace	23 acidentes; 14 dos quais <i>in itinere</i> (61%) 23 accidents; 14 of which commuting accidents (61%)
	Formação e sensibilização Training and awareness	1.120 participantes 2.259 horas 1,120 participants 2,259 hours
SOCIAL SOCIAL		
Formação Training	Escolas de Verão Summer Schools	120 crianças 120 children
AMBIENTE ¹ ENVIRONMENT		
Energia Energy	Consumo de eletricidade Power consumption	133 kWh/mês/utilizador 133 kWh/month/user
	Consumo energia térmica Thermal energy consumption	119 kWh/mês/utilizador 119 kWh/month/user
Água Water	Consumo de água Water consumption	0,62 m3/mês/utilizador 0.62 m3/month/user
Combustível Fuel	Consumo gasóleo e gasolina Diesel and gasoline consumption	76 l/mês/viatura 76 L/month/vehicle
Resíduos Waste	Reciclagem de cartão e papel Recycling of cardboard and paper	40 l/mês/utilizador 40 L/month/user
	Reciclagem de plástico Recycling of plastic	7 l/mês/utilizador 7 L/month/user
	Reciclagem de vidro Recycling of glass	160 g/mês/utilizador 160 g/month/user
Emissões Emissions	Emissão de gases com efeito de estufa Greenhouse gas emissions	492.039 kg CO ² e 492,039 kg CO ² e

¹ Valores relativos às instalações da sede, no Parque das Nações, em Lisboa
¹ Amounts related to head office facilities in Parque das Nações in Lisbon.

ÂMBITO SCOPE

Net Promoter Score (mais informação no capítulo 6)
 Net Promoter Score (more information in chapter 6)

Programa anual de recrutamento e formação de jovens recém-licenciados e mestres.
 Annual recruitment and training program for new university and master's degree graduates

Programa de formação na Cultura e Valores Corporativos, em Gestão e Desenvolvimento Organizacional, em Formação Comportamental e em Boas Práticas de *Delivery*.
 Training Program in Corporate Culture and Values, Organizational Development and Management, Behavioural Training and Good Delivery Practices

Programa de atribuição de bolsas para os mestrados do programa CMU|Portugal.
 Scholarship program for master's degrees in the CMU|Portugal program

Inquérito anual aos colaboradores para avaliar o nível de satisfação com os serviços prestados internamente tais como: formação; suporte informático; apoio jurídico; ou instalações.

Annual survey of staff to assess the level of satisfaction with the services rendered internally, such as: training, IT support, legal advisory or installations.

Acidentes de trabalho e *in itinere* (no percurso habitual entre o domicílio e o local trabalho).
 Accidents in the workplace and during commuting (while regularly travelling between home and the workplace)

Formação e sensibilização em matérias de higiene, segurança e saúde no trabalho.
 Training and awareness in occupational hygiene, safety and health

Cursos de Verão para jovens alunos de escolas públicas do 1º ciclo.
 Summer courses for young public school students from grades 1 to 4

Média mensal do consumo de energia eléctrica por utilizador.
 Average monthly electrical energy consumption per user

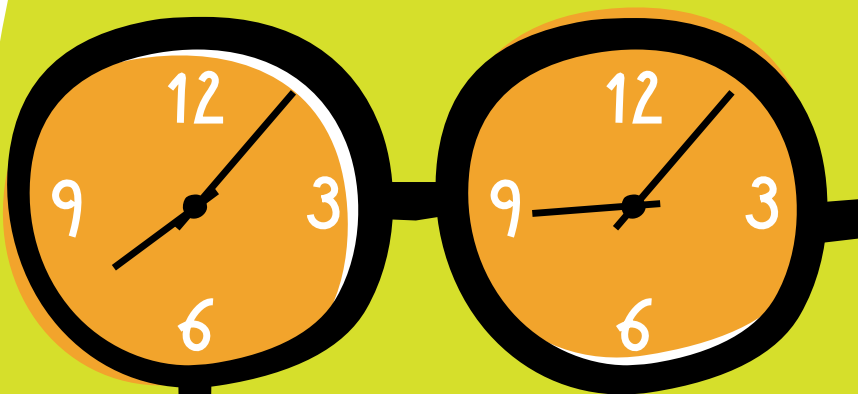
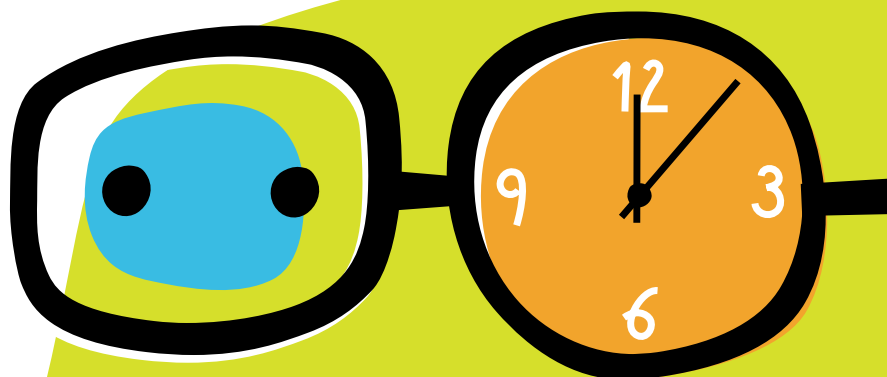
Média mensal do consumo de energia térmica (aquecimento e arrefecimento) por utilizador.
 Average monthly thermal energy (heating and cooling) consumption per user

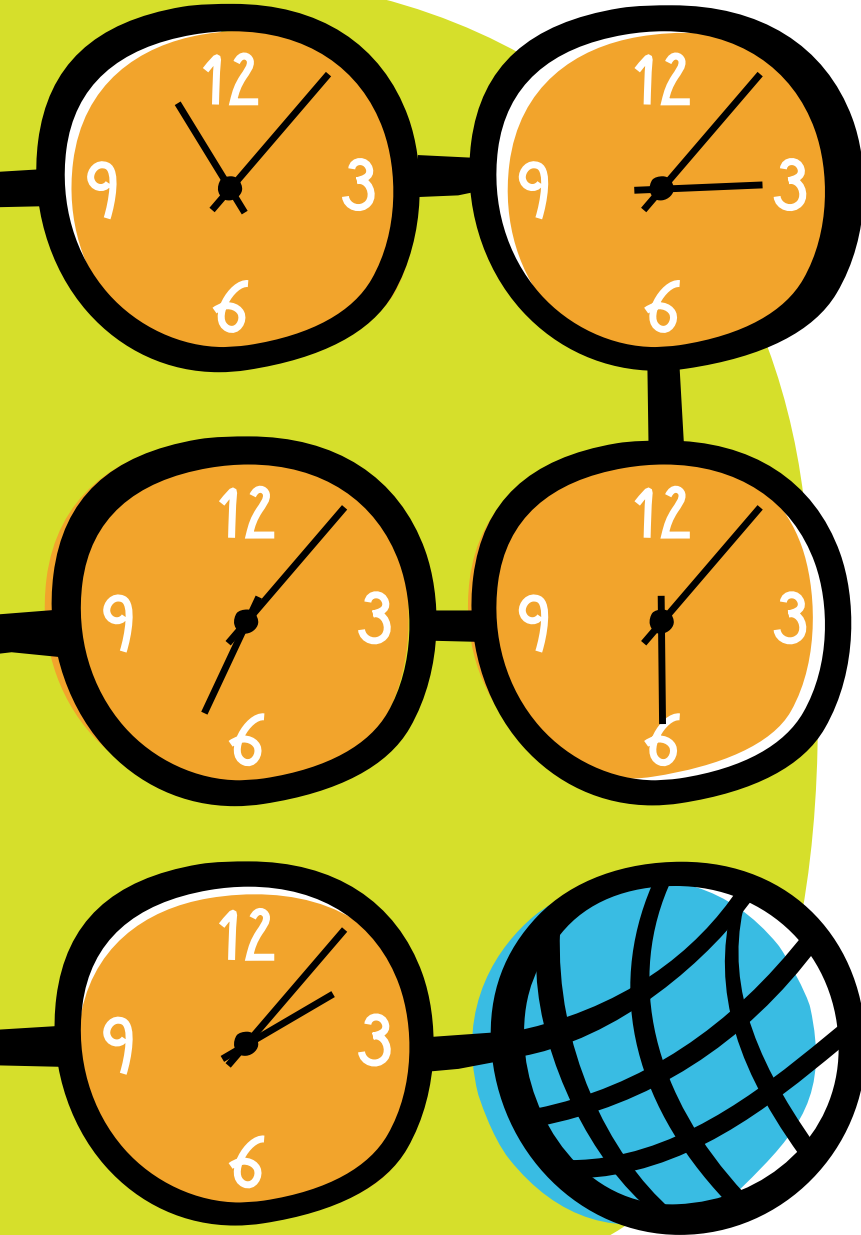
Média mensal do consumo de água da rede por utilizador.
 Average monthly consumption of public water supply per user

Média mensal do consumo de combustível das viaturas da frota por viatura.
 Average monthly consumption of fuel by fleet vehicles per vehicle

Média mensal de resíduos encaminhados para reciclagem, por utilizador.
 Average monthly amount of waste sent to be recycled per user

Emissão de CO₂e respeitante ao consumo de eletricidade, de energia térmica, de combustível da frota e do gerador.
 CO₂e emissions and from consumption of electricity, thermal energy, and fuel from vehicle fleets and generators





Governo da Sociedade

Corporate Governance

A Novabase, Sociedade Gestora de Participações Sociais, S.A. (adiante designada por Novabase ou Empresa) optou por divulgar em separado, um Anexo ao Relatório anual de gestão, relativo ao Governo de Sociedade, em conformidade com o artigo 245.º - A do Código dos Valores Mobiliários e de harmonia com o disposto no Regulamento da CMVM N.º 01/2010 sobre o Governo das Sociedades Cotadas, seguindo, na sua estrutura, o esquema preconizado no Anexo I ao Regulamento CMVM anteriormente citado.

No presente relatório a Novabase indica quais as recomendações adoptadas e não adoptadas constantes do Código de Governo das Sociedades da CMVM 2010 (Recomendações) publicado em Janeiro de 2010 (“Código de Governo das Sociedades”).

Novabase, Sociedade Gestora de Participações Sociais, S.A. (hereinafter called “Novabase” or “company”) has chosen to publish a separate annex to its annual report on the topic of corporate governance, in compliance with Article 245/A of the Securities Code and in accordance with the provisions of CMVM Regulation no. 01/2010 on the Governance of Listed Companies, organized according to the scheme outlined in Annex I to this CMVM regulation.

In this report, Novabase indicates which recommendations have been adopted and not adopted from the CMVM 2010 Corporate Governance Code (“Recommendations”), published in January 2010 (“Corporate Governance Code”).

Este anexo, que faz parte integrante do Relatório anual de gestão de 2011 da Novabase, contém informação que respeita as exigências do artigo 7º do Código dos Valores Mobiliários e inclui remissões para outros anexos ao referido Relatório anual de gestão.

A Novabase é uma empresa cotada desde Julho de 2000, que funciona de acordo com um modelo de governo, em permanente evolução, cujo objectivo é o de procurar contribuir para a optimização do seu desempenho e favorecer todos os stakeholders - entidades cujos interesses estão envolvidos na actividade societária, nomeadamente os Accionistas e Investidores, os Clientes e Parceiros, e os Colaboradores.

This annex, which is an integral part of Novabase's 2011 annual report, contains information complying with the requirements of Article 7 of the Securities Code and references to other annexes.

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

Face à evolução das boas práticas do Governo das Sociedades em conformidade com as regras e recomendações emitidas pela CMVM e tendo em conta a experiência da Novabase desde a sua admissão à negociação no Mercado Regulamentado da Euronext Lisbon, foi aprovada pelos Accionistas, na Assembleia Geral de 12 de Abril de 2007, a adopção do modelo de governo anglo-saxónico que integra o Conselho de Administração, o qual compreende uma Comissão de Auditoria e um revisor oficial de contas (ROC). Por outro lado, na sequência da Assembleia Geral de 28 de Abril de 2009, foram constituídas no seio do Conselho de Administração duas comissões especializadas: uma Comissão de Avaliação da Actividade do Conselho de Administração e uma Comissão de Avaliação do Governo Societário. A Novabase analisa de forma contínua a implementação deste modelo por formar a conseguir aperfeiçoar a evolução das suas práticas de governo.

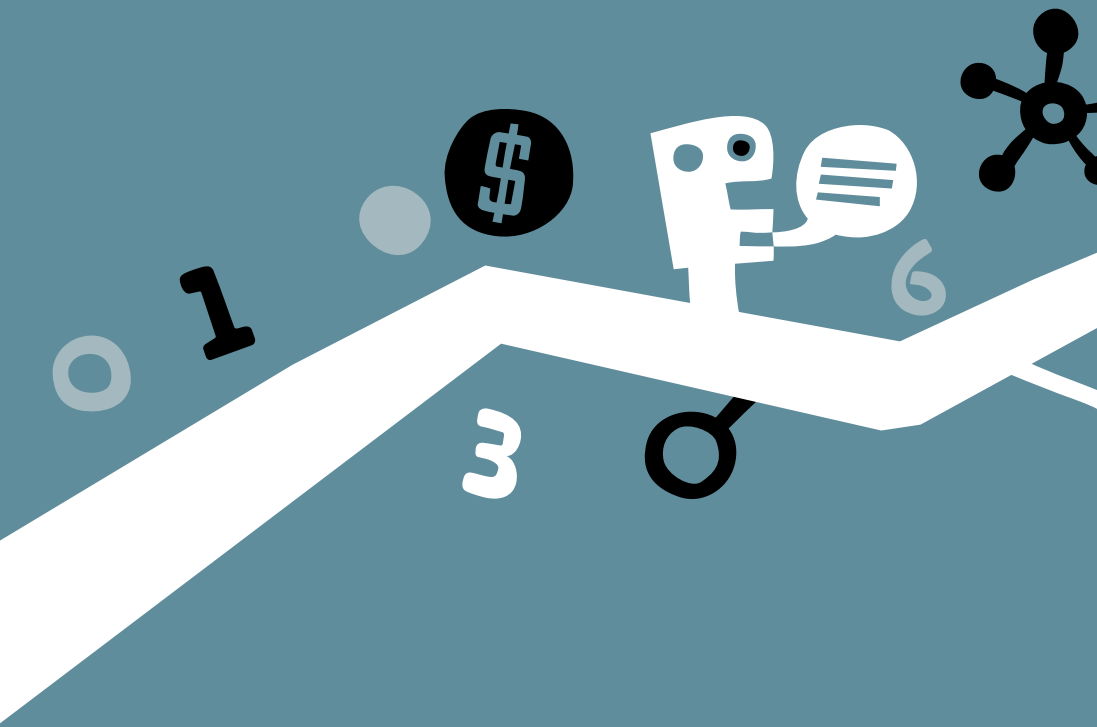
In light of trends in best corporate governance practices in accordance with rules and recommendations issued by the CMVM, and taking into account Novabase's experiences since its admission to trading on the Euronext Lisbon regulated market, shareholders at the General Meeting of Shareholders of 12 April 2007 approved an Anglo-Saxon corporate governance model that includes a Board of Directors with an Auditing Committee and a statutory auditor. Moreover, following the General Meeting of Shareholders of 28 April 2009, two specialized committees were established within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee. In order to improve its governance practices, Novabase constantly analyses the implementation of this model.

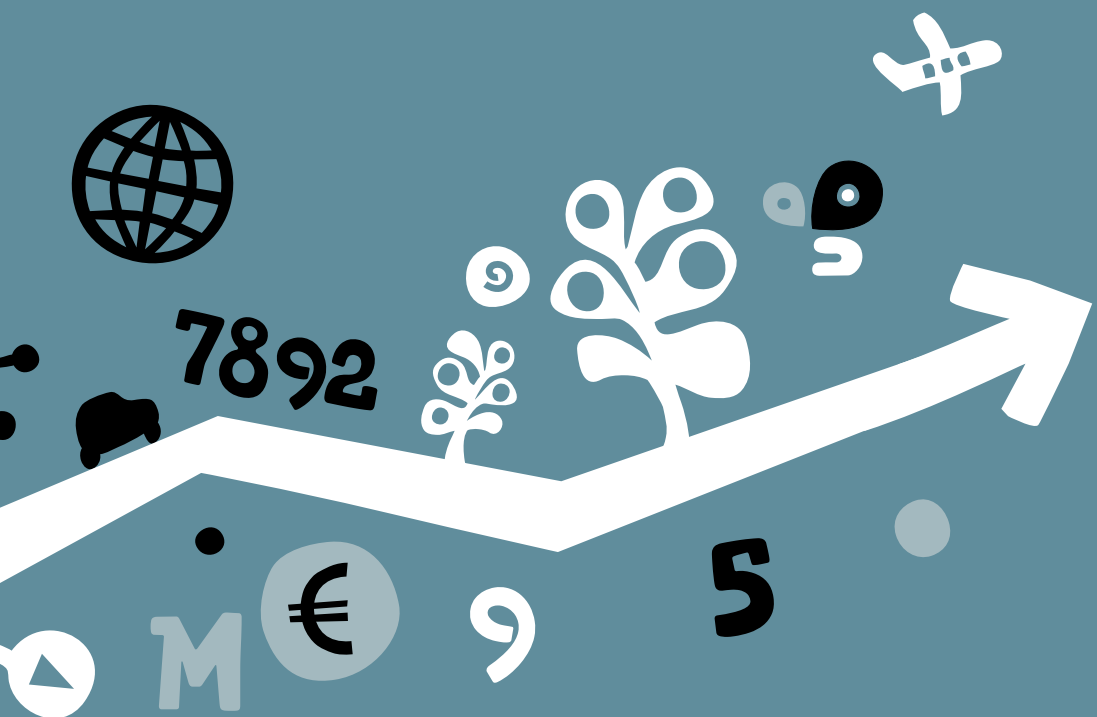
A este respeito, importa salientar que a AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado e a Universidade Católica Portuguesa apresentaram em 2011 um estudo sobre o grau de observância das recomendações vigentes relativas ao governo das sociedades em Portugal, ponderadas em função da sua afinidade com diversos benchmarks internacionais, podendo computar valores totais no intervalo 5.000 a 10.000 (acolhimento completo das recomendações consideradas relevantes) e atribuindo classificações desde a notação de D (rating mínimo) até à notação de AAA (rating máximo).

A Novabase obteve em 2011 um rating de AA, correspondendo-lhe uma pontuação de 9.517,876.

To this respect, it is noteworthy that AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado – and Universidade Católica Portuguesa have presented in 2011 a study on the degree of compliance of the rules and recommendations on corporate governance in Portugal, attributed according to different international benchmarks, with values between 5.000 and 10.000 (full compliance with recommendations considered as relevant) and with ratings from D (minimum) to AAA (maximum).

Novabase has obtained in 2011 a AA rating, corresponding to a score of 9,517.876.







Desempenho Financeiro e Bolsista

Financial and Stock Performance

EVOLUÇÃO DOS INDICADORES CHAVE

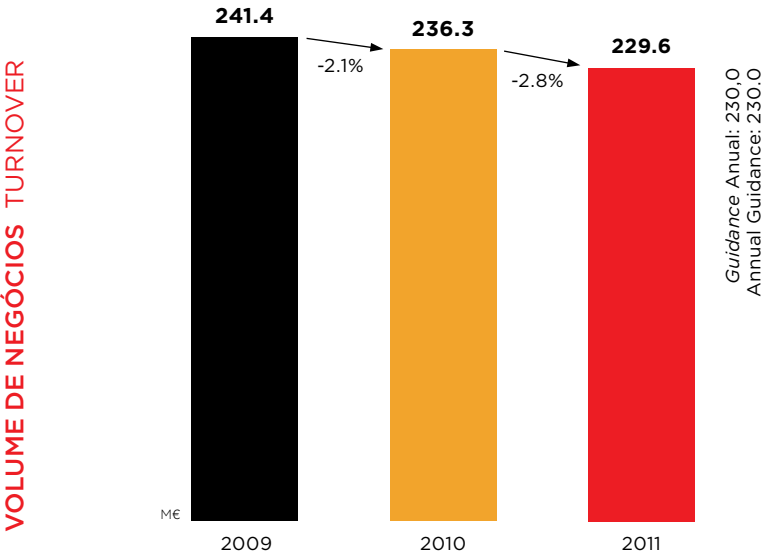
VOLUME DE NEGÓCIOS

O volume de negócios da Novabase, em 2011, atingiu os 229,6 M€ (milhões de euros), valor que corresponde a um decréscimo de 2,8% face aos 236,3 M€ registados em 2010, em grande medida devido à contracção em Portugal na componente de produto.

CHANGES IN KEY INDICATORS

TURNOVER

Novabase's turnover in 2011 was 229.6 M€ (million euros), a decrease of 2.8% compared to 236.3 M€ in 2010, in great deal due to the contraction of business in Portugal in the product component.



Por sua vez, o negócio internacional cresceu 30,5% em 2011, reflectindo a aposta nos mercados fora de Portugal. Do volume de negócios total, 19,9% são gerados fora de Portugal, ou seja 45,6 M€, que comparam com os 34,9 M€ registados em 2010.

O negócio fora de Portugal gerado na Business Solutions cresceu para 16,1% da respectiva facturação (14,5% em 2010). Igualmente, na IMS, a componente internacional subiu para 26,4% (16,2% em 2010) e na Digital TV aumentou para 16,2% (8,9% em 2010).

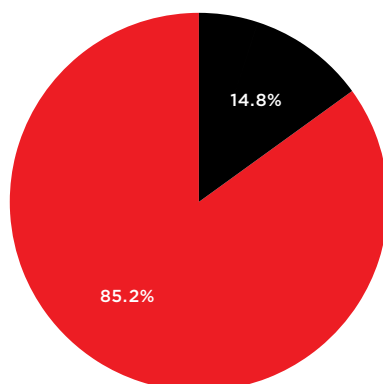
Do volume de negócios total gerado em 2011, a prestação de serviços representa 57,8%, o que compara com 56,0% em 2010, em linha com o foco estratégico da Novabase de conferir maior valor acrescentado às suas ofertas.

On the other hand, international business grew 30.5% in 2011, reflecting a strong focus on markets outside Portugal. 19.9% of Novabase's total turnover, 45.6 M€, are originated from outside Portugal, compared to 34.9 M€ in 2010. Business Solutions business originating from outside Portugal increased to 16.1% of its sales (14.5% in 2010). Likewise, at IMS, international business grew to 26.4% of its sales (16.2% in 2010) and in Digital TV increased to 16.2% (8.9% in 2010).

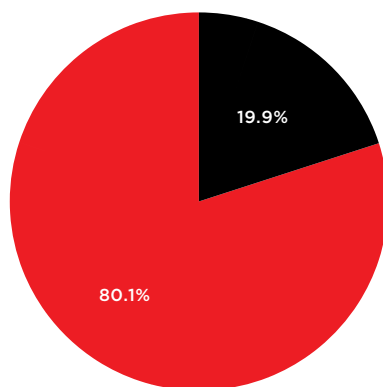
Of the total turnover generated in 2011, services accounted for 57.8%, compared to 56.0% in 2010, in line with Novabase's strategic focus of adding more value to its offerings.

VOLUME DE NEGÓCIOS POR GEOGRAFIA TURNOVER BY GEOGRAPHY

■ PORTUGAL PORTUGAL
■ ESTRANGEIRO ABROAD



2010



2011

EBITDA

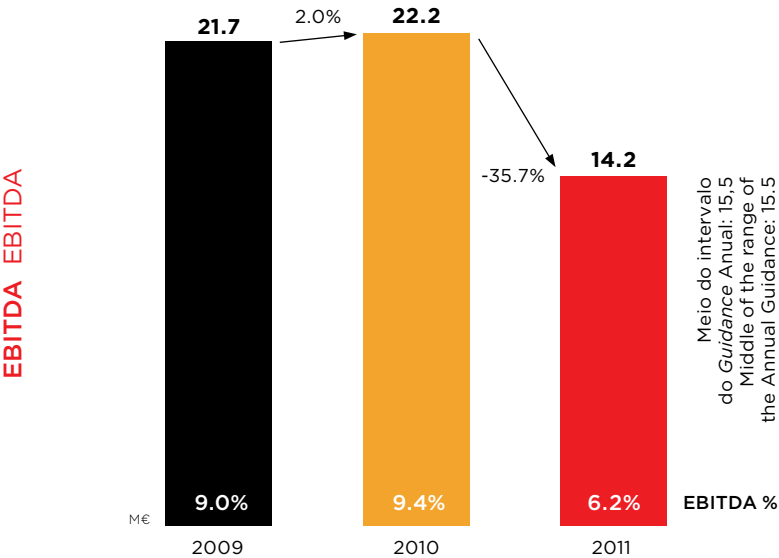
O EBITDA atingiu 14,2 M€ em 2011, o que representa um decréscimo de 35,7% face aos 22,2 M€ obtidos em 2010, mas está dentro do intervalo do *Guidance* anual divulgado em Julho, de 14-17 M€ e 6,1%-7,4% de margem (-8,1% abaixo do meio do intervalo e -0,5 pontos %).

Este valor espelha os custos de internacionalização e a pressão conjuntural que afectou negativamente os negócios IMS e DTV, e a rentabilidade das vendas.

EBITDA

EBITDA reached 14.2 M€ in 2011, a decrease of 35.7% compared to 22.2 M€ in 2010, but still within the range of the annual *Guidance* disclosed in July of 14-17 M€ and 6.1%-7.4% of margin (-8.1% below the middle of the range and -0.5 percentage points).

This figure reflects the costs associated to internationalization and the intense competitive pressure which affected mainly the IMS and DTV businesses, and the profitability in product sales.



A margem EBITDA cifrou-se em 6,2%, abaixo dos 9,4% de margem obtida em 2010.

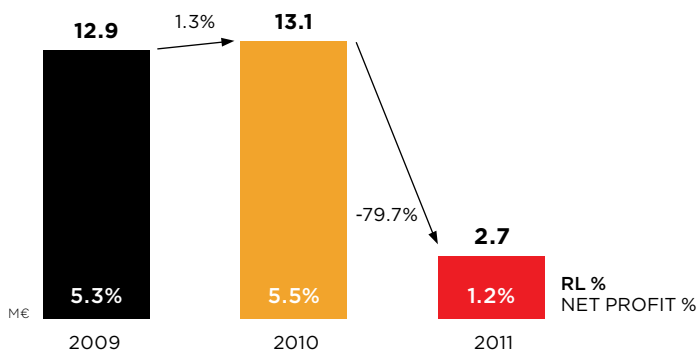
The EBITDA margin was 6.2%, below the 9.4% margin obtained in 2010.

RESULTADOS

Os Resultados Líquidos Consolidados, depois dos Interesses que não controlam e dos Resultados das operações descontinuadas, atingiram 2,7 M€, uma redução de 79,7% face ao valor de 13,1 M€ registado em 2010, fortemente penalizados pelos custos de reestruturação e pelos resultados financeiros.

RESULTS

Consolidated Net Profit, after Non-Controlling interests and Results from discontinued operations reached 2.7 M€, a decrease of 79.7% compared to 13.1 M€ in 2010, strongly penalized by restructuring costs and financial results.

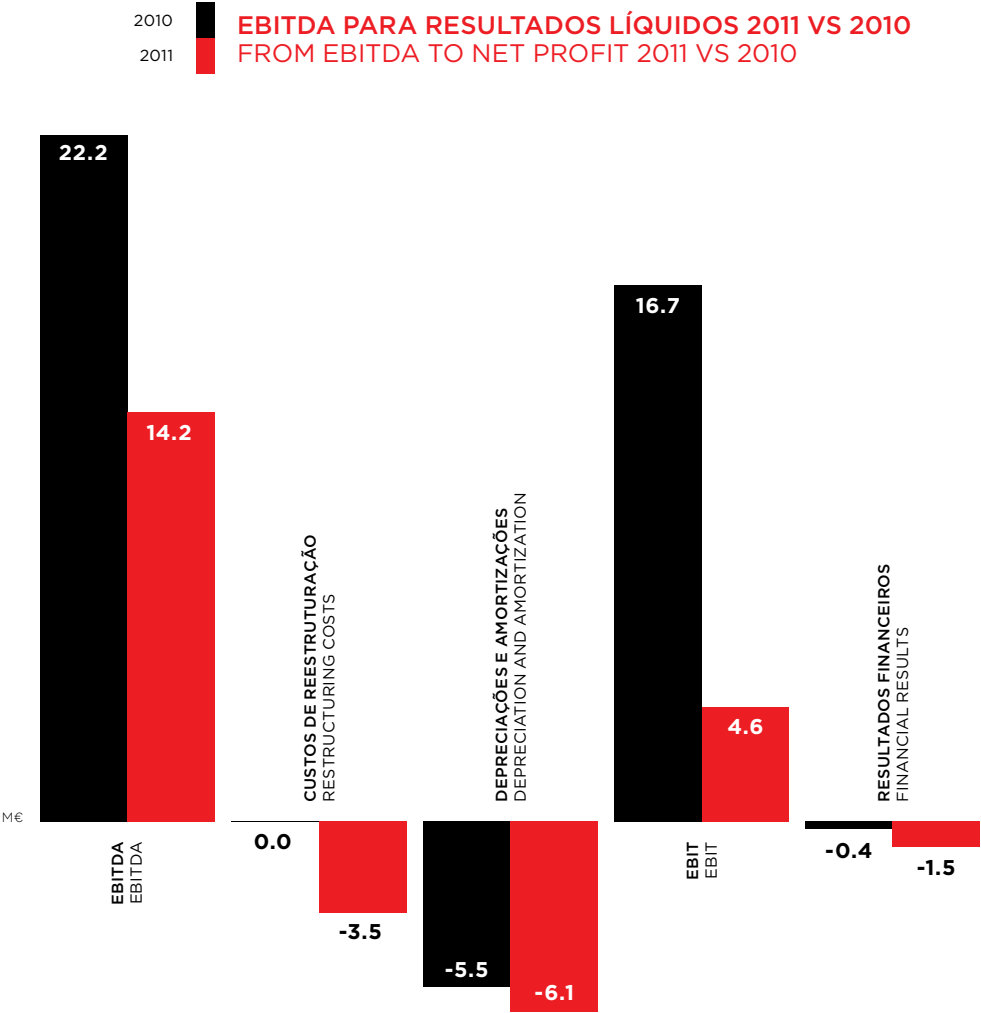
RESULTADOS LÍQUIDOS CONSOLIDADOS
CONSOLIDATED NET PROFIT


Em 2011, os Lucros por Acção atingiram 0,09 Euros por acção, registando um decréscimo face ao valor registado em 2010, de 0,43 Euros por acção.

Earnings per Share were 0.09 euros in 2011, registering a decrease compared to the 0.43 euros in 2010.

A evolução comparativa do EBITDA para os Resultados Líquidos é a seguinte:

Trends in EBITDA to Net Profit were as follows:

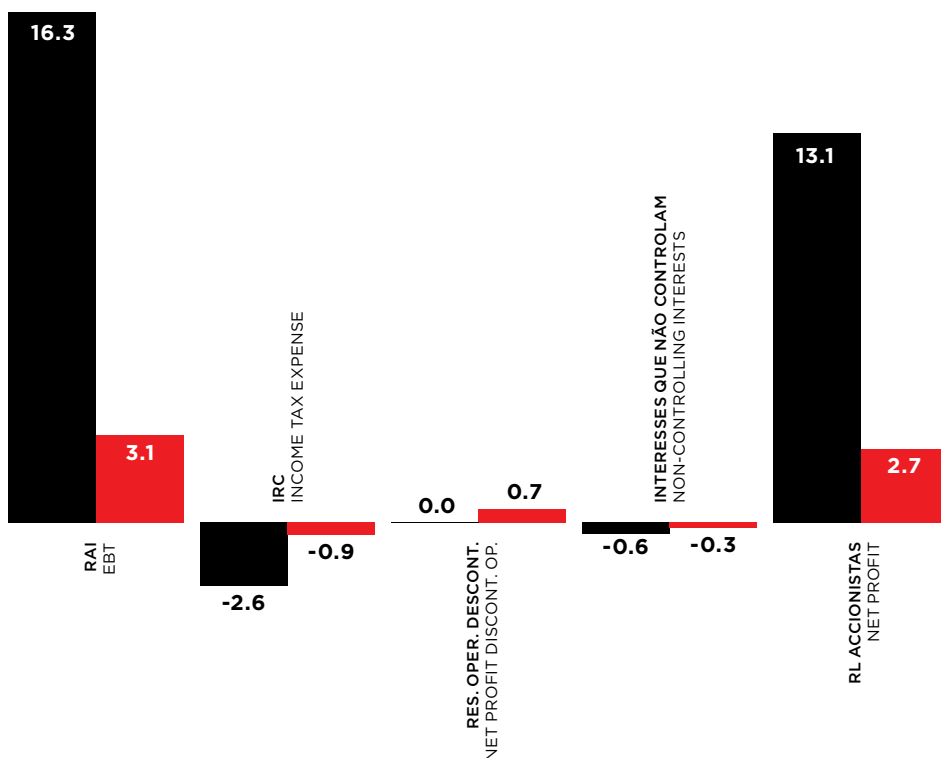


Os Custos de reestruturação atingiram o montante de 3,5 M€, consequência das medidas implementadas pela gestão da Novabase para a melhoria da competitividade, pela redução do custo unitário de produção.

Restructuring costs amounted to 3.5 M€, and are the result of the measures decided by Novabase's management to improve competitiveness, by decreasing the average production cost.

As Amortizações atingiram -6,1 M€, um aumento de 0,6 M€ face ao valor registado em 2010 (-5,5 M€).
Os Resultados Operacionais (EBIT) atingiram os 4,6 M€, o que reflecte um decréscimo de 72,3% face ao período homólogo (16,7 M€).

Depreciation and amortization reached -6.1 M€, an increase of 0.6 M€ compared to 2010 (-5.5 M€).
Operating Profit (EBIT) was 4.6 M€, reflecting a decrease of 72.3% compared to 2010 (16.7 M€).



Os Resultados Financeiros foram negativos em 1,5 M€, uma quebra de 1,1 M€, assente fundamentalmente na diminuição dos ganhos cambiais face ao ano anterior (de -0,8 M€), e na reavaliação do portefólio dos investimentos no segmento de Venture Capital (-0,3 M€).

Financial Results were minus 1.5 M€, a drop of 1.1 M€, fundamentally based on the decline in the foreign exchange gains recorded compared to the same period of last year (of -0.8 M€), and on re-evaluation of the portfolio of investments in the Venture Capital segment (-0.3 M€).

Os Resultados Antes de Impostos (RAI) foram, neste período, de 3,1 M€, registando um decréscimo de 80,9% versus os 16,3 M€ registados em 2010. O Imposto corrente ascendeu a -3,1 M€, enquanto o Imposto diferido activo resultou num proveito de imposto de 2,2 M€, pelo que o Imposto sobre o Rendimento de 2011 se fixou em -0,9 M€.

Os Interesses que não controlam atingiram -0,3 M€ em 2011, que comparam com -0,6 M€ em 2010. Esta evolução deve-se sobretudo aos resultados negativos da participada Collab, parcialmente compensada pela melhoria dos resultados das participadas Celfocus e NBASIT, em Angola.

Os Resultados das operações descontinuadas ascenderam a um ganho de 0,7 M€. Este valor inclui um efeito positivo pela finalização do processo de encerramento da área 'Mobility Solutions', descontinuada em 2008, com valor inferior ao provisionado. Adicionalmente, reflecte um impacto negativo relacionado com o desfecho do processo de execução fiscal contra a empresa Novabase Brasil, descontinuada no decurso de 2004.

Earnings Before Taxes (EBT) in 2011 were 3.1 M€, which reflects a decrease of 80.9% compared to 16.3 M€ in 2010. Current taxes reached -3.1 M€, while Deferred taxes resulted in 2.2 M€, for a 2011 Income tax expense of -0.9 M€.

Non-controlling interests were -0.3 M€ in 2011, compared to -0.6 M€ in 2010. This evolution is mainly due to the negative results of subsidiary Collab, partially offset by the improvement of the results of subsidiaries Celfocus and NBASIT, in Angola.

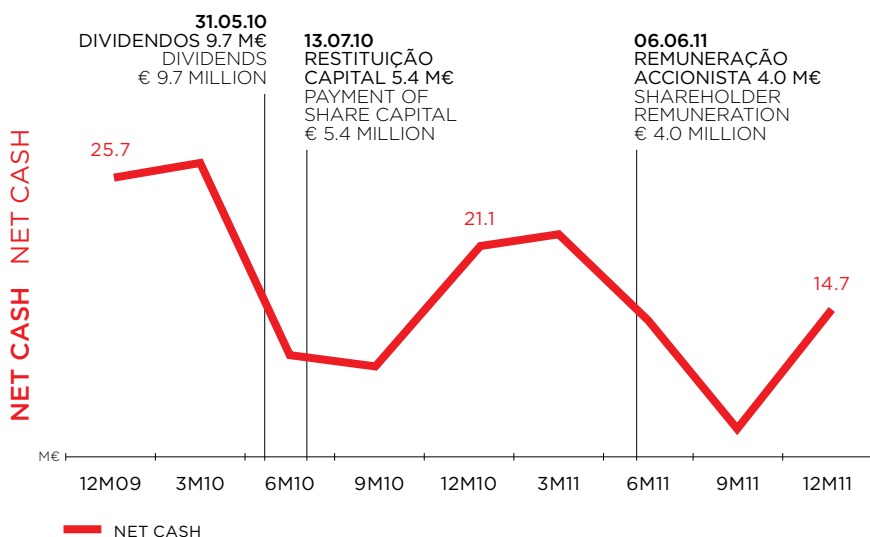
Results from discontinued operations reached a 0.7 M€ profit in 2011. This figure includes a positive effect by the completion of the closure process of the 'Mobility Solutions' area, discontinued during 2008, with a value lower than the one provisioned. Additionally, it reflects a negative impact related to the outcome of the tax execution procedure against the company Novabase Brasil, discontinued during 2004.

CASH

Em 2011, a Novabase apresentou um desempenho negativo a nível da geração de *cash*, embora sem recurso ao *factoring* desde o primeiro semestre de 2009. A Novabase terminou o ano de 2011 com 14,7 M€ em *net cash*, que compara com 21,1 M€ em 2010.

CASH

In 2011, Novabase had a negative performance in terms of cash generation, although without the use of factoring since the first half of 2009. Novabase ended 2011 with 14.7 M€ in net cash compared to 21.1 M€ in 2010.



A 6 de Junho de 2011, a Novabase remunerou os seus accionistas no valor total de 4,0 M€ (0,13€/acção). Adicionalmente, a 22 de Julho de 2011, foi distribuído o montante de 1,8 M€ a Interesses que não controlam.

On June 6th 2011, Novabase paid its shareholders a total amount of 4.0 M€ (0.13€ /share). Additionally, on July 22nd 2011, the amount of 1.8 M€ was distributed to Non-controlling interests.

Os custos de reestruturação e a degradação do prazo médio de recebimentos contribuíram também para a evolução negativa do *cash* em 6,5 M€ durante o ano.

The restructuring costs and the degradation of the DSO (Days Sales Outstanding) indicator also contributed to the negative evolution of 6.5 M€ in cash during the year.

INVESTIMENTO

O valor do investimento recorrente consolidado ascendeu, em 2011, a 3,0 M€. Este valor, que corresponde a saída de *cash* do Balanço, decompõe-se em três parcelas, uma primeira parcela relativa a intangíveis em curso no valor de 1,7 M€ referente ao desenvolvimento de projectos ainda em curso, uma segunda parcela, no valor de 0,5 M€, relativa a licenças e software informático, e uma terceira parcela, no valor de 0,8 M€, relativa a activos fixos tangíveis, como mobiliário e equipamento diverso. O investimento não recorrente foi positivo, no valor total de 1,2 M€, correspondendo, por um lado, a aquisições com carácter não regular ou usual, no montante de 1,0 M€ (correspondem a uma saída de *cash*), e por outro lado, a transferências, variações de perímetro e abates, no montante de 0,2 M€ (*non-cash items*).

CAPITAL EXPENDITURE

Consolidated recurring investment reached 3.0 M€ in 2011. This amount, which corresponds to a cash write-off, is divided into three parts: one pertaining to work in progress in the amount of 1.7 M€ related to the development of projects that are still under construction, a second part in the amount of 0.5 M€ related to licenses and software, and a third part in the amount of 0.8 M€ related to other tangible assets, such as furnishings.

Non-recurring investment was positive, in the total amount of 1.2 M€, comprised of extraordinary acquisitions of 1.0 M€ (corresponding to cash write-offs) and transfers, changes in the consolidation perimeter and write-offs of 0.2 M€ (non-cash items).

INVESTIMENTO CAPITAL EXPENDITURE	NÃO RECORRENTE NON-RECURRING	RECORRENTE RECURRING	TOTAL
INTANGÍVEIS EM CURSO WORK IN PROGRESS			
Intangíveis em curso Work in Progress		1.7	1.7
Transferência p/ Activos Intangíveis Transfer to Intangible Assets	-0.8		-0.8
Sub-Total (1)	-0.8	1.7	0.9
ACTIVOS INTANGÍVEIS INTANGIBLE ASSETS			
I&D R&D	0.8		0.8
Propriedade Industrial e Outros Direitos Industrial Property and Other Rights	0.2	0.5	0.7
Goodwill Goodwill	0.1		0.1
Sub-Total (2)	1.1	0.5	1.6
ACTIVOS FIXOS TANGÍVEIS TANGIBLE ASSETS			
Eq. Transporte / Leasing / AOV Transport Equipment / Leasing / OR	0.2		0.2
Outros Activos Tangíveis Other Tangible Assets	0.7	0.8	1.5
Sub-Total (3)	0.9	0.8	1.7
Total	1.2	3.0	4.2

RECURSOS HUMANOS

Em 2011, a Novabase realizou uma reestruturação com o duplo objectivo de melhorar a competitividade doméstica, principalmente ao nível dos custos, e de reforçar os meios, sobretudo os humanos, para a continuação do crescimento internacional.

A Novabase teve em média, em 2011, 2109 colaboradores, o que representa um acréscimo de 5,3% face a 2010 (2003).

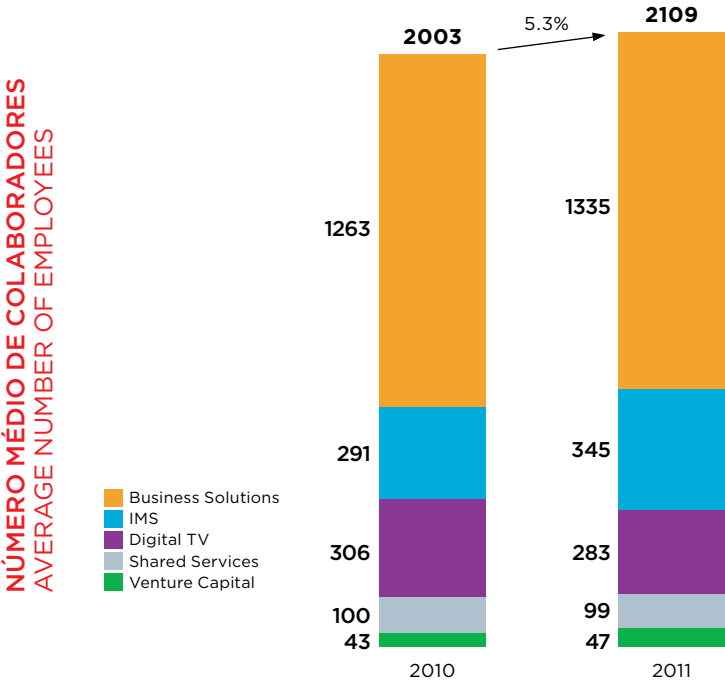
A distribuição de colaboradores pelas várias áreas da Novabase é a que se mostra na figura seguinte:

HUMAN RESOURCES

In 2011, Novabase conducted a restructuring process with the double objective of improving its domestic competitiveness, mainly in terms of costs, and reinforcing the means, especially human resources, to continue the international growth.

Novabase had an average of 2,109 employees in 2011, an increase of 5.3% compared to 2,003 in 2010.

The following table shows the breakdown of employees among Novabase's various business areas:



Este crescimento no número médio de colaboradores não reflecte ainda a redução de efectivos, ocorrida fundamentalmente no último trimestre do ano.

This increase in the average number of employees does not yet reflect the reduction of personnel occurred mainly in the last quarter of the year.

RESUMO DA ACTIVIDADE

O ano de 2011 foi marcado por um acentuado agravamento do contexto macroeconómico, que originou uma degradação do desempenho operacional da empresa. Neste contexto, a Novabase redefiniu a sua estrutura com o objectivo de melhorar a competitividade das operações, ficando mais adaptada às novas condições do mercado.

Foi também implementado um novo modelo de ofertas, mais diferenciado e próximo das necessidades dos clientes. A Novabase tem a sua actividade estruturada em função de seis sectores (Telecoms & Media, Financial Services, Government & Healthcare, Energy & Utilities, Aerospace & Transportation e Manufacturing & Services) e agregada em quatro áreas de negócio (Business Solutions - BS, Infrastructures & Managed Services - IMS, Digital TV - DTV - e Venture Capital - VC).

A Business Solutions passou a incluir o negócio da Novabase Consulting e das áreas de Ticketing e de Managed Services (vertente aplicacional do outsourcing) anteriormente consideradas na Novabase IMS. O quadro abaixo mostra o volume de negócios e o EBITDA referentes a 2009 e a 2010 incluídos na Novabase IMS, e que transitaram em 2011 para o perímetro da Business Solutions:

BUSINESS SUMMARY

The year 2011 was marked by a dramatic worsening of the macroeconomic environment, which led to a degradation of the operating performance of the company. In this context, Novabase redefined its structure with the aim of improving the competitiveness of operations, being more adapted to new market conditions.

A new offer model was also implemented, which is more differentiated and closer to the needs of the customers. Novabase's activity is structured around six industries (Telecoms & Media, Financial Services, Government & Healthcare, Energy & Utilities, Aerospace & Transportation and Manufacturing & Services) and aggregated into four business areas (Business Solutions - BS, Infrastructures & Managed Services - IMS, Digital TV - DTV- and Venture Capital - VC).

Business Solutions now includes the business of Novabase Consulting and the areas of Ticketing and Managed Services (application outsourcing area) previously considered within Novabase IMS. The table below shows the Turnover and EBITDA for 2009 and 2010 included in Novabase IMS, which moved to the perimeter of Business Solutions in 2011:

TICKETING & MANAGED SERVICES		2009	2010
TICKETING & MANAGED SERVICES			
VOLUME DE NEGÓCIOS (M€)	TURNOVER (M€)	9.009	8.198
EBITDA (M€)	EBITDA (M€)	1.447	0.896

A actividade da empresa em 2011 foi também marcada pela concretização de algumas parcerias estratégicas e entrada em novos negócios. De destacar, a parceria que a Novabase estabeleceu com a Microsoft, no âmbito da qual as duas empresas vão passar a disponibilizar uma oferta conjunta de soluções de produtividade para grandes empresas, num modelo de *cloud computing*. Igualmente, a Novabase assinou uma parceria com a FICO (multinacional americana de tecnologia de suporte à decisão e análise preditiva de informação) para o fornecimento de soluções de topo para suporte à decisão em Portugal. No último trimestre de 2011, a Novabase estabeleceu uma parceria com a empresa alemã Softpro, reforçando o leque de soluções na área da assinatura electrónica nos processos de negócio.

No que se refere a novos negócios, a Novabase reforçou a aposta no sector Aeroespacial com a aquisição da totalidade do capital da Evolvespace Solutions, cuja maioria da actividade é internacional, em países como a Alemanha, Reino Unido, França e Itália.

Na área de Venture Capital, foi decidido proceder à constituição do novo Fundo de Capital de Risco Novabase Capital Inovação e Internacionalização, com um capital total de 11,36 M€. O mesmo é constituído de duas dotações

The company's activity in 2011 was also marked by new strategic partnerships and entry on new businesses.

Noteworthy is the partnership that Novabase established with Microsoft, under which the two companies will now deliver a joint offering of productivity solutions for large enterprises, in a cloud computing model. Also, Novabase signed a partnership with FICO (American multinational company specialising in decision support and predictive information analysis technology) to provide top solutions for decision support in Portugal. In the last quarter of 2011, Novabase closed a partnership with the German company Softpro, reinforcing Novabase's range of solutions in the area of electronic signatures in business processes. With regard to new businesses, Novabase strengthened its focus on the Aerospace industry with the acquisition of 100% stake in Evolvespace Solutions, which majority of business is international in countries such as Germany, UK, France and Italy.

In the Venture Capital area, it was decided to establish a new venture capital fund 'Novabase Capital Inovação e Internacionalização', up to a total capital of 11.36 M€. The referred fund has two specific provisions, with

autónomas apoiadas pelos Programas COMPETE em 5,0 M€ e POR Lisboa (focada na fase *Early Stage*) em 0,5 M€. Este fundo já realizou os seus primeiros investimentos nas sociedades FeedZai, empresa dedicada ao desenvolvimento de soluções para processamento de grandes volumes de dados em tempo real, e PowerGrid, empresa focada no desenvolvimento de uma plataforma aplicacional para *SmartGrids*.

Adicionalmente, foi realizada uma participação no Fundo de Capital de Risco IStart I, até ao máximo de 0,3 M€. O Fundo, gerido pela Espírito Santo Ventures, tem um capital total de 5,02 M€, sendo comparticipado em 1,25 M€ pelo Programa COMPETE e em 1,008 M€ pelo POR Lisboa. Estas duas iniciativas estão integradas no QREN e beneficiam de co-financiamento da União Europeia via FEDER.

2011 foi também um ano de reconhecimento da Novabase pela sua actividade em diversas tecnologias e serviços. De realçar, a nomeação recebida como *Partner of the Year* pela Microsoft a nível mundial, pela sua excelência em inovação, os prémios atribuídos pela Cisco nas áreas de *Datacenter*, *Video* e *Avant Garde*, e a distinção como *Industry Partner of the Year* pela Oracle, no âmbito dos Oracle Excellence Awards.

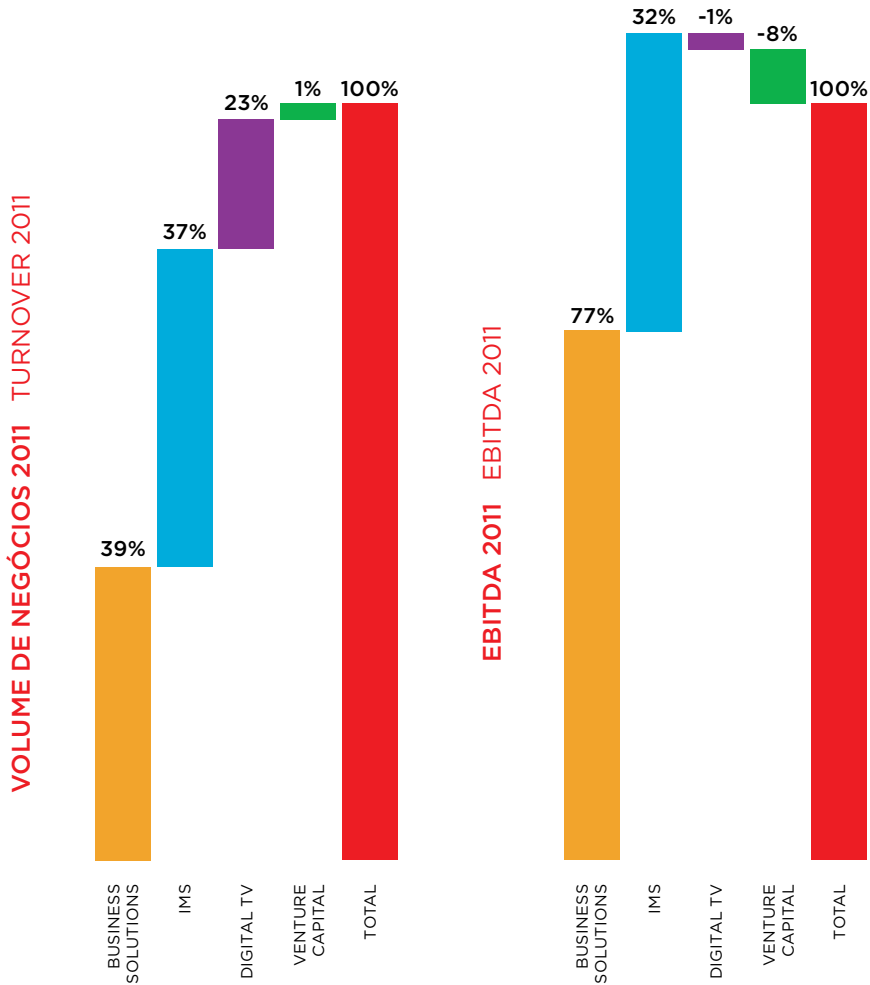
a contribution from the COMPETE Program of 5.0 M€ and the POR Lisboa Program (focused on the Early Stage phase) of 0.5 M€. This fund has already made its first investments in the companies FeedZai, dedicated to developing solutions for processing large volumes of data in real time, and PowerGrid, a company focused on developing an application platform for SmartGrids.

Additionally, a stake in Venture Capital Fund Istart I was taken, up to a maximum of 0.3 M€. The Fund, managed by Espírito Santo Ventures, has a total capital of 5.02 M€, being co-financed in 1.25 M€ from the COMPETE Program and 1.008 M€ from the POR LISBOA Program. These two initiatives are integrated in the NSRF and are co-financed by the European Union via the ERDF.

2011 was also a year of recognition for Novabase by its activity in various technologies and services. To be noted, the worldwide acknowledgment as Partner of the Year by Microsoft, for excellence in innovation, the awards by Cisco in the Datacenter, Video and Avant Garde areas, and the distinction as Industry Partner of the Year by Oracle, under the Oracle Excellence Awards.

A decomposição percentual do volume de negócios e do EBITDA pelos diferentes negócios, em 2011, é a seguinte:

The percent breakdown of turnover and EBITDA, by business area, was as follows in 2011:



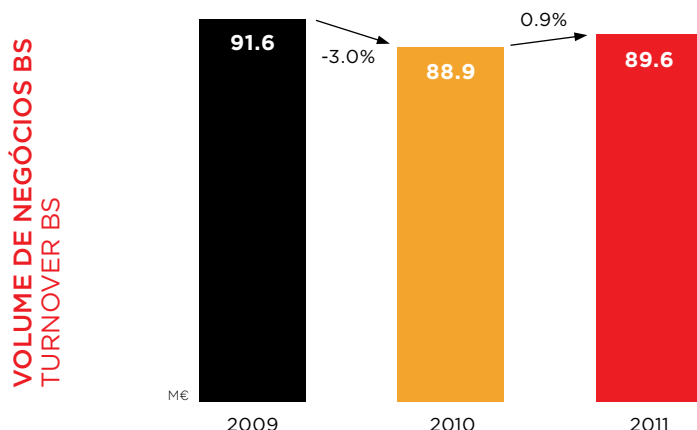
BUSINESS SOLUTIONS

A Business Solutions apresentou em 2011 uma equipa de 1335 consultores e contribuiu com 39% do volume de negócios total da Novabase e com 77% do EBITDA total gerado em 2011. O volume de negócios global desta área atingiu 89,6 M€, o que representa um crescimento de 0,9% face ao valor de 2010.

BUSINESS SOLUTIONS

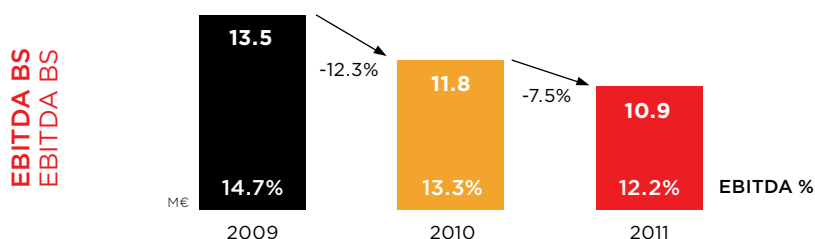
In 2011, Business Solutions had a team of 1,335 consultants, and generated 39% of Novabase's total turnover and 77% of the total EBITDA.

This business area's total turnover was 89.6 M€, an increase of 0.9% compared to 2010.



O EBITDA da Business Solutions em 2011 diminuiu 7,5% em termos homólogos (de 11,8 M€ para 10,9 M€), fixando-se a margem EBITDA nos 12,2% (que compara com 13,3% em 2010). Esta evolução reflecte sobretudo a pressão conjuntural nos preços.

Business Solutions EBITDA fell 7.5% in 2011 in equivalent terms (from 11.8 M€ to 10.9 M€), with an EBITDA margin of 12.2% (compared to 13.3% in 2010). This evolution reflects mainly the conjunctural pressure on prices.

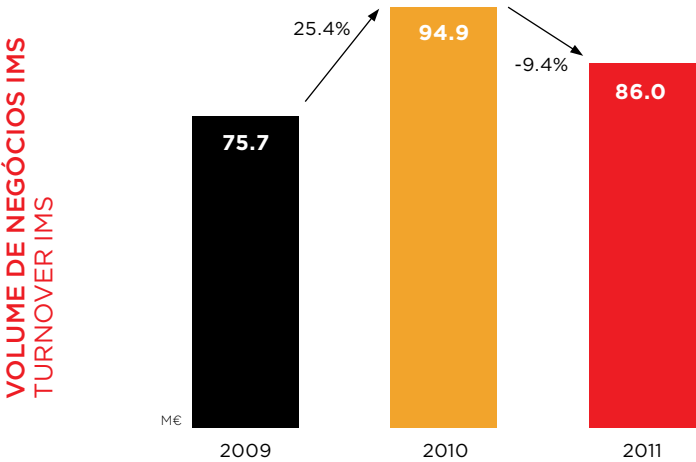


INFRASTRUCTURES
& MANAGED SERVICES

Em 2011, a IMS dispôs de uma força laboral de 345 colaboradores e contribuiu com 37% do volume de negócios e com 32% do EBITDA total gerado pela Novabase. O volume de negócios global desta área atingiu 86,0 M€, o que representa um decréscimo de 9,4% face ao valor de 2010.

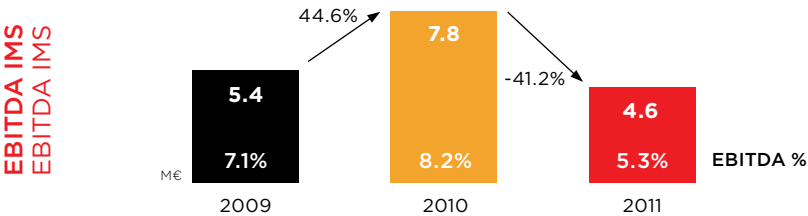
INFRASTRUCTURES
& MANAGED SERVICES

IMS had a workforce of 345 employees in 2011, and generated 37% of Novabase's turnover and 32% of the total EBITDA. This business area's total turnover reached 86.0 M€, a decrease of 9.4% compared to 2010.



O EBITDA da IMS em 2011 diminuiu 41,2% em termos homólogos (de 7,8 M€ para 4,6 M€), fixando-se a margem EBITDA nos 5,3% (que compara com 8,2% em 2010). A evolução da IMS deve-se fundamentalmente à forte pressão nos preços na componente de produto, apesar do crescimento dos serviços (+2,5%) e das vendas internacionais (+47,1%).

The EBITDA of IMS fell 41.2% in 2011 in equivalent terms (from 7.8 M€ to 4.6 M€), with an EBITDA margin of 5.3% (compared to 8.2% in 2010). IMS's evolution is mainly due to the pressure on prices in the product sales component, despite the growth in services (+2.5%) and international sales (+47.1%).



DIGITAL TV

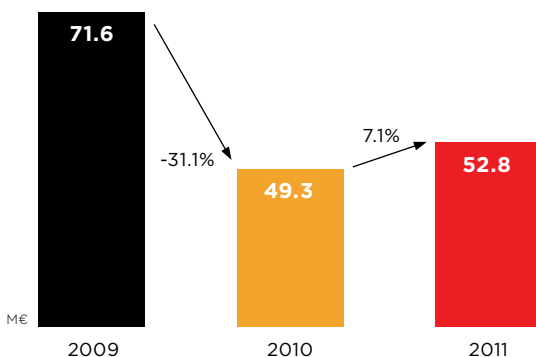
A Digital TV dispôs de uma massa crítica de 283 colaboradores e contribuiu com 23% do volume de negócios e -1% do EBITDA total gerado em 2011.

O volume de negócios global desta área atingiu 52,8 M€, o que representa um crescimento de 7,1% face ao valor de 2010. Esta evolução do volume de negócios da Digital TV reflecte sobretudo o crescimento da componente internacional (+94,7%).

DIGITAL TV

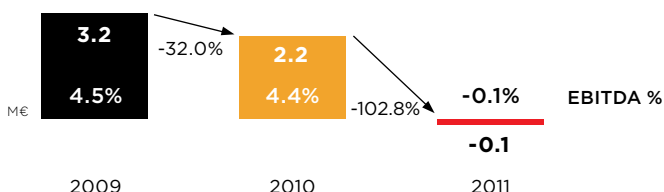
Digital TV had a critical mass of 283 employees, and generated 23% of Novabase's turnover and -1% of the total EBITDA.

This business area's total turnover was 52.8 M€, an increase of 7.1% compared to 2010. This evolution in Digital TV's turnover reflects the international business growth (+94.7%).

**VOLUME DE NEGÓCIOS DTV
TURNOVER DTV**

O EBITDA da Digital TV em 2011 diminuiu 102,8% em termos homólogos (de 2,2 M€ para -0,1 M€), fixando-se a margem EBITDA nos -0,1% (que compara com 4,4% em 2010). O EBITDA desta área foi penalizado pela pressão nos preços na componente de vendas, e por uma provisão não recorrente para cliente em situação de protecção de credores no valor de 1,3 M€.

The EBITDA of Digital TV fell 102.8% in 2011 in equivalent terms (from 2.2 M€ to -0.1 M€), with an EBITDA margin of -0.1% (compared to 4.4% in 2010). This area's EBITDA was penalized by the pressure on prices in the product sales component, and by a non-recurring provision of 1.3 M€ for a client acting in accordance to the rules providing for the protection of creditors.

**EBITDA DTV
EBITDA DTV**

VENTURE CAPITAL

Em 2011, a Venture Capital dispôs de uma massa crítica de 47 colaboradores e contribuiu com 1% do volume de negócios e -8% do EBITDA total gerado pela Novabase. O volume de negócios global desta área atingiu 1,2 M€, o que representa um decréscimo de 63,6% face ao valor de 2010.

O EBITDA da Venture Capital em 2011 diminuiu, em termos homólogos, de 0,4 M€ para -1,2 M€, fixando-se a margem EBITDA nos -100,4%. Estes resultados devem-se fundamentalmente à performance da participada Collab.

COMPORTAMENTO BOLSISTA

O ano de 2011 foi caracterizado por uma desvalorização dos índices PSI20 e EuroStoxx Technology, de 27,6% e 12,8%, respectivamente. A cotação da acção Novabase em 2011 desvalorizou-se 27,9%, sobretudo no último trimestre do ano (12,4%). A rotação representou 17,5% do capital da Novabase, tendo sido transaccionadas 5,5 milhões de acções, valores inferiores aos ocorridos em 2010 (rotação de 22,5% do capital, tendo sido transaccionados 7,1 milhões de acções).

VENTURE CAPITAL

Venture Capital had a critical mass of 47 employees in 2011, and generated 1% of Novabase's turnover and -8% of the total EBITDA.

This business area's total turnover reached 1.2 M€, a decrease of 63.6% compared to 2010.

Venture Capital's EBITDA decreased in 2011, in equivalent terms, from 0.4 M€ to -1.2 M€, with an EBITDA margin of -100.4%. These results essentially reflect the performance of the subsidiary Collab.

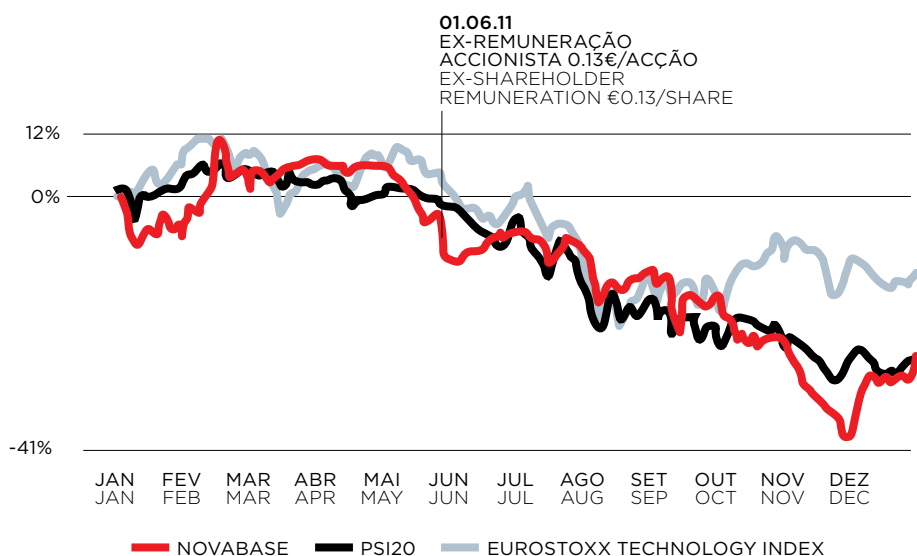
STOCK PERFORMANCE

2011 was marked by a loss in the PSI20 and in the EuroStoxx Technology Indexes, of 27.6% and 12.8%, respectively. Novabase's share price lost 27.9% in 2011, mainly during the last quarter of the year (12.4%). Share turnover accounted for 17.5% of Novabase's capital, with 5.5 million shares traded, less than in 2010 (turnover of 22.5% of capital, with 7.1 million shares traded).

Em 2011, a Novabase remunerou os seus accionistas em 0,13€/acção.

In 2011, Novabase paid 0.13€/share to its shareholders.

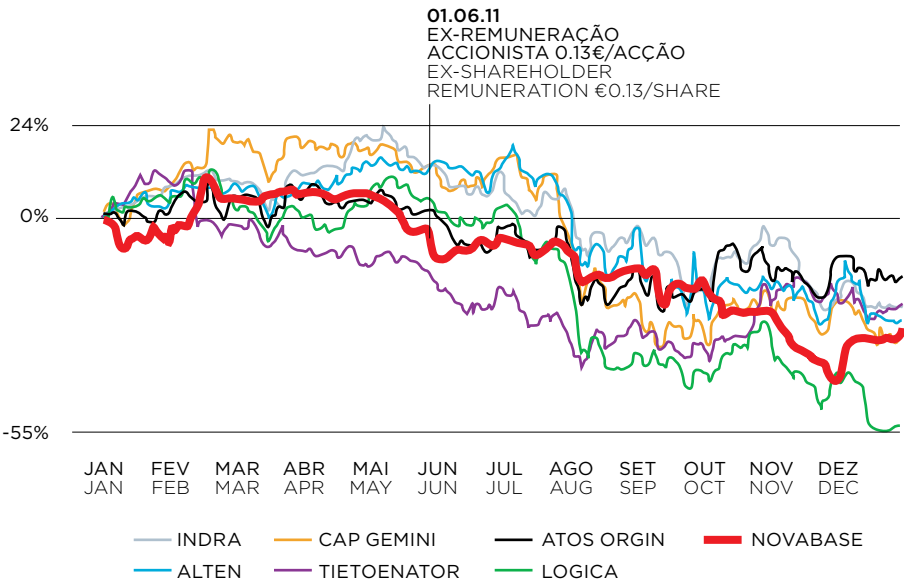
NOVABASE E O MERCADO NOVABASE AND THE MARKET



Ao comparar a cotação da Novabase com um conjunto de outras empresas similares do sector de TI na Europa, observamos que a performance da acção Novabase em 2011 esteve em linha com a média das performances das outras acções.

In comparing Novabase's share price with other similar companies from Europe's IT sector, one can see that Novabase share's performance was in line with the average performance of other shares.

NOVABASE E OUTRAS TMT NOVABASE AND OTHER TMT



O *price target* médio referenciado pelos analistas que cobrem a Novabase é de 3,70 Euros (*upside* médio de 77,0%).

A cotação média, ponderada pela quantidade, do título Novabase em 2011 cifrou-se em 2,67 Euros por acção. Foram transaccionadas 5,5 milhões de acções em todas as 257 sessões de bolsa de 2011, correspondentes a um valor de transacção de 14,7 M€.

O número médio diário de acções transaccionadas fixou-se em 21,4 mil títulos, correspondente a um valor médio diário de cerca de 0,1 M€.

A cotação no último dia de bolsa de 2011, 30 de Dezembro de 2011, fixou-se nos 2,09 Euros, o que representa uma desvalorização de 27,9% face aos 2,90 Euros com que a Novabase se fixou no final de 2010.

A cotação de fecho máxima ocorrida em 2011 atingiu os 3,21 Euros enquanto o valor mínimo de fecho registado fixou-se nos 1,70 Euros. A capitalização bolsista, no final de 2011, fixou-se em 65,6 M€.

The average target price from analysts covering Novabase is 3.70 Euros (average upside of 77.0%).

The average Novabase share price weighted by quantity in 2011 was 2.67 Euros per share. 5.5 million shares were traded in all 257 stock exchange sessions in 2011, corresponding to a trading value of 14.7 M€.

The daily average number of shares traded was 21.4 thousand shares, corresponding to a daily average value of about 0.1 M€.

The share price on the last day of trading of 2011, 30 December 2011, was 2.09 Euros, which represents a loss of 27.9% compared to the 2.90 Euros that Novabase shares registered at the end of 2010.

The maximum closing price achieved in 2011 was 3.21 Euros, while the minimum closing price recorded was 1.70 Euros. Market capitalization at the end of 2011 was 65.6 M€.

RESUMO
SUMMARY

Cotação Mínima (€)
Minimum Price (€)

Cotação Máxima (€)
Maximum Price (€)

Cotação Média Ponderada (€)
Average Weighted Price (€)

Cotação no Último Dia (€)
Last Tradable Day Price (€)

Nº Títulos Transaccionados (milhões)
Number of Shares Traded (millions)

Capitalização Bolsista no Último Dia (M€)
Market Capitalization on Last Day (€ Million)

RISCOS

As actividades do Grupo Novabase expõem-na a uma variedade de riscos financeiros. A imprevisibilidade dos mercados financeiros é analisada continuamente em consonância com a política de gestão de riscos do Grupo, de forma a minimizar potenciais efeitos adversos no seu desempenho financeiro.

RISKS

The Group's activities expose it to a variety of financial risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

	2011	2010	2009	2008	2007
	1.70	2.79	3.27	2.10	3.27
	3.21	4.63	5.05	5.07	5.91
	2.67	3.71	4.39	3.87	5.17
	2.09	2.90	4.44	4.59	3.27
	5.5	7.1	8.5	21.0	20.2
	65.6	91.1	139.4	144.1	102.7

Os objectivos e as políticas da Novabase em matéria de gestão dos riscos financeiros, e nomeadamente a exposição aos riscos de preço, de crédito, de liquidez, de fluxos de caixa e de capital das várias empresas que integram o Grupo, encontram-se divulgados na nota 3 das Notas às Demonstrações Financeiras Consolidadas.

The objectives and policies of Novabase in the management of financial risks, namely in the exposure to price risk, credit risk, liquidity risk, cash flow risk and capital risk of the companies within the Group, are disclosed in note 3 of the Notes to the Consolidated Financial Statements.

PERSPECTIVAS 2012

Os resultados anuais estão em linha com o *Guidance* divulgado em Julho de 2011 (volume de negócios de 230 M€ e EBITDA entre 14 e 17 M€), mas próximos ao extremo inferior do intervalo de rentabilidade dada a actual situação conjuntural.

A Novabase implementou durante 2011 um processo de melhoria da sua competitividade operacional e procedeu à revisão da estrutura dos sectores e dos negócios para estar mais adaptada às novas realidades dos mercados. Acredita assim estar mais preparada para enfrentar um contexto macroeconómico que se mantém difícil e incerto.

Em 2012, a Novabase pretende continuar a apostar no seu crescimento internacional, protegendo a posição no mercado nacional.

Em termos de *Guidance*, a Novabase espera um volume de negócios de 240 M€ e um EBITDA entre os 16 M€ e os 19 M€.

EVENTOS SUBSEQUENTES

Em 2012, até à emissão do presente relatório, ocorreram os seguintes factos relevantes:

Novabase informa sobre Novo Acordo Parassocial

Visando garantir a existência de estabilidade accionista para o próximo triénio, foi celebrado em 30 de Janeiro de 2012 um acordo parassocial (adiante designado por Acordo Parassocial), subscrito pelos accionistas, Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Rogério dos Santos Carapuça, José Afonso Oom Ferreira de Sousa, Pedro Miguel Quinteiro Marques de Carvalho e Álvaro José da Silva Ferreira (adiante

OUTLOOK FOR 2012

The annual results are in line with the Guidance disclosed in July 2011 (turnover of 230 M€ and EBITDA between 14 and 17 M€), but near the lower end of the range of profitability given the current economic situation.

During 2011, Novabase implemented a process for the improvement of its operating competitiveness, and has revised the structure of its industries and businesses to be better suited to the new market realities. Thus we believe to be more prepared to face the macroeconomic context that remains difficult and uncertain.

In 2012, Novabase intends to continue focused in its international growth, holding its position in the domestic market.

In terms of Guidance, Novabase expects a turnover of 240 M€ and an EBITDA between 16 M€ and 19 M€.

SUBSEQUENT EVENTS

In 2012, up until publication of this report, the following relevant facts occurred:

Novabase informs of new Shareholders' Agreement

In view of ensuring shareholder stability for the next three years, 30 January 2012 saw the signing of a Shareholders' Agreement by shareholders Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Rogério dos Santos Carapuça, José Afonso Oom Ferreira

designados por Signatários), tendo por objecto 10.488.066 acções da Novabase, Sociedade Gestora de Participações Sociais, S.A. entre si detidas, que correspondem a 33,40% dos direitos de votos da referida sociedade. O Acordo Parassocial entrará imediatamente em vigor e será válido até 30 de Abril de 2015, substituindo o anterior acordo parassocial celebrado entre os Signatários.

Novabase informa sobre proposta de dividendos aos accionistas

O Conselho de Administração aprovou a intenção de propor à Assembleia Geral anual de 2012 a distribuição de 942.041,82 Euros aos accionistas. Este pagamento, que corresponde a um montante equivalente a 35,54% do resultado líquido consolidado, representa um dividendo de 3 cêntimos de Euro por acção e enquadra-se na política de remuneração accionista definida pelo Conselho de Administração em 2011, que estipula propor à Assembleia Geral o pagamento anual de um montante compreendido entre 30% e 40% do resultado líquido consolidado que for apurado em cada exercício social.

Comunicado do Conselho de Ministros de 16 de Fevereiro de 2012

Na resolução do Conselho de Ministros de 16 de Fevereiro de 2012, foi decidido autorizar o Ministro da Educação e Ciência a realizar uma despesa com a aquisição de bens e correspondente indemnização a pagar à Novabase, pela resolução unilateral do contrato para aquisição dos serviços e bens necessários à infra-estrutura do sistema do Cartão Electrónico da Escola para as escolas públicas dos 2.º e 3.º ciclos do ensino básico e secundário. O valor máximo conjunto será de 4.500.000 Euros.

de Sousa, Pedro Miguel Quinteiro Marques de Carvalho and Álvaro José da Silva Ferreira (henceforth referred to as the signatories) centred on 10,488,066 Novabase shares held by them, corresponding to 33.40% of the company's voting rights. The Shareholders' Agreement shall come into force immediately and shall be valid until 30 April 2015, replacing the previous shareholders' agreement signed by the signatories.

Novabase informs of dividend proposal to shareholders

The Board of Directors has approved its plan to propose, at the 2012 General Meeting of Shareholders, the distribution €942,041.82 to shareholders. This distribution, corresponding to 35.54% of the consolidated net profit, represents a dividend of 3 euro cents per share and is part of the shareholder earnings policy laid out by the Board of Directors in 2011, which stipulates the proposal to the General Meeting of Shareholders of an annual payment ranging between 30% and 40% of consolidated net profit recorded in each financial year.

Cabinet press release of 16 February 2012

The Cabinet resolution of 16 February 2012 decided to authorize the Minister of Science and Education to incur an expense related to acquisition of goods and the corresponding compensation payable to Novabase for unilateral cancellation of the contract for acquiring the services and goods necessary for the infrastructure of the Electronic School Card system for public schools grades 5 to 9 of the basic and secondary education system. The total maximum amount shall be 4,500,000 Euros.

09	:	35	NEW YORK
09	:	40	FRANKFUR
09	:	45	TORONTO
09	:	45	LONDON
09	:	50	MIAMI
09	:	55	SYDNEY
10	:	00	PARIS
10	:	00	OSLO
10	:	05	HONG KONG
10	:	10	BARCELON
10	:	15	TOKYO
10	:	20	MOSCOW
10	:	25	ZURICH
10	:	30	LOS ANGE
10	:	35	ROME

K R T						DF	2	7	5	3	
						LN	3	2	1	1	
						GT	4	6	3	8	
						KV	3	3	2	3	
						LX	3	1	0	0	
						LV	2	3	1	7	
						BD	9	0	3	2	
						FB	5	6	1	0	
	NG NA						EN	4	2	6	7
							GC	5	4	3	3
						LY	4	4	8	8	
						KF	3	2	8	0	
						TK	7	2	5	2	
ELES						TK	3	9	4	6	
						RZ	1	4	0	8	



Proposta de Aplicação de Resultados

Proposal for the Allocation of Profits

No exercício de 2011, a Novabase SGPS, SA apresentou um resultado líquido consolidado de € 2.650.613,62 (dois milhões, seiscentos e cinquenta mil, seiscentos e treze euros e sessenta e dois cêntimos) e um resultado líquido de € 10.749.501,24 (dez milhões, setecentos e quarenta e nove mil, quinhentos e um euros e vinte e quatro cêntimos) nas contas individuais.

No dia 2 de Fevereiro de 2012, o Conselho de Administração da Sociedade divulgou ao mercado a sua intenção de propor à Assembleia Geral anual de 2012 a distribuição aos accionistas de um montante global de 0,9 M€, respeitante a lucros do exercício a distribuir mediante deliberação de aplicação de resultados. Esta distribuição, que corresponde a um montante equivalente a 35,54% do resultado líquido consolidado, enquadra-se na política de remuneração accionista definida pelo Conselho de Administração em 2011, que estipula propor à Assembleia Geral o pagamento anual de um montante compreendido entre 30% e 40% do resultado líquido consolidado que

In 2011, Novabase SGPS, SA had a consolidated net profit of €2,650,613.62 (two million, six hundred and fifty thousand, six hundred and thirteen Euros and sixty two cents) and a net profit of €10,749,501.24 (ten million, seven hundred and forty-nine thousand, five hundred and one Euros and twenty-four cents) in the individual accounts.

On 2 February 2012, the company's Board of Directors publicly announced its intention to propose, at the 2012 General Meeting of Shareholders, the distribution to shareholders of a total of €0.9 million, corresponding to annual profits to be distributed by means of a resolution to allocate profits. This distribution, corresponding to 35.54% of the consolidated net profit, is part of the shareholder earnings policy laid out by the Board of Directors in 2011, which stipulates the proposal to the General Meeting of Shareholders of an annual payment ranging between 30% and 40% of consolidated net

for apurado em cada exercício social, e traduzir-se-á num pagamento total aos accionistas de 0,03 euros por acção, sujeita a aprovação da Assembleia Geral.

Nos termos das disposições legais e estatutárias, o Conselho de Administração propõe que os resultados líquidos a título individual sejam distribuídos da seguinte forma:

1. Dando cumprimento ao disposto na lei e nos Estatutos, um montante de € 537.475,06 (quinhentos e trinta e sete mil, quatrocentos e setenta e cinco euros e seis cêntimos), correspondente a 5% do resultado líquido do exercício, se destine ao reforço da reserva legal;
2. Atenta a afectação obrigatória do resultado líquido do exercício, acima mencionado, que, do remanescente desse resultado, sejam pagos aos accionistas € 942.041,82 (novecentos e quarenta e dois mil, quarenta e um euros e oitenta e dois cêntimos), correspondendo a € 0,03 (três cêntimos de euro) por acção, relativamente ao número total de acções emitidas;
3. Que o montante remanescente do resultado líquido do exercício, no valor de € 9.269.984,36 (nove milhões, duzentos e sessenta e nove mil, novecentos e oitenta e quatro euros e trinta e seis cêntimos), seja transferido para resultados transitados.

Lisboa, 29 de Março de 2012
O Conselho de Administração

profit recorded in each financial year, corresponding to a total payment to shareholders of 0.03 Euros per share, subject to the approval of the General Meeting of Shareholders.

Pursuant to legal and statutory provisions, the Board of Directors proposes that the net profit be allocated, on an individual basis, as follows:

1. In compliance with the provisions of law and the articles of association, €537,475.06 (five hundred and thirty-seven thousand, four hundred and seventy-five Euros and six cents), corresponding to 5% of the net profit for the year, be added to the statutory reserve;
2. In view of the aforementioned obligatory distribution of net profit for the year, the remainder of that amount totalling €942,041.82 (nine hundred and forty-two thousand and forty one Euros and eighty-two cents), corresponding to €0.03 (three euro cents) per share of the total number of shares issued, shall be paid to shareholders;
3. The remainder of net profit for the year in the amount of €9,269,984.36 (nine million, two hundred and sixty-nine thousand, nine hundred and eighty-four Euros and thirty-six cents) shall be transferred to retained earnings.

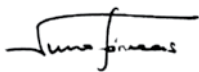
Lisbon, 29 March 2012
Board of Directors



Rogério dos Santos Carapuça
(Presidente Chairman)



Luís Paulo Cardoso Salvado
(CEO)



Nuno Carlos Dias dos Santos Fórneas



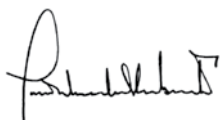
Francisco Paulo Figueiredo Morais Antunes



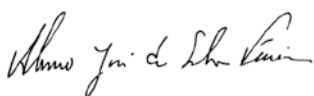
João Luís Correia Duque



José Afonso Oom Ferreira de Sousa



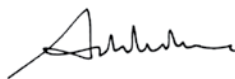
João Nuno da Silva Bento



Álvaro José da Silva Ferreira



Luís Fernando de Mira Amaral



Manuel Alves Monteiro



Joaquim Sérvulo Rodrigues



Pedro Miguel Quinteiro Marques Carvalho

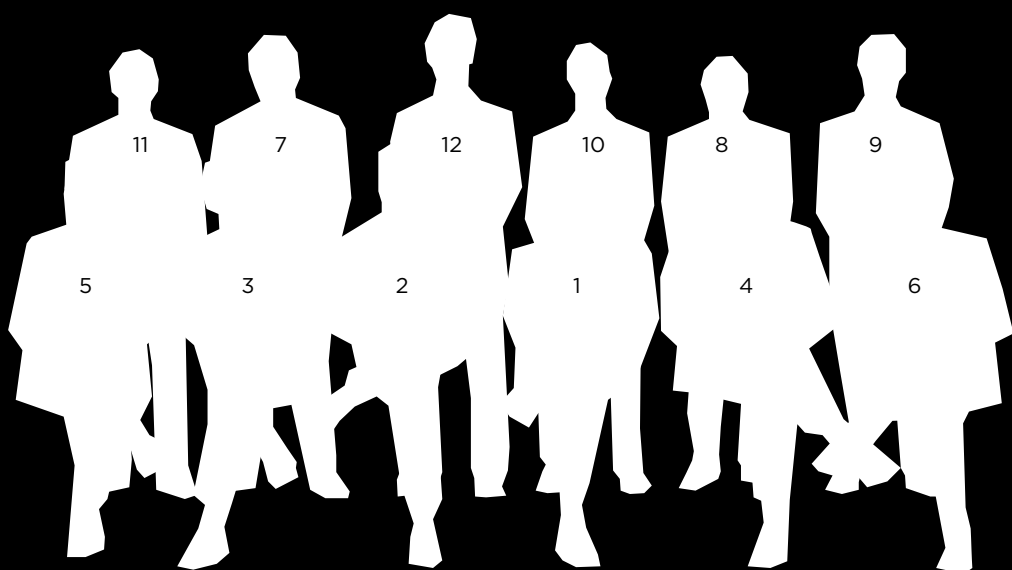
Lisboa, 29 de Março de 2012

Lisbon, 29 March 2012

O Conselho de Administração

Board of Directors

Órgãos Sociais Corporate Boards



CONSELHO DE ADMINISTRAÇÃO BOARD OF DIRECTORS

- 1 **Rogério Santos Carapuça**
Presidente Chairman
- 2 **Luís Paulo Cardoso Salvado**
CEO | CHRO | Consulting | Aerospace & Transportation
- 3 **João Nuno da Silva Bento**
Telecommunications & Media | Energy & Utilities | Digital TV | Venture Capital
- 4 **Álvaro José da Silva Ferreira**
Infrastructures & Managed Services | Angola
- 5 **Nuno Carlos Dias dos Santos Fórneas**
CIO | CMO | Financial Services | Manufacturing & Services
- 6 **Francisco Paulo Figueiredo Morais Antunes**
CFO | CRO | CLO | Espanha

MESA DA ASSEMBLEIA GERAL

OFFICERS OF THE GENERAL MEETING OF SHAREHOLDERS

António Manuel de Carvalho F. Vitorino (Presidente Chairman)

Maria José Santana (Secretário Secretary)

COMISSÃO DE AUDITORIA AUDIT COMMITTEE

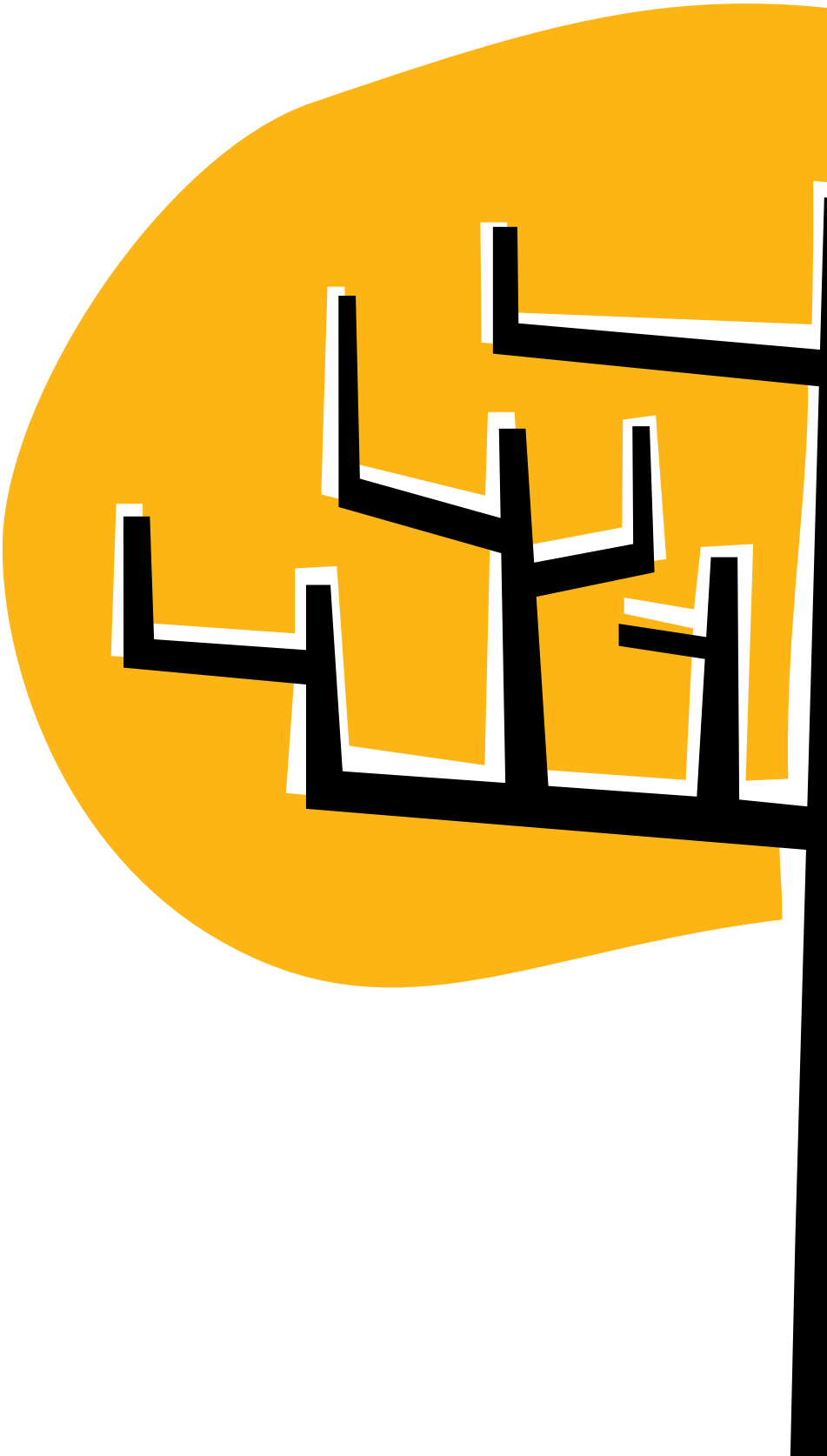
Luís Fernando de Mira Amaral (Presidente Chairman)

Manuel Alves Monteiro

João Luís Correia Duque



- 7 **Luís Fernando de Mira Amaral**
Administrador não executivo | Presidente da Comissão de Auditoria
Non executive director | Chairman of the Audit Committee
- 8 **Manuel Alves Monteiro**
Administrador não executivo | Membro da Comissão de Auditoria
Non executive director | Member of the Audit Committee
- 9 **João Luís Correia Duque**
Administrador não executivo | Membro da Comissão de Auditoria
Non executive director | Member of the Audit Committee
- 10 **José Afonso Oom Ferreira de Sousa**
Administrador não executivo Non executive director
- 11 **Joaquim Sérvulo Rodrigues**
Administrador não executivo Non executive director
- 12 **Pedro Miguel Quinteiro Marques de Carvalho**
Administrador não executivo Non executive director





11

Anexos ao Relatório Consolidado de Gestão

Annexes to the Consolidated Board of Directors' Report

INFORMAÇÃO SOBRE A PARTICIPAÇÃO DOS MEMBROS DOS ÓRGÃOS DE ADMINISTRAÇÃO E DE FISCALIZAÇÃO NO CAPITAL DA EMPRESA EM 31 DE DEZEMBRO DE 2011

(De acordo com a disposição no n.º 5 do artigo 447º do Código das Sociedades Comerciais)

INFORMATION CONCERNING STAKES HELD IN THE COMPANY BY MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARDS AS AT 31 DECEMBER, 2011

(Under the terms of paragraph 5 of Article 447º of the Portuguese Commercial Companies Code)

ACCIONISTAS¹ SHAREHOLDERS¹

	N.º ACCÕES NO. SHARES	% CAPITAL E DIREITO DE VOTO % CAPITAL AND VOTING RIGHTS
José Afonso Oom Ferreira de Sousa	2.514.947	8.01%
Pedro Miguel Quinteiro Marques de Carvalho	2.170.679	6.91%
Luís Paulo Cardoso Salvado	2.018.047	6.43%
João Nuno da Silva Bento	1.899.799	6.05%
Rogério dos Santos Carapuça	1.884.787	6.00%
Álvaro José da Silva Ferreira	1.189.423	3.79%
Nuno Carlos Dias dos Santos Fórneas	103.324	0.33%
Manuel Fernando Macedo Alves Monteiro	9.000	0.03%
Luís Fernando de Mira Amaral	6.305	0.02%
João Luís Correia Duque	500	0.00%
Total	11.796.811	37.57%

¹A participação de cada um destes Accionistas corresponde à última posição comunicada à sociedade com referência a data anterior a 31 de Dezembro de 2011.

¹The shareholding of each of these Shareholders corresponds to the last position reported to the company until December 31, 2011.

LISTA DOS TITULARES DE PARTICIPAÇÕES QUALIFICADAS EM 31 DE DEZEMBRO DE 2011

(De acordo com a disposição no n.º 4 do artigo 448º do Código das Sociedades Comerciais e artigo 16º do Código dos Valores Mobiliários 'CVM')

LIST OF SHAREHOLDERS WITH QUALIFYING STAKES AS AT 31 DECEMBER, 2011

(Under the terms of paragraph 4 of Article 448º of the Portuguese Commercial Companies Code and Article 16º of the Portuguese Securities Code 'PSC')

ACCIONISTAS¹ SHAREHOLDERS¹

	N.º PARCIAL PARTIAL NO.	N.º ACÇÕES NO. SHARES	% CAPITAL E DIREITO DE VOTO % CAPITAL AND VOTING RIGHTS
Partbleu, SGPS, SA		3.180.444	10.13%
ES TECH VENTURES, SGPS, SA	1.792.144		
Espírito Santo Fundo de Pensões, SA	1.149.395		
Elementos dos órgãos sociais Corporate board members	60		
Grupo Banco Espírito Santo, SA (termos do n.º 1 do art.º 20 do CVM) (paragraph 1 of Article 20 of PSC)		2.941.599	9.37%
José Afonso Oom Ferreira de Sousa		2.514.947	8.01%
Pedro Miguel Quinteiro Marques de Carvalho		2.170.679	6.91%
Luís Paulo Cardoso Salvado		2.018.047	6.43%
João Nuno da Silva Bento		1.899.799	6.05%
Rogério dos Santos Carapuça		1.884.787	6.00%
Fernando Fonseca Santos		1.575.020	5.02%
Fundo Santander Acções Portugal	1.413.967		
Fundo Santander PPA	138.786		
Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, SA (termos do n.º 1 do art.º 20 do CVM) (paragraph 1 of Article 20 of PSC)		1.552.753	4.94%
Álvaro José da Silva Ferreira		1.189.423	3.79%
Caixagest Acções Portugal	209.382		
Caixagest PPA	467.332		
Caixagest — Técnicas de Gestão de Fundos, SA (termos do n.º 1 do Art.º 20 do CVM) (paragraph 1 Article 20 of PSC)		676.714	2.16%
IBIM2 Ltd		648.486	2.07%
Total		22.252.698	70.87%

¹A participação de cada um destes Accionistas corresponde à última posição comunicada à sociedade com referência a data anterior a 31 de Dezembro de 2011.

¹The shareholding of each of these Shareholders corresponds to the last position reported to the company until December 31, 2011.

LISTA DE TRANSACÇÕES
DE DIRIGENTES

(Nos termos dos números 6 e 7
do artigo 14º do Regulamento
da CMVM n.º 5/2008)

LIST OF MANAGEMENT
TRANSACTIONS

(Under the terms of paragraphs 6
and 7 of Article 14º of the Portuguese
Securities Market Commission -
CMVM - Regulation nº. 5/2008)

DIRIGENTE DIRECTOR	TRANSACÇÃO TRANSACTION	DATA DATE
Nuno Carlos Dias dos Santos Fórneas	Aquisição Acquisition	30.03.2011
Nuno Carlos Dias dos Santos Fórneas	Aquisição Acquisition	13.04.2011
Nuno Carlos Dias dos Santos Fórneas	Aquisição Acquisition	18.05.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	08.09.2011
João Nuno da Silva Bento	Aquisição Acquisition	08.09.2011
Luís Paulo Cardoso Salvado	Aquisição Acquisition	08.09.2011
Luís Paulo Cardoso Salvado	Aquisição Acquisition	08.09.2011
Luís Paulo Cardoso Salvado	Aquisição Acquisition	08.09.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	21.11.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	28.11.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	30.11.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	30.11.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	30.11.2011
Luís Paulo Cardoso Salvado	Aquisição Acquisition	30.11.2011
João Nuno da Silva Bento	Aquisição Acquisition	30.11.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	12.12.2011
Luís Paulo Cardoso Salvado	Aquisição Acquisition	12.12.2011
João Nuno da Silva Bento	Aquisição Acquisition	12.12.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	14.12.2011
Luís Paulo Cardoso Salvado	Aquisição Acquisition	14.12.2011
João Nuno da Silva Bento	Aquisição Acquisition	14.12.2011
Luís Paulo Cardoso Salvado	Aquisição Acquisition	27.12.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	27.12.2011
João Nuno da Silva Bento	Aquisição Acquisition	29.12.2011
Álvaro José da Silva Ferreira	Aquisição Acquisition	29.12.2011
Total		

HORA TIME		LOCAL LOCATION	Nº DE AÇÕES NO. OF SHARES	PREÇO UNITÁRIO (€) PRICE PER SHARE (€)
-	Fora de Mercado Regulamentado	Over the Counter	15.405	2.94
-	Fora de Mercado Regulamentado	Over the Counter	2.389	2.96
-	Fora de Mercado Regulamentado	Over the Counter	4.513	2.90
3:42:22 PM		Euronext Lisbon	154.877	2.50
3:42:22 PM		Euronext Lisbon	76.438	2.50
3:42:22 PM		Euronext Lisbon	2.500	2.50
3:42:22 PM		Euronext Lisbon	3.532	2.50
3:42:22 PM		Euronext Lisbon	70.406	2.50
3:34:22 PM		Euronext Lisbon	25.000	1.88
4:15:47 PM		Euronext Lisbon	25.000	1.76
3:51:37 PM		Euronext Lisbon	225	1.66
3:51:37 PM		Euronext Lisbon	1.000	1.67
3:51:37 PM		Euronext Lisbon	1.871	1.68
3:51:38 PM		Euronext Lisbon	13.944	1.70
3:51:38 PM		Euronext Lisbon	13.943	1.70
1:41:06 PM		Euronext Lisbon	7.500	2.04
1:41:06 PM		Euronext Lisbon	3.750	2.04
1:41:06 PM		Euronext Lisbon	3.750	2.04
3:11:00 PM		Euronext Lisbon	5.750	2.02
3:11:00 PM		Euronext Lisbon	2.875	2.02
3:11:00 PM		Euronext Lisbon	2.875	2.02
3:40:02 PM		Euronext Lisbon	3.000	2.02
3:40:02 PM		Euronext Lisbon	12.000	2.02
1:10:14 PM		Euronext Lisbon	3.000	2.04
1:10:14 PM		Euronext Lisbon	3.100	2.04
458.643				

TRANSACÇÕES DE ACÇÕES PRÓPRIAS

(Nos termos da alínea d) do n.º 5 do artigo 66º do Código das Sociedades Comerciais)

TRANSACÇÃO TRANSACTION	DATA DATE
Cedência Transfer	28.03.2011
Cedência Transfer	28.03.2011
Cedência Transfer	28.03.2011
Cedência Transfer	28.03.2011
Cedência Transfer	28.03.2011
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Cedência Transfer	28.03.2011
Cedência Transfer	13.04.2011
Cedência Transfer	13.04.2011
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Cedência Transfer	13.04.2011
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Cedência Transfer	13.04.2011
Cedência Transfer	13.04.2011
Cedência Transfer	13.04.2011
Cedência Transfer	13.04.2011
Cedência Transfer	18.05.2011
Cedência Transfer	18.05.2011
Cedência Transfer	18.05.2011
Cedência Transfer	18.05.2011
Cedência Transfer	18.05.2011
Cedência Transfer	18.05.2011

Em 31 de Dezembro de 2010, a Novabase S.G.P.S. detinha em carteira 1.206.643 acções próprias, representativas de cerca de 3,84% do seu capital social. Durante o ano de 2011, a empresa cedeu 226.116 acções próprias a um preço líquido médio de 3,26 Euros. As cedências de acções próprias foram utilizadas na liquidação de aquisições a Interesses que não controlam verificadas em 2008 e em 2010, e como prémios a colaboradores.

Em 31 de Dezembro de 2011, a Novabase S.G.P.S. detinha em carteira 980.527 acções próprias, representativas de cerca de 3,12% do seu capital social.

OWN SHARES TRANSACTIONS

(Under the terms of section d) of paragraph 5 of Article 66 of the Portuguese Commercial Companies Code)

	LOCAL LOCATION	Nº DE AÇÕES NO. OF SHARES	PREÇO UNITÁRIO (€) PRICE PER SHARE (€)
Fora de Mercado Regulamentado	Over the Counter	26.018	2.94
Fora de Mercado Regulamentado	Over the Counter	24.539	2.94
Fora de Mercado Regulamentado	Over the Counter	24.170	2.94
Fora de Mercado Regulamentado	Over the Counter	15.405	2.94
Fora de Mercado Regulamentado	Over the Counter	4.312	3.83
Fora de Mercado Regulamentado	Over the Counter	4.312	3.83
Fora de Mercado Regulamentado	Over the Counter	2.173	3.83
Fora de Mercado Regulamentado	Over the Counter	5.493	3.83
Fora de Mercado Regulamentado	Over the Counter	1.831	3.83
Fora de Mercado Regulamentado	Over the Counter	24.826	3.71
Fora de Mercado Regulamentado	Over the Counter	12.413	3.71
Fora de Mercado Regulamentado	Over the Counter	12.413	3.71
Fora de Mercado Regulamentado	Over the Counter	12.413	3.71
Fora de Mercado Regulamentado	Over the Counter	4.035	2.96
Fora de Mercado Regulamentado	Over the Counter	3.806	2.96
Fora de Mercado Regulamentado	Over the Counter	3.749	2.96
Fora de Mercado Regulamentado	Over the Counter	2.389	2.96
Fora de Mercado Regulamentado	Over the Counter	669	3.83
Fora de Mercado Regulamentado	Over the Counter	669	3.83
Fora de Mercado Regulamentado	Over the Counter	337	3.83
Fora de Mercado Regulamentado	Over the Counter	852	3.83
Fora de Mercado Regulamentado	Over the Counter	284	3.83
Fora de Mercado Regulamentado	Over the Counter	3.850	3.74
Fora de Mercado Regulamentado	Over the Counter	1.925	3.74
Fora de Mercado Regulamentado	Over the Counter	1.925	3.74
Fora de Mercado Regulamentado	Over the Counter	1.925	3.74
Fora de Mercado Regulamentado	Over the Counter	6.447	2.90
Fora de Mercado Regulamentado	Over the Counter	4.513	2.90
Fora de Mercado Regulamentado	Over the Counter	5.364	2.90
Fora de Mercado Regulamentado	Over the Counter	6.447	2.90
Fora de Mercado Regulamentado	Over the Counter	5.926	2.90
Fora de Mercado Regulamentado	Over the Counter	686	2.90
			226.116

At 31 December 2011, Novabase S.G.P.S. held 1,206,643 own shares, representing 3.84% of its share capital.

During 2011, the company transferred 226,116 own shares at the average net price of 3.26 Euros. Own shares transfers were used in the settlement of acquisitions to non-controlling interests occurred in 2008 and 2010 and as bonuses to employees.

At 31 December 2011, Novabase S.G.P.S. held 980,527 own shares, representing 3.12% of its share capital.





12

Demonstrações Financeiras

Financial Statements

DEMONSTRAÇÃO DA POSIÇÃO FINANCEIRA CONSOLIDADA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MILHARES DE EUROS
THOUSANDS OF EUROS

31.12.11

31.12.10

ACTIVO ASSETS

ACTIVOS NÃO CORRENTES NON-CURRENT ASSETS

Activos fixos tangíveis Property, plant and equipment	9.000	9.836
Activos intangíveis Intangible assets	31.127	31.229
Investimentos em empresas associadas Investments in associates	1.621	1.676
Activos disponíveis para venda Available-for-sale financial assets	165	21
Activos por impostos diferidos Deferred income tax assets	12.387	10.396
Outro activos não correntes Other non-current assets	-	69

Total de Activos Não Correntes Total Non-Current Assets	54.300	53.227
----------------------------------------------------------------	---------------	---------------

ACTIVOS CORRENTES CURRENT ASSETS

Inventários Inventories	6.909	10.403
Clientes e outras contas a receber Trade and other receivables	92.830	83.285
Acréscimos de proveitos Accrued income	16.414	14.035
Imposto sobre o rendimento a receber Income tax receivable	3.211	3.378
Instrumentos financeiros derivados Derivative financial instruments	245	197
Outro activos correntes Other current assets	5.236	3.834
Caixa e equivalentes a caixa Cash and cash equivalents	27.157	28.088

Total de Activos Correntes Total Current Assets	152.002	143.220
--------------------------------------------------------	----------------	----------------

Activos operações descontinuadas Assets for discontinued operations	-	49
---------------------------------------------------------------------	---	----

Total do Activo Total Assets	206.302	196.496
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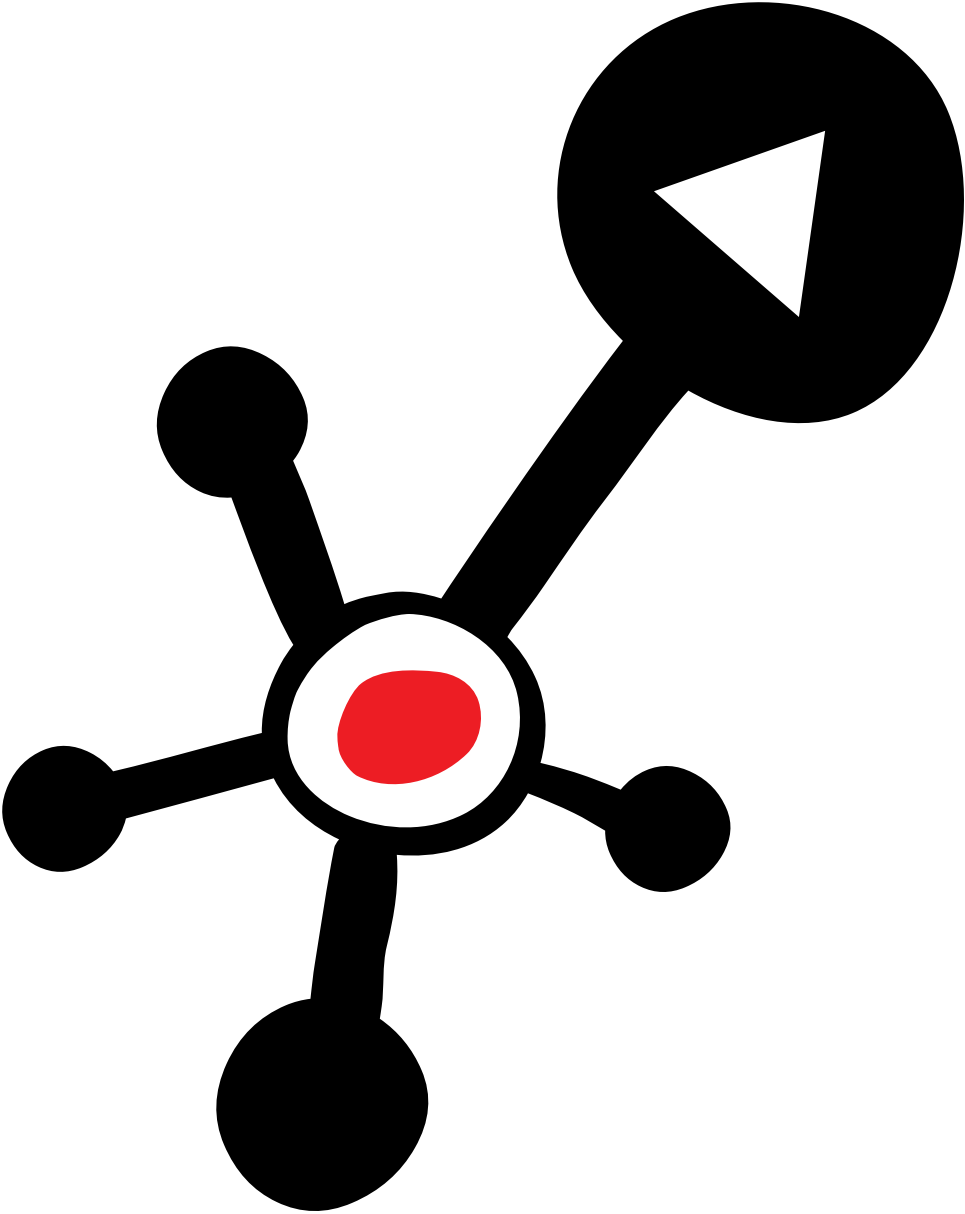
	MILHARES DE EUROS THOUSANDS OF EUROS	31.12.11	31.12.10
CAPITAIS PRÓPRIOS EQUITY			
Capital social Share capital		15.701	15.701
Acções próprias Treasury shares		(409)	(603)
Prémios de emissão Share premium		43.560	43.560
Reservas e resultados acumulados Reserves and retained earnings		31.206	21.063
Resultado líquido Profit for the year		2.651	13.053
Total dos Cap. próp. Atrib. aos Accionistas Total Equity Attrib. to Owners of the Parent		92.628	92.774
Interesses que não controlam Non-controlling interests		9.811	5.724
Total dos Capitais Próprios Total Equity		102.439	98.498
PASSIVO LIABILITIES			
PASSIVOS NÃO CORRENTES NON-CURRENT LIABILITIES			
Empréstimos Borrowings		12.028	7.879
Provisões Provisions		1.721	1.633
Passivos por impostos diferidos Deferred income tax liabilities		100	909
Outros passivos não correntes Other non-current liabilities		308	927
Total de Passivos Não Correntes Total Non-Current Liabilities		14.157	11.348
PASSIVOS CORRENTES CURRENT LIABILITIES			
Empréstimos Borrowings		5.279	5.333
Fornecedores e outras contas a pagar Trade and other payables		60.935	57.101
Imposto sobre o rendimento a pagar Income tax payable		17	311
Instrumentos financeiros derivados Derivative financial instruments		461	353
Proveitos dif. e outros passivos correntes Def. income and other current liabilities		22.669	22.807
Total de Passivos Correntes Total Current Liabilities		89.361	85.905
Passivos operações descontinuadas Liabilities for discontinued operations		345	745
Total do Passivo Total Liabilities		103.863	97.998
Total dos Capitais Próprios e Passivo Total Equity and Liabilities		206.302	196.496

DEMONSTRAÇÃO DO RENDIMENTO INTEGRAL CONSOLIDADO
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	MILHARES DE EUROS THOUSANDS OF EUROS	31.12.11 (12M ¹)	31.12.10 (12M ¹)
OPERAÇÕES EM CONTINUAÇÃO CONTINUING OPERATIONS			
Vendas Sales		96.918	103.975
Prestação de serviços Services rendered		132.715	132.356
Custo das vendas Cost of sales		(86.917)	(90.125)
Fornecimentos e serviços externos External supplies and services		(51.720)	(50.378)
Gastos com o pessoal Employee benefit expense		(76.210)	(75.607)
Custos de reestruturação Restructuring costs		(3.496)	-
Outros ganhos e perdas líquidos Other gains/(losses) - net		(543)	1.947
Amortizações e depreciações Depreciation and amortisation		(6.125)	(5.478)
Resultados Operacionais Operating Profit		4.622	16.690
Proveitos financeiros Finance income		3.770	5.256
Custos financeiros Finance costs		(4.626)	(5.371)
Perdas em associadas Share of loss of associates		(645)	(255)
Resultados Antes de Impostos Profit Before Tax		3.121	16.320
Imposto sobre o rendimento Income tax expense		(884)	(2.628)
Resultados das operações em continuação Net Profit from continuing operations		2.237	13.692
OPERAÇÕES DESCONTINUADAS DISCONTINUED OPERATIONS			
Resultados das operações descontinuadas Net Profit from discontinued operations		703	-
Resultado Líquido Profit for the Year		2.940	13.692
Outro rendimento integral no exercício Other comprehensive income		-	-
Rendimento integral total no exercício Total comprehensive income for the year		2.940	13.692

	MILHARES DE EUROS THOUSANDS OF EUROS	31.12.11 (12M*)	31.12.10 (12M*)
Resultado Líquido Atribuível a: Profit attributable to:			
Accionistas Owners of the Parent		2.651	13.053
Interesses que não controlam Non-controlling interests		289	639
		2.940	13.692
Rendimento Integral Atribuível a: Total comprehensive income attributable to:			
Accionistas Owners of the Parent		2.651	13.053
Interesses que não controlam Non-controlling interests		289	639
		2.940	13.692
Resultado por ação atribuível aos accionistas (€ por ação) Earnings per share attributable to owners of the parent (Euros per share)			
Resultado por ação básico Basic earnings per share			
Das operações em continuação From continuing operations		0.06 Euros	0.43 Euros
Das operações descontinuadas From discontinued operations		0.02 Euros	0.00 Euros
Do Resultado Líquido From Profit for the Year		0.09 Euros	0.43 Euros
Resultado por ação diluído Diluted earnings per share			
Das operações em continuação From continuing operations		0.06 Euros	0.43 Euros
Das operações descontinuadas From discontinued operations		0.02 Euros	0.00 Euros
Do Resultado Líquido From Profit for the Year		0.09 Euros	0.43 Euros

12M* - período de 12 meses findo em
12M* - period of 12 months ended



13

Parecer da Comissão de Auditoria e Certificação Legal de Contas

Opinion from the Audit
Committee and Statutory
Auditor Report

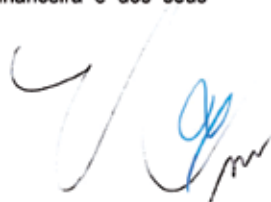
Parecer da Comissão de Auditoria Sobre a Informação Financeira Consolidada

Senhores Accionistas,

Nos termos da lei, do mandato que nos foi conferido pelos Senhores Accionistas e conforme previsto na alínea g) do artigo 423º- F do Código das Sociedades Comerciais e no n.º 1 do artigo 508º- D do mesmo Código, apresentamos sucinto relato da actividade fiscalizadora desenvolvida e damos Parecer sobre o Relatório de Gestão e Demonstrações Financeiras Consolidadas apresentados pelo Conselho de Administração da Novabase S.G.P.S., S.A. relativamente ao exercício findo em 31 de Dezembro de 2011.

Ao longo do ano de 2011 esta comissão realizou 10 reuniões formais, bem como diversas reuniões informais, tendo procedido à fiscalização:

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



Comissão de Auditoria

No âmbito das competências que nos foram conferidas verificámos que:

- o relatório consolidado de gestão evidência de forma correcta, clara e completa os aspectos mais significativos da evolução dos negócios e da situação patrimonial da Sociedade; igualmente, encontram-se devidamente identificados todos os riscos existentes, quer aqueles de natureza operacional, quer aqueles de natureza financeira; e
- as demonstrações financeiras consolidadas e o respectivo anexo dão uma imagem verdadeira e apropriada da situação financeira da Sociedade.

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

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

Lisboa, 03 de Abril de 2012

A Comissão de Auditoria

Luis Mira Amaral (Presidente)

Manuel Alves Monteiro (Vogal)

João Luís Duque (Vogal)

Certificação Legal das Contas e Relatório de Auditoria sobre a Informação Financeira Consolidada

Introdução

1 Nos termos da legislação aplicável, apresentamos a Certificação Legal das Contas e Relatório de Auditoria sobre a informação financeira contida no Relatório de gestão e nas demonstrações financeiras consolidadas anexas da Novabase, SGPS, SA., as quais compreendem a Demonstração da posição financeira consolidada em 31 de Dezembro de 2011, (que evidencia um total de 206.302 milhares de euros e um total de capital próprio de 102.439 milhares de euros, o qual inclui interesses que não controlam de 9.811 milhares de euros e um resultado líquido de 2.651 milhares de euros), a Demonstração do rendimento integral consolidado, a Demonstração de alterações aos capitais próprios consolidados e a Demonstração dos fluxos de caixa consolidados do exercício findo naquela data, e o correspondente Anexo.

Responsabilidades

2 É da responsabilidade do Conselho de Administração da Empresa (i) a preparação do Relatório de gestão e de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira do conjunto das empresas incluídas na consolidação, o resultado consolidado e o rendimento integral consolidado das suas operações, as alterações aos capitais próprios consolidados e os fluxos de caixa consolidados; (ii) que a informação financeira histórica seja preparada em conformidade com as Normas Internacionais de Relato Financeiro (IFRS) tal como adoptadas na União Europeia e que seja completa, verdadeira, actual, clara, objectiva e lícita, conforme exigido pelo Código dos Valores Mobiliários; (iii) a adopção de políticas e critérios contabilísticos adequados; (iv) a manutenção de sistemas de controlo interno apropriados; e (v) a divulgação de qualquer facto relevante que tenha influenciado a actividade do conjunto das empresas incluídas na consolidação, a sua posição financeira ou resultados.

3 A nossa responsabilidade consiste em verificar a informação financeira contida nos documentos de prestação de contas acima referidos, designadamente sobre se é completa, verdadeira, actual, clara, objectiva e lícita, conforme exigido pelo Código dos Valores Mobiliários, competindo-nos emitir um relatório profissional e independente baseado no nosso exame.

Âmbito

4 O exame a que procedemos foi efectuado de acordo com as Normas Técnicas e as Directrizes de Revisão/Auditoria da Ordem dos Revisores Oficiais de Contas, as quais exigem que o mesmo seja planeado e executado com o objectivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras consolidadas não contêm distorções materialmente relevantes. Para tanto o referido exame incluiu: (i) a verificação de as demonstrações financeiras das empresas incluídas na consolidação terem sido apropriadamente examinadas e, para os casos significativos em que o não tenham sido, a verificação, numa base de amostragem, do suporte das quantias e divulgações nelas constantes e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração, utilizadas na sua preparação; (ii) a verificação das operações de consolidação e da aplicação do método da equivalência patrimonial; (iii) a apreciação sobre se são adequadas as políticas

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.

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Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

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contabilísticas adoptadas e a sua divulgação, tendo em conta as circunstâncias; (iv) a verificação da aplicabilidade do princípio da continuidade; (v) a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras consolidadas; e (vi) a apreciação se a informação financeira consolidada é completa, verdadeira, actual, clara, objectiva e lícita.

5 O nosso exame abrangeu ainda a verificação da concordância da informação constante do Relatório de gestão com os restantes documentos de prestação de contas, bem como as verificações previstas nos números 4 e 5 do artigo 451º do Código das Sociedades Comerciais.

6 Entendemos que o exame efectuado proporciona uma base aceitável para a expressão da nossa opinião.

Opinião

7 Em nossa opinião, as referidas demonstrações financeiras consolidadas apresentam de forma verdadeira e apropriada, em todos os aspectos materialmente relevantes, a posição financeira consolidada da Novabase, SGPS, SA. em 31 de Dezembro de 2011, o resultado consolidado e o rendimento integral consolidado das suas operações, as alterações aos capitais próprios consolidados e os fluxos consolidados de caixa no exercício findo naquela data, em conformidade com as Normas Internacionais de Relato Financeiro (IFRS) tal como adoptadas na União Europeia e a informação nelas constante é completa, verdadeira, actual, clara, objectiva e lícita.

Relato sobre outros requisitos legais

8 É também nossa opinião que a informação constante do Relatório de gestão é concordante com as demonstrações financeiras consolidadas do exercício e o Relatório do governo das sociedades inclui os elementos exigíveis nos termos do artigo 245º-A do Código dos Valores Mobiliários.

3 de Abril de 2012

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
Inscrita na Comissão de Valores Mobiliários sob o nº 9077
representada por:



Jorge Manuel Santos Costa, R.O.C.



Audit Committee

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

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

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

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

Lisbon, April ^{3rd} 2012

The Audit Committee

Luis Mira Amaral (Chairman)

Manuel Alves Monteiro (Member)

João Luís Duque (Member)



Audit Committee

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 and n° of Article 508-D of the same code, we now present a brief summary of our supervisory activities, together with our opinion on the Annual Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the year ending 31 December 2011.

Over the course of the period ended December 31, 2011, the Audit Committee held 10 formal meetings and several informal meetings 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 and accounting policies used by the Company, to ensure that these entail an accurate assessment of the Company's financial status and results.



Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Consolidated Financial Information

(Free translation from the original in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the Directors' Report and in the attached consolidated financial statements of Novabase, SGPS, SA., comprising the consolidated statement of financial position as at December, 31, 2011, (which shows total assets of Euros 206.302 thousand and total shareholder's equity of Euros 102.439 thousand including non-controlling interests of Euros 9.811 thousand and a net profit of Euros 2.651 thousand), the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the Directors' Report and the consolidated financial statements which present fairly, in all material respects, the financial position of the Company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, financial position or results of the Company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Accordingly, our audit included: (i) verification that the Company and its subsidiaries' financial statements have been appropriately examined and, for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations and the utilization of the equity method; (iii) assessing the appropriateness of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v)

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assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

5 Our audit also covered the verification that the information included in the Directors' Report is consistent with the financial statements as well as the verification set forth in paragraphs 4 and 5 of Article 451º of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Novabase, SGPS, SA. as at December, 31, 2011, the consolidated results and the consolidated comprehensive income of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the consolidated financial statements for the year and that the Corporate Governance Report includes the information required under Article 245-A of the Portuguese Securities Market Code.

April 3, 2012

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Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

Jorge Manuel Santos Costa, R.O.C.

CORPORATE GOVERNANCE REPORT

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SHAREHOLDING STRUCTURE ON 31 DECEMBER 2011

Shareholdings of Members of the Corporate Boards (nº5 artº447 of Company Code)¹

Shareholders	#	%
	Shares	Capital and voting rights
José Afonso Oom Ferreira de Sousa	2.514.947	8,01%
Pedro Miguel Quinteiro Marques de Carvalho	2.170.679	6,91%
Luís Paulo Cardoso Salvado	2.018.047	6,43%
João Nuno da Silva Bento	1.899.799	6,05%
Rogério dos Santos Carapuça	1.884.787	6,00%
Álvaro José da Silva Ferreira	1.189.423	3,79%
Nuno Carlos Dias dos Santos Fórneas	103.324	0,33%
Manuel Alves Monteiro	9.000	0,03%
Luís Fernando de Mira Amaral	6.305	0,02%
João Luís Correia Duque	500	0,00%
Total	11.796.811	37,57%

¹ Shareholding of each member of the corporate boards corresponds to the last position disclosed to the company before 31 December 2011. Information on the number of shares allocated to each member of the corporate boards during 2011 is detailed on item II.31.

Shareholdings and Qualified Holdings (nº 4 artº448 CSC and artº 16º of Securities Code)¹

Shareholders	#	#	%
	Shares partial	Shares	Capital and voting rights
Partbleu, Sociedade Gestora de Participações		3.180.444	10,13%
ES TECH VENTURES, SGPS, SA	1.792.144		
Fundo de Pensões do BES	1.149.395		
Members of Corporate Boards	60		
Grupo Banco Espírito Santo, SA (nos termos do nº1 do artº20 do CVM)		2.941.599	9,37%
José Afonso Oom Ferreira de Sousa		2.514.947 ²	8,01%
Pedro Miguel Quinteiro Marques de Carvalho		2.170.679 ²	6,91%
Luís Paulo Cardoso Salvado		2.018.047 ²	6,43%
João Nuno da Silva Bento		1.899.799 ²	6,05%

Shareholders	#	#	%
	Shares partial	Shares	Capital and voting rights
Rogério dos Santos Carapuça		1.884.787 ²	6,00%
Fernando Fonseca Santos		1.575.020	5,02%
Fundo de Investimento Mobiliário Aberto Poupança Acções Santander PPA	138.786		
Fundo de Investimento Mobiliário Aberto Santander Acções Portugal	1.413.967		
Santander Asset Management - Soc.Gestora de Fundos de Investimento Mobiliário, SA (under nº1 artº20 of CVM)		1.552.753	4,94%
Álvaro José da Silva Ferreira		1.189.423 ²	3,79%
CAIXAGEST ACÇÕES PORTUGAL – Fundo de Investimento Mobiliário Aberto de Acções	209.382		
CAIXAGEST PPA - Fundo de Investimento Mobiliário Aberto de Poupança em Acções	467.332		
Caixagest – Técnicas de Gestão de Fundos, SA		676.714	2,16%
IBIM2 Ltd		648.486	2,07%
Total		22.252.698	70,87%

¹ Shareholding of each shareholder corresponds to the last position disclosed to the company before 31 December 2011.

² Includes shareholdings under the parasocial agreement on 31 December 2011 as described on item III.5 of this report, the voting rights of the remaining shareholders under this parasocial agreement being attributable to the shareholder in question. Total voting rights under the parasocial agreement corresponding to 10.488.065 shares representing 33,40% of the share capital and voting rights of Novabase – SGPS, S.A..

INTRODUCTION

Novabase, Sociedade Gestora de Participações Sociais, S.A. (hereinafter called “Novabase” or “company”) has chosen to publish a separate annex to its annual report on the topic of corporate governance, in compliance with Article 245/A of the Securities Code and in accordance with the provisions of CMVM Regulation no. 01/2010 on the Governance of Listed Companies, organized according to the scheme outlined in Annex I to this CMVM regulation.

In this report, Novabase indicates which recommendations have been adopted and not adopted from the CMVM 2010 Corporate Governance Code (“Recommendations”), published in January 2010 (“Corporate Governance Code”).

This annex, which is an integral part of the company’s 2011 annual report, contains information complying with the requirements of Article 7 of the Securities Code and references to other annexes.

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

In light of trends in best corporate governance practices in accordance with rules and recommendations issued by the CMVM, and taking into account Novabase’s experiences since its admission to trading on the Euronext Lisbon regulated market, shareholders at the General Meeting of Shareholders of 12 April 2007 approved an Anglo-Saxon corporate governance model that includes a Board of Directors with an Audit Committee and a statutory auditor. Moreover, following the General Meeting of Shareholders of 28 April 2009, two specialized committees were established within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee. In order to improve its governance practices, Novabase constantly analyses the implementation of this model.

Note that the Association of Listed Securities Issuers (AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado) and the Catholic University of Portugal (Universidade Católica Portuguesa) presented a study in 2011 on the degree of compliance with corporate governance recommendations in force in Portugal, weighted by their affinity with a number of international benchmarks, with total values ranging from 5,000 to 10,000 (complete compliance with recommendations considered relevant) and scores ranging from D (minimum rating) to AAA (maximum rating).

Novabase received a rating of AA and a score of 9,517.876.

Chapter 0 - Declaration of Compliance

0.1. The Corporate Governance Code and CMVM Regulation No. 1/2010 on the governance of listed companies are available on the company's website (www.novabase.pt) in the section "IR/ Corporate Governance", and on the CMVM website at www.cmvm.pt.

0.2. Itemized below are the Corporate Governance Code recommendations, adopted and not adopted (defining "not adopted" as those recommendations which were not followed in their entirety). With regard to the latter, Novabase describes the reasons for not adopting them in full.

	Recommendation	Fulfilment	Remarks
	I General Meeting of Shareholders		
	I.1 GENERAL MEETING BOARD		
1	I.1.1 The Chairman of the General Meeting Board shall be equipped with the necessary and adequate human resources and logistic support, taking the financial position of the company into consideration.	Yes	The Chairman of the General Meeting of Shareholders has access to a work room and secretary services at the company when needed (see point I.1.)
2	I.1.2 The remuneration of the Chairman of the General Meeting Board shall be disclosed in the annual report on corporate governance.	Yes	The Chairman of the General Meeting of Shareholders is remunerated according to attendance in the amount of €1,000. (see point I.3.)
	I.2 PARTICIPATION AT THE MEETING		
3	I.2.1 The requirement for the Board to receive statements for share deposit or blocking for participation at the general meeting shall not exceed 5 working days.	n/a	In view of the entry into force of the registry date regime for preparing and holding General Meetings of Shareholders, pursuant to article 23 C of the Securities Code, this recommendation no longer applies to Novabase.
4	I.2.2 Should the General Meeting be suspended, the company shall not compel share blocking during that period until the meeting is resumed and shall then follow the standard requirement of the first session.	n/a	This recommendation no longer applies to Novabase, for the reason stated in the preceding recommendation.
	I.3 VOTING AND EXERCISING VOTING RIGHTS		
5	I.3.1 Companies shall not impose any statutory restriction on postal voting and whenever adopted or admissible, on electronic voting.	Yes	Clause 9 (no. 9) of Novabase's articles of association governs postal voting, while the applicable rules for voting by electronic means are defined in each meeting notice. In both cases, there are no restrictions imposed on voting rights. (see points I.9., I.10., I.11. and I.12.)
6	I.3.2 The statutory deadline for receiving early voting ballots by mail shall not exceed 3 working days.	Yes	Novabase's articles of association state that voting ballots must be received by the third working day preceding the date of the General Meeting of Shareholders. (see point I.11.)
7	I.3.3 Companies shall ensure the level of voting rights and the shareholder's participation is proportional, ideally through the statutory provision that obliges the one share-one vote principal. The companies that: i) have shares that do not confer voting right; ii) establish non-casting of voting rights above a certain number, when issued solely by a shareholder or by shareholders associated to the former, do not comply with the proportionality principle.	Yes	Under clause 9 no. 5 of Novabase's articles of association, one share corresponds to one vote. (see point I.6.)

	I.4 DELIBERATING QUORUM		
8	Companies shall not set a deliberating quorum that outnumbers that which is prescribed by law.	Yes	The deliberating quorum of Novabase's General Meeting of Shareholders, as established by its articles of association, is the same as that prescribed by law. (see point I.8.)
	I.5 ATTENDEES LIST, MINUTES AND INFORMATION ON RESOLUTIONS PASSED		
9	Extracts from the minutes of the general meetings or documents with corresponding content must be made available to shareholders on the company's website within a five day period after the General Meeting has been held, irrespective of the fact that such information may not be classified as material. The information disclosed shall cover the resolutions passed, the represented capital and the voting results. Said information shall be visible on the company's website for no less than a 3 year period.	Yes	<p>A summary of the decisions is published on the Novabase website and in the CMVM information disclosure system immediately after the General Meeting of Shareholders.</p> <p>At its company website, Novabase maintains documents with content corresponding to extracts from the minutes, including information on the number of people present, number of shareholders and meeting agendas. Voting results have also been provided since 2010. Novabase has also established the necessary mechanisms to ensure that the above are disclosed as quickly as possible, and always within the 5 days following the General Meeting of Shareholders.</p> <p>On its website, Novabase keeps a collection of information on meetings held over the past three years, including the number of people present, number of shareholders represented, meeting agendas and decisions taken (see points I.13. and I.14.).</p>
	I.6 MEASURES ON CORPORATE CONTROL		
10	Measures aimed at preventing successful takeover bids, shall respect both the company's and the shareholders' interests. The company's articles of association that by complying with said principal, provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals, at least), on whether that statutory provision is to be amended or prevails – without quorum requirements superior to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction.	No	There is a shareholders' agreement among a group of shareholders, which is described in point III.5. Novabase believes that the existence of a shareholders' agreement does not constitute a defensive measure contrary to shareholder interests in itself, since it ensures stability in the management of the company, therefore safeguarding Novabase's corporate and shareholder interests. Furthermore, Novabase believes that because the current shareholders' agreement involves only 33.40% of Novabase's total shares, it should not be considered a defensive measure against any public offerings for acquisition, given that in addition to the fact that it was not established for this purpose, such a shareholders' agreement cannot prevent the transfer of control of the company and therefore the success of any general public offerings for acquisition. (see point III.5.). According to the

			CMVM, however, Novabase does not comply with this recommendation in its entirety. The same applies to the new shareholders' agreement signed on 30 January 2012 (see point III.5.).
11	I.6.2. In cases such as change of control or changes to the composition of the Board of Directors, defensive measures should not be adopted that instigate an immediate and serious asset erosion in the company, and further disturb the free transmission of shares and voluntary assessment of the performance of the Board of Directors by the shareholders.	Yes	Novabase has not adopted defensive measures that automatically cause serious erosion in the company's assets in the event of the transfer of control or changes to the composition of the Board of Directors (see points I.20., I.21. and I.22.).
II. MANAGEMENT AND SUPERVISORY BOARDS			
II.1. GENERAL POINTS			
II.1.1. STRUCTURE AND DUTIES			
12	II.1.1.1 The Board of Directors shall assess the adopted model in its Annual Report on Corporate Governance and pin-point possible barriers to its functioning and shall propose measures that it deems fit for surpassing such obstacles.	Yes	In this report, Novabase's Board of Directors assesses the governance model adopted, proposing action measures (see "Corporate Governance Model Assessment" in Chapter 0).
13	II.1.1.2 Companies shall establish internal control and risk management systems in order to safeguard the company's worth, encourage transparency and identify and manage risk. Said systems shall include at least the following components: <i>i) setting of the company's strategic objectives as regards risk assumption; ii) identifying the main risks associated to the company's activity and any events that might generate risks; iii) analyse and determine the extent of the impact and the likelihood that each of said potential risks will occur; iv) risk management aimed at aligning actually incurred risks with the company's strategic options for risk assumption; v) control mechanisms for executing measures for adopted risk management and its effectiveness; vi) adoption of internal mechanisms for information and communication on various components of the system and of risk-warning ; vii) periodic assessment of the implemented system and the adoption of the amendments that are deemed necessary.</i>	Yes	Internal control and risk management systems are described in point II.5.
14	II.1.1.3 The Board of Directors shall ensure the establishment and functioning of the internal control and risk management systems. The Supervisory Board shall be responsible for assessing the functioning of said systems and proposing the relevant adjustment to the company's needs.	Yes	The responsibilities of Novabase's managing board (namely establishment and functioning) and supervisory board (namely assessment and proposed adjustment) with regard to internal control and risk management systems are described in point II.6.
15	II.1.1.4 Companies shall: i) identify the main economic, financial and legal risks that the company is exposed to during the exercise of its activity; ii) describe the performance and efficiency of the risk management system, in its Annual Report on Corporate Governance.	Yes	Primary economic, financial and legal risks are outlined in point II.7. The performance and efficiency of the risk management system is described in point II.5.
16	II.1.1.5 The Board of Directors and the Supervisory Board shall establish internal regulations and shall have these disclosed on the company's website.	Yes	As stated in point II.7., Novabase's Board of Directors and Audit Committee have operating regulations, which are published at Novabase's website.
II.1.2 GOVERNANCE INCOMPATIBILITY AND INDEPENDENCE			

17	II.1.2.1 The Board of Directors shall include a number of non-executive members that ensure the efficient supervision, auditing and assessment of the executive members' activity.	Yes	The composition of the Board of Directors includes an adequate number of non-executive directors (exceeding one-third of the total); three of them are independent, and are part of the Audit Committee. These independent directors monitor and assess the management of the Company on a continuous basis. They are empowered to propose the appointment of external auditors, supervise the implementation of Novabase's strategic and budgetary plan each year, and monitor the activities of the Executive Committee in performing its duties involving the day-to-day running of Novabase. (see point II.14.)
18	II.1.2.2 Non-executive members must include an adequate number of independent members. The size of the company and its shareholder structure must be taken into account when devising this number and may never be less than a fourth of the total number of Directors.	Yes	Novabase's Board of Directors currently includes three independent non-executive directors (around 27% of the total number of managing board members). (see point II.14.)
19	II.1.2.3 The independency assessment of its non-executive members carried out by the Board of Directors shall take into account the legal and regulatory rules in force concerning the independency requirements and the incompatibility framework applicable to members of other corporate boards, which ensure orderly and sequential coherence in applying independency criteria to all the company. An independent executive member shall not be considered as such, if in another corporate board and by force of applicable rules, may not be an independent executive member.	Yes	The independency assessment of non-executive directors takes the independency requirements and applicable incompatibility framework into account, specifically ensuring the orderly and sequential coherence in applying independency criteria to all the company (see point II.15)
II.1.3 ELIGIBILITY CRITERIA FOR APPOINTMENT			
20	II.1.3.1 Depending on the applicable model, the Chairman of the Audit Board, the Audit Committee or the Financial Matters Committees shall be independent and be adequately capable to carry out its duties.	Yes	The three members of the Auditing Committee are independent, and are adequately capable of performing these duties. (see point II.21.)
21	II.1.3.2 The selection process of candidates for non-executive members shall be structured so as prevent interference by executive directors.	Yes	Candidates for non-executive director positions are selected through a process conducted exclusively by shareholders, in which they are nominated for election at the General Meeting of Shareholders via a proposal signed by the company's shareholders, with no interference, at any time during the selection process, from executive directors It should be noted with regard to this matter that, although some executive directors are also qualified company shareholders and signatories of the shareholders' agreement referred to in point III.5 of this report, the scope of this recommendation seems to revolve solely around the need to prevent executive directors from influencing the selection process for non-executive directors, and does not seek to limit the exercising of

			<p>inherent shareholder rights. As such, the ability of shareholders, as shareholders, to influence the process of selecting candidates for non-executive director positions seems to be irrelevant in this regard. Notwithstanding the above, it should also be noted that, even if the fact that some executive directors are also shareholders did apply for the purposes of this recommendation, the directors in question are only three to five members of the Executive Committee; the two executive directors who are not in this situation do not have any influence or involvement in the process of selecting candidates for non-executive director positions, clearly demonstrating that any involvement of people performing executive duties in this selection process is in no way related to the performance of these duties. Moreover, these executive directors own only 41.69% of the shares covered by the terms and conditions of the shareholders' agreement in force on 31 December 2011; as such, they were not in a position, by themselves, to have any decisive factual influence in the process of selecting non-executive directors (see point II.16).</p>
	II.1.4 POLICY ON THE REPORTING OF IRREGULARITIES		
22	II.1.4.1 The company shall adopt a policy whereby irregularities occurring within the company, are reported. Such reports should contain the following information: i) the means through which such irregularities may be reported internally, including the persons that are entitled to receive the reports; ii) how the report is to be handled, including confidential treatment, should it be required by the reporter.	Yes	Employees and other Novabase stakeholders have access to a direct and confidential channel for reporting any practice that appears to be improper and/or irregular in any way, whatever it may be, having occurred at Novabase, with the guarantee of confidentiality. (see point II.35.)
23	II.1.4.2 The general guidelines on this policy should be disclosed in the corporate governance report.	Yes	The general guidelines on this policy are disclosed in the corporate governance report. (see point II.35.)
	II.1.5 REMUNERATION		
24	III.1.5.1 The remuneration of the Members of the Board of Directors shall be structured such that the formers' interests are capable of being aligned with the long-term interests of the company. Furthermore, the remuneration shall be based on performance assessment and shall discourage taking on excess risk. Thus, remunerations shall be structured as follows:	No ¹	The remuneration policy of members of the corporate bodies was defined in the beginning of the term corresponding to the 2009-2011 triennium and as such it was deliberated not to carry out any change in 2011 to this policy.
	i) The remuneration of the Board of Directors carrying out executive duties shall include a variable element which is determined by a	No	The remuneration of executive directors (and of

1 Novabase understands that recommendation no. II.1.5.1. is a generic recommendation, divided into several "sub-recommendations". As such, Novabase believes that to comply with recommendation no. II.1.5.1, all of its respective sub-recommendations must be completely fulfilled, which is not the case. However, in view of the diverse issues covered by these "sub-recommendations", Novabase believes that the fulfilment of each "sub-recommendation" and its applicability to Novabase should be assessed individually and separately, as shown in the above table. In addition, an analysis of the unfulfilled "sub-recommendations" should serve as justification for the failure to fulfil the generic recommendation in its entirety.

	<p>performance assessment carried out by the company's competent bodies according to pre-established quantifiable criteria. Said criteria shall take into consideration the company's real growth and the actual wealth generated for the shareholders, its long-term sustainability and the risks taken, as well as compliance with the rules applicable to the company's activity.</p>		<p>some non-independent, non-executive directors) depends on an organizational performance assessment for the year in question, and correlates with the responsibility and performance of each director in particular. This assessment is conducted by the Remuneration Committee, in accordance with criteria approved by the shareholders. The policy currently adopted by Novabase does not establish the assessment of the performance of executive directors to consider specifically the long term sustainability of the company and the wealth created or the risks undertaken.</p> <p>The remuneration policy of members of the corporate bodies was defined in the beginning of the term corresponding to the 2009-2011 triennium and as such it was deliberated not to carry out any change in 2011 to this policy. (see points II.32 and II.33 a), b) and c)).</p>
	<p>ii) The variable component of the remuneration shall be reasonable overall as regard the fixed component of the remuneration, and maximum limits shall be set for all components.</p>	No	<p>The relative importance of directors' variable and fixed remuneration components is shown in the table in point II.31. Moreover, the limits established for the fixed (limit of [...]), variable cash (limit of [...]) and variable options (limit determined based on prior plan for options to allot shares) components are described in point II.33 d)</p>
	<p>iii) A significant part of the variable remuneration shall be deferred for a period not less than three years and its payment shall depend of the company's steady positive performance during said period.</p>	Yes	<p>The variable remuneration in cash paid in 2011 corresponds to just 50% of the 1st part of the variable remuneration due for 2010. The remaining 50% of this part is subject to deferred payments in the following 3 years (2012, 2013 and 2014) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period (see point II.32).</p> <p>Furthermore, there exists the possibility of deferring the variable portion of the remuneration paid through the stock option plan, namely when the options are not exercised until their last maturity date, i.e. 3 years after the commencement of the directors'</p>

			<p>terms of office, which must always occur for at least 1/3 of the options attributed.</p> <p>In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired). Part of this variable remuneration component is tied to positive company performance over the applicable lifetime of the plan for options to allot shares; this is described in further detail in point II.32.</p>
	<p>(iv) Members of the Board of Directors shall not enter into contracts with the company or third parties that will have the effect of mitigating the risk inherent in the variability of the remuneration established by the company.</p>	Yes	<p>The company has no information regarding the signing of contracts aimed at mitigating the risk inherent in the variability of the remuneration, namely hedging or risk transfer contracts (see point II.33 g))</p>
	<p>(v) The Executive Directors shall hold until the end of their term of office, up to twice the value of the total annual remuneration, the company shares that were allotted by virtue of the variable remuneration schemes, with the exception of those shares that are required to be sold for the payment of taxes on the gains of said shares.</p>	n/a	<p>This recommendation does not apply; since no options were exercised on the maturity date of Batch 1 of options under the current stock option plan (as stated in point III.10), the Novabase directors participating in this plan have not accessed any shares under variable remuneration schemes (see point II.33 g))</p>
	<p>(vi) When the variable remuneration includes stock options, the period for exercising same shall be deferred for a period of not less than three years;</p>	No	<p>The options attributed under the current stock option plan include three batches; only the third of these has a deferred maturity date of three years (see point III.10)</p> <p>Since the remuneration policy for corporate board members was established at the start of the three-year term of 2009-2011, any changes to these remuneration terms during this time period would be inappropriate.</p>
	<p>(vii) The appropriate legal instruments shall be established such that in the event of a Director's dismissal without due cause, the envisaged compensation shall not be paid out if the dismissal or termination by agreement is due to the Director's inadequate performance.</p>	No	<p>There are no contractual restraints for compensation owed for undue dismissal of executive directors, as per legal rules.</p> <p>In Novabase's opinion, since management positions are remunerated, with a mandatory legal ceiling on compensation for dismissal without due cause, and in view of the protection of expectations principle, there</p>

			<p>is no justification for contractual restraints that reduce the maximum legal compensation amount to a director with legal proof of damages incurred, when dismissal occurs due to his/her inadequate performance without justified grounds.</p> <p>Moreover, in view of the mandatory legal ceiling on compensation for undue dismissal, there is no foreseeable advantage in establishing contractual restraints to directors' compensation in the event of consensual termination of duties.</p> <p>Even if contractual limits for the above cases were considered useful, such measures were considered inappropriate during the entire three-year term of 2009-2011. (see point II.33 m))</p>
	<p>(viii) The remuneration of Non-Executive Board Members shall not include any component the value of which is subject to the performance or the value of the company.</p>	No	<p>The remuneration policy for directors passed in the 2011 General Meeting of Shareholders still allowed non-independent non-executive directors to receive a variable remuneration component, especially bearing in mind that these directors could take on key management responsibilities in the Group, although without executive powers (which they ultimately did), thereby justifying this variable component.</p> <p>In any case, since differences in the remuneration structure are intended to adjust remuneration according to the duties actually performed by each director in the Group, the remuneration of the members of the Board of Directors is structured so as to align their interests with those of the company (see point II.34).</p>
25	<p>II.1.5.2 The statement on the remuneration policy of the Board of Directors and Supervisory Board referred to in Article 2 of Law No. 28/2009 of 19 June, shall contain, in addition to the content therein stated, adequate information on: <i>1) which groups of companies the remuneration policy and practices of which were taken as a</i></p>	Yes	<p>A statement on the remuneration policy of the Board of Directors and Supervisory Board is annexed to this report, as referred to in point II.30.</p> <p>This statement clarifies that</p>

	baseline for setting the remuneration ii) the payments for the dismissal or termination by agreement of the Directors' duties.		directors' remuneration is established without taking other companies' (or groups of companies') remuneration policies or practices as a baseline, and that no payments were made for the or consensual termination or dismissal of directors in 2011.
26	II.1.5.3 The remuneration policy statement referred to in Article 2 of Law No. 28/2009 shall also include the directors' remunerations which contain an important variable component, within the meaning of Article 248-B/3 of the Securities Code. The statement shall be detailed and the policy presented shall particularly take into account the long-term performance of the company, compliance with the rules applicable to its business and restraint in taking risks.	n/a	Pursuant to point II.29, only the members of Novabase's Board of Directors are considered managers, within the meaning of Article 248-B/3 of the Securities Code.
27	II.1.5.4 A proposal shall be submitted at the General Meeting on the approval of plans for the allotment of shares and/or options for share purchase or further yet on the variations in share prices, to members of the Board of Directors and Supervisory Board and other managers within the context of Article 248/3/B of the Securities Code. The proposal shall mention all the necessary information for its correct assessment. The proposal shall contain the regulation plan or in its absence, the plan's general conditions. The main characteristics of the retirement benefit plans established for members of the Board of Directors and Supervisory Board and other managers within the context of Article 248/3/B of the Securities Code, shall also be approved at the General Meeting.	Yes	To date, Novabase has implemented 4 plans for options to allot, subscribe and/or purchase shares, which have always been approved at General Meetings of Shareholders. The Plan for the triennium 2012-2014 shall be submitted to approval by the shareholders on the next General Meeting of Shareholders (see point I.17 and III.10.) There are no retirement benefit plans for members of the management and supervisory boards or other directors of Novabase (see points I.18 and II.31).
28	II.1.5.6 At least one of the Remuneration Committee's representatives shall be present at the Annual General Meeting of Shareholders.	Yes	Francisco Luís Murteira Nabo, as Chairman of the Remuneration Committee was present at the 2011 General Meeting of Shareholders (see point I.15).
29	II.1.5.7. The amount of remuneration received, as a whole and individually, in other companies of the group and the pension rights acquired during the financial year in question shall be disclosed in the Annual Report on Corporate Governance.	n/a	This recommendation ceased with the new duties of information disclosure established by art. 3 of CMVM Regulation nº 1/2010. Nevertheless, Novabase directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the Novabase Group. There are no supplementary pension or early retirement schemes for Novabase directors (see point II.31).
II.2. BOARD OF DIRECTORS			
30	II.2.1 Within the limits established by Law for each Management and Supervisory structure, and unless the company is of a reduced size, the Board of Directors shall delegate the day-to-day running and the delegated duties should be identified in the Annual Report on Corporate Governance.	Yes	The Board of Directors has delegated the day-to-day running of the company to the Executive Committee. (see point II.3.)
31	II.2.2 The Board of Directors shall ensure that the company acts in accordance with its goals, and	Yes	Novabase's Board of Directors does not delegate any of these

	should not delegate its duties, namely in what concerns: <i>i)</i> definition of the company's strategy and general policies; <i>ii)</i> definition of the corporate structure of the group; <i>iii)</i> decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.		responsibilities. (see point II.3.)
32	II.2.3 Should the Chairman of the Board of Directors carry out executive duties, the Board of Directors shall set up efficient mechanisms for coordinating non-executive members that can ensure that these be able to decide in an independent and informed manner, and furthermore shall explain these mechanisms to the shareholders in the corporate governance report.	n/a	-
33	II.2.4 The annual management report shall include a description of the activity carried out by the non-executive Board Members and shall mention any restraints encountered.	Yes	A summary of the activity carried out by the non-executive directors, who encountered no restraints in this regard, is attached to this report. (see point II.17.)
34	II.2.5. The company shall mention its rotation of functions policy on the Board of Directors, including the person responsible for the financial function, and report on same in the Annual Corporate Governance Report.	Yes	Novabase currently has no formal rotation of functions policy for Board of Directors, specifically with regard to the individual in charge of the financial function. Meanwhile, it should be noted that, although no formal policy exists in this regard, Novabase has significantly and frequently rotated the holders of executive positions, as described in point II.11.
II.3 CHIEF EXECUTIVE OFFICER (CEO), EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS			
35	II.3.1 When Directors that carry out executive duties are requested by other Board Members to supply information, the former shall do so in a timely manner and the information supplied must adequately suffice the request made.	Yes	All the information requested by the various corporate boards was supplied by the Novabase executive directors in a timely and suitable fashion. (see point II.3.)
36	II.3.2 The Chairman of the Executive Committee shall send the convening notices and minutes of the meetings to the Chairman of the Board of the Directors and, when applicable, to the Chairman of the Supervisory Board or the Audit Committee.	Yes	The Chairman of the Novabase Executive Committee is responsible for submitting the minutes of the Executive Committee meetings to the Chairman of the Board of Directors and Chairman of the Auditing Committee. In addition, the Chairman of the Board of Directors may attend Executive Committee meetings, without voting rights, and also receives the respective meeting notices for this purpose, which are also sent to the Chairman of the Auditing Committee. Lastly, all remaining non-executive directors receive these minutes as well. (see point II.13.)
37	II.3.3 The Chairman of the Executive Board of Directors shall send the convening notices and minutes of the meetings to the Chairman of the General and Supervisory Board and to the Chairman of the Financial Matters Committee.	n/a	-

II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND AUDIT BOARD			
38	II.4.1 Besides carrying out its supervisory duties, the General and Supervisory Board shall advise, follow-up and carry out an on-going assessment on the management of the company by the Executive Board of Directors. Besides other subject matters, the General and Supervisory Board shall decide on: <i>i) the definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.</i>	n/a	-
39	II.4.2 The annual reports and financial information on the activity carried out by the General and Supervisory Committee, the Financial Matters Committee, the Audit Committee and the Audit Board shall be disclosed on the company's website together with the financial statements.	Yes	The annual report on the activity carried out by the Auditing Committee is subject to publication on Novabase's website. (see point II.4.)
40	II.4.3 The annual reports on the activity carried out by the General and Supervisory Board, the Financial Matters Committee, the Audit Committee and the Audit Board shall include a description on the supervisory activity and shall mention any restraints that they may have come up against.	Yes	See the 2011 Audit Committee Activity Report annex (referred to in point II.4).
41	II.4.4 The General and Supervisory Board, the Auditing Committee and the Board of Auditors (depending on the applicable model) shall represent the company for all purposes at the external auditor, and shall propose the services supplier, the respective remuneration, ensure that adequate conditions for the supply of these services are in place within the company, as well as being the liaison officer between the company and the first recipient of the reports.	Yes	The Audit Committee, under its operating regulations, has the capacities, duties and responsibilities described in this recommendation (see point II.3.)
42	II.4.5 According to the applicable model, the General and Supervisory Board, Audit Committee and Board of Auditors shall assess the external auditor on an annual basis and advise the General Meeting that he/she be discharged whenever justifiable grounds are present.	Yes	Each year, in the annex of its Activity Report, the Audit Committee assesses the external auditor (see point II.4.). To date, there has been no need to justifiably dismiss any entity performing the duties of external auditor; the General Meeting of Shareholders would not be responsible for such dismissal (see point II.24).
43	II.4.6. The internal audit services and those that ensure compliance with the rules applicable to the company (compliance services) shall functionally report to the Audit Committee, the General and Supervisory Board or in the case of companies adopting the Latin model, an independent director or Board of Auditors, regardless of the hierarchical relationship that these services have with the executive management of the company.	No	Novabase does not submit these services to a direct reporting to the Audit Committee, adopting a system which renders the control of constraints more agile, through a Chief Risk Officer (CRO) to whom these services report in what concerns risk prevention and management. The CRO has the duty to report to the Chairman of the Board of Directors and there have been established meetings between the CRO the Audit Committee and the Chairman of the Board of Directors at least once a trimester (see point II.6)
II.5. SPECIAL COMMITTEES			

44	<p>II.5.1 Unless the company is of a reduced size and depending on the adopted model, the Board of Directors and the General and Supervisory Committees, shall set up the necessary Committees in order to: <i>i) ensure that a competent and independent assessment of the Executive Directors' performance is carried out, as well as its own overall performance and further yet, the performance of all existing committees; ii) study the adopted governance system and verify its efficiency and propose to the competent bodies, measures to be carried out with a view to its improvements; iii) in due time identify potential candidates with the high profile required for the performance of director's duties.</i></p>	No	<p>Novabase has a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee; the former assesses the performance of the Board of Directors itself, and of all of its committees.</p> <p>In view of the specific characteristics of the governance model adopted by the company and its size, the shareholders themselves have ensured a suitable definition of the profile of potential candidates for director positions.</p> <p>Notwithstanding the above, it should be noted that when executive directors must be replaced, the company has a procedure in place under which the Executive Committee Chairman and the Executive Committee as a whole identify potential candidates (internal or external) to be designated under this replacement, submitting their names to the company boards legally responsible for the replacement, or communicating these names to shareholders interested in submitting, to the General Meeting of Shareholders, a respective proposal for election to the Board of Directors, when applicable (see point II.36.).</p>
45	<p>II.5.2 Members of the Remuneration Committee or alike shall be independent from the Members of the Board of Directors and include at least one member with knowledge and experience in matters of remuneration policy.</p>	No	<p>Members of the Remuneration Committee are independent from the members of the Board of Directors, pursuant to the generally accepted criteria for gauging the independence between the members of these two committees.</p> <p>However, in view of Recommendation No. II.5.3. of the 2010 Corporate Governance Code, one member may be considered a non-independent member of the Remuneration Committee in relation to the members of Novabase's Board of Directors.</p> <p>Notwithstanding the above, Novabase wishes to emphasize that since the Remuneration Committee's current members were appointed to their positions for the three-year period of 2009-2011, it seems inappropriate to make any changes at this time to this committee's composition before the end of the current term. (see section V)</p>
46	<p>II.5.3 Any natural or legal person that provides or has provided, over the past three years, services to any structure subject to the Board of Directors, to the Board of Directors of the company or that has to do with the current consultant to the</p>	Yes	<p>None of these situations apply to the entities contracted to support the Remuneration Committee (see point II.39).</p>

	company shall not be recruited to assist the Remuneration committee. This recommendation also applies to any natural or legal person who has an employment contract or provides services.		
47	II.5.4 All the Committees shall draw up minutes of the meetings held.	Yes	The corporate boards and specialized committees draw up their own meeting minutes (see point II.13).
	III. INFORMATION AND AUDITING		
	III.1 GENERAL DISCLOSURE DUTIES		
48	III.1.1 Companies shall maintain permanent contact with the market thus upholding the principle of equality for shareholders and ensure that investors are able to access information in a uniform fashion. To this end, the company shall create an Investor Assistance Unit.	Yes	Novabase provides permanent support to the capital market. The Investor Relations Office represents Novabase in its dealings with the CMVM and investors, including contact with private and institutional, foreign and Portuguese investors. The office provides information through Novabase's website, with links of interest for investors containing relevant information by investor profile (financial information, financial calendar, reserved information, area reserved for General Meetings of Shareholders and the postal/electronic voting model – the latter available since 2006 – among others). (see point III.16.)
49	III.1.2 The following information that is made available on the company's Internet website shall be disclosed in the English language: a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code; b) Articles of Association; c) Credentials of the members of the Board of Directors and the Market Liaison Officer; d) Investor Assistance Unit – its functions and access tools; e) Accounts Reporting documents; f) Half-Yearly Calendar on Company Events; g) Proposals sent through for discussion and voting during the General Meeting of Shareholders; h) Notices convening General Meetings of Shareholders.	Yes	This information is available in Portuguese and English on Novabase's website (www.novabase.pt) (see point III.16).
50	III.1.3. Companies shall advocate the rotation of auditors after two or three terms for four or three year terms, respectively. Their continuance beyond this period must be based on a specific opinion by the supervisory board that expressly considers the conditions of auditor independence and the benefits and costs of replacement.	Yes	See point III.18
51	III.1.4. The external auditor must, within its powers, verify the implementation of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and report any shortcomings to the company's supervisory board.	Yes	The external auditor assumes these duties, as described in point III.17.
52	III.1.5. The company shall not recruit the external auditor for services other than audit services, nor any entities with which same takes part or incorporates the same network. Where contracting such services is called for, said services should not be greater than 30% of the total value of services rendered to the company. The hiring of these services must be approved by the supervisory board and must be expounded in the Annual Corporate Governance Report.	Yes	Services contracted other than auditing services are described in point III.16; these are subject to approval by the Auditing Committee, and did not exceed 10% of all auditing services in value (see point III.17).
	IV. CONFLICTS OF INTEREST		

	IV.1 SHAREHOLDER RELATIONSHIP		
53	IV.1 Where deals are concluded between the company and shareholders with qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be carried out in normal market conditions.	Yes	No business deals or transactions were conducted between the company and owners of qualified holdings, or entities in any way related to them, outside of normal market conditions (see point III.12).
54	IV.1.2 Where deals of significant importance are undertaken with holders of qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be subject to a preliminary opinion from the supervisory board. The procedures and criteria required to define the relevant level of significance of these deals and other conditions must be established by the supervisory board.	Yes	In order to establish rules to ensure the effective, rigorous and agile participation of the Auditing Committee in this regard, a regulation was passed on 31 March 2011 to submit significant business deals with qualified shareholders, or with entities in any way related to them, pursuant to article 20 of the Securities Code, to the prior opinion of the Auditing Committee, in accordance with the procedures and criteria described in point III.13.

ASSESSMENT OF THE GOVERNANCE MODEL

At the General Meeting of Shareholders held on 12 April 2007, Novabase shareholders approved adoption of the Anglo-Saxon governance model, which includes a Board of Directors, an Audit Committee consisting of directors and elected by the General Meeting of Shareholders, and a Statutory Auditor. The corporate governance structure adopted by Novabase also includes a Remuneration Committee that establishes the remuneration of the members of all of the company's corporate boards, except for itself. Subsequent to the General Meeting of Shareholders' approval of the current corporate governance model, the Board of Directors created an Executive Committee to which it has delegated Novabase's day-to-day running. In addition, after increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, two specialized committees were also created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee.

The non-executive members of the Board of Directors have monitored the Executive Committee's activities, supported by the specialized committee mentioned above (the Board of Directors Performance Assessment Committee) since the 2009 General Meeting of Shareholders. Similarly, members of the Board of Directors have reflected on the adopted corporate governance system, also supported by a specialized committee (the Corporate Governance Assessment Committee) since the 2009 General Meeting of Shareholders. In these activities, the role of the Chairman of the Board of Directors has been essential in terms of the attention given to the operation of Novabase's corporate governance system, with a concern for ensuring that non-executive members of the Board of Directors receive information on the activities of the Executive Committee through the distribution of Executive Committee meeting minutes, answering all of the non-executive directors' questions and scheduling all issues requiring the Board of Directors' attention at its meetings.

Additionally, the Non Executive Directors annually assess the performance of the Governance model and the company in general, issuing a report which is an annex to this document.

Taking into account the various contributions received, particularly from the Corporate Governance Assessment Committee, together with the assessment that the members of the Board of Directors have made of the company's governance model, the Board believes that the Novabase governance model has adequately performed its corporate governance functions, having shown to be suited to the company's needs and size, no hindrances having been found in terms of its functioning.

Notwithstanding the above, it should be noted that Novabase bore in mind the provisions of Recommendation no. II.5.1 of the Corporate Governance Code, under which (unless the company's small size dictates otherwise) committees should be created to identify, in a timely manner, potential candidates with the high profile needed for the position of director.

Novabase did not implement any specialized committee to this end, in view of its size and the specific nature of its corporate governance model; an adequate definition does exist for the profile of candidates for management positions and selection of members to be elected by shareholders.

CHAPTER 1: GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is Novabase's highest decision-making body.

The General Meeting of Shareholders met once in 2011 (on May 5) to examine, discuss and vote on the following matters:

1. Item One: Decide on the 2010 Annual Report and Accounts;
2. Item Two: Decide on the proposal for the allocation of profits;
3. Item Three: Decide on a decrease in share capital from €15,700,697 to €10,362,460.02 by means of a reduction in the face value of all shares representing share capital, resulting in a decrease in the face value from €0.50 to €0.33 per share and an amendment to Article 4 (1) of the articles of association. The purpose of the capital decrease is to release excess capital.
4. Item Four: Decide on an increase in share capital from €10,362,460.02 to €15,700,697, via incorporation of €5,338,236.98 from the issue premium reserve, by increasing the face value of all shares representing share capital by €0.33, resulting in a face value of €0.50 per share and an amendment to Article 4 (1) of the articles of association;
5. Item Five: Conduct a general appraisal of the company's administration and auditing;
6. Item Six: Decide on the amendment of items 2,3,4 and 7 of article 9 and articles 12 and 13 of the articles of association;
7. Item Seven: Decide on the acquisition and sale of treasury shares;
8. Item Eight: Decide on the report of the Remunerations Committee on the remuneration policy for 2010 and approve the statement of this Committee on the remuneration policy of members of the company's management and auditing boards, under Law 28/2009 of 19 June and applicable regulations;
9. Item Nine: Assess the company's corporate governance model.

At this General Meeting of Shareholders, shareholders representing more than 72% of share capital were in attendance. Point 3 was rejected by more than 67% of the votes; as a result, point 4 was not put up for voting. The remaining points were approved by more than 65% of the votes. The voting on point 5 of the agenda on the general assessment of the managing and supervisory boards was done separately, with the initial voting on the assessment of management and the second on the assessment of supervisory boards.

1.1 Identification of the officers of the General Meeting of Shareholders

The officers of the Novabase General Meeting of Shareholders for the triennium 2009-2011 are Chairman António Manuel de Carvalho Ferreira Vitorino and Secretary Maria José Santana.

The Chairman of the General Meeting of Shareholders has the necessary and appropriate means to exercise his duties, having access to a work room and secretarial services at the company. In addition, the Chairman of the General Meeting of Shareholders has 10 people (7 of whom are from the company's staff) at his disposal dedicated to work specifically on the organization and management of the General Meeting of Shareholders.

1.2 Indication of the start date and duration of the terms

The Chairman and Secretary of the General Meeting of Shareholders were elected at the General Meeting of Shareholders of 28 April 2009, both for the three-year term from 2009-2011. Both end their term of office on 31 December 2011, but continue to perform their duties until new members are appointed, under the terms of article 8 (2) of the company's articles of association.

1.3 Remuneration of the Chairman of the General Meeting of Shareholders

The Chairman of the General Meeting of Shareholders is remunerated according to attendance in the amount of €1,000.

1.4 Advanced notice required for the blocking of shares and permission to participate in the General Meeting of Shareholders

As regards this point, it must be noted that, with the entry into force of Decree Law no. 49/2010 of 19 May, which introduced a number of changes to the Commercial Companies Code and Securities Code, namely regarding rules for preparing and holding General Meetings of Shareholders for issuers of securities admitted to trading in regulated markets, the former system for blocking shares to participate in the General Meeting of Shareholders has been replaced by the current registry date system.

Under these terms, and in compliance with this legislative change, Novabase's General Meeting of Shareholders of 5 May 2011 made changes to the company's articles of association (specifically, article 9 [2] and [4]) to adapt them to the new legal provisions.

According to the new wording of the articles of association, Novabase shareholders wishing to participate in the General Meeting of Shareholders must:

- (i) Have registered, in a securities account opened in their name with a financial agent, at 12:00 am (GMT) on the fifth trading day before the date of the General Meeting of Shareholders, shares granting at least one vote by law and by contract; and
- (ii) Follow the instructions in notices for the General Meeting of Shareholders regarding the way in which shareholders must prove their right to take part in the General Meeting of Shareholders and thereby discuss and vote, namely the means of sending required information and respective deadlines.

1.5 Rules applicable to the blocking of shares in the event of suspension of the General Meeting of Shareholders

Since the share blocking system has now been replaced by the registry date system, Novabase no longer has rules for the blocking of shares in the event of suspension of the General Meeting of Shareholders.

1.6 Number of shares corresponding to one vote

Pursuant to Article 9 of the company's articles of association, only shareholders with voting rights may attend the General Meeting of Shareholders.

To ensure greater shareholder involvement in the company, particularly through attendance at Novabase's General Meeting of Shareholders, the Board of Directors proposed an amendment to the articles of association, which was approved at the General Meeting of Shareholders of 12 April 2007, by which each share would correspond to one vote. As such, under the terms of the current wording of Article 9 (5) of the Novabase articles of association, one share corresponds to one vote.

This ensures a proportional balance between voting rights and shareholder involvement, using the preferential method referred to in Recommendation no. I.3.3 of the Corporate Governance Code.

1.7 Indication of the articles of association rules which envisage the existence of shares that do not confer voting rights or which enable voting rights over a certain number not to be counted, when issued by a single shareholder or shareholders related thereto

There are no articles of association rules which envisage the existence of shares that do not confer voting rights or which enable voting rights over a certain number not to be counted, when issued by a single shareholder or shareholders related thereto.

1.8 Existence of articles of association rules regarding exercising the right to vote, including constitutive and decision-making quorum or systems related to asset content rights

Novabase has encouraged shareholders to participate and exercise their voting rights at General Meetings of Shareholders, namely by allowing, through its articles of association, shareholder representation by means of a letter addressed to the chairperson of the General Meeting of Shareholders at least three days before the date set for the meeting.

Furthermore, following the entry into force of Decree Law no. 49/2010 of 19 May, which amended article 380 (1) of the Commercial Companies Code, Novabase's General Meeting of Shareholders held on 5 May 2011 made changes to the articles of association to allow shareholders to be legally represented at General Meetings of Shareholders, without specification or limitation of any kind ².

2 The company's articles of association stated that shareholders could be represented at General Meetings of Shareholders by their spouses, parents or offspring, by another shareholder or by a member of the Board of Directors. However, the current wording of article 380 (1) of the Commercial Companies Code states that the memorandum of association may not even limit (much less prohibit) shareholders' participation in the General Meeting of Shareholders via a representative. As such, Novabase believed it was appropriate to amend its articles of association to unequivocally comply with the new provision of the Commercial Companies Code.

Proxy forms will be provided to shareholders in a timely fashion on the Novabase website (www.novabase.pt).

Moreover, as stated in point I.4. of this report, with the entry into force of Decree Law no. 49/2010 of 19 May, the current wording of the articles of association stipulates that Novabase shareholders wishing to participate in the General Meeting of Shareholders must:

- (i) Have registered, in a securities account opened in their name with a financial agent, at 12:00 am (GMT) on the fifth trading day before the date of the General Meeting of Shareholders, shares granting at least one vote by law and by contract; and
- (ii) Follow the instructions in notices for the General Meeting of Shareholders regarding the way in which shareholders must prove their right to take part in the General Meeting of Shareholders and thereby discuss and vote, namely the means of sending required information and respective deadlines.

Along these lines, it should be noted that the provisions of Article 9 (5) of Novabase's articles of association – which state that one share corresponds to one vote – remain in effect.

If the shares are jointly owned, only a common representative, or his/her representative, may participate in the General Meeting of Shareholders.

Novabase shareholders may also exercise their right to vote by post and by electronic means, as further explained below.

In any case, only those votes (issued by representative, legal representative or electronic means) from shareholders for which information has been received on the financial intermediary with which a securities account has been opened are considered, in accordance with the above terms.

Under Article 10 of the articles of association, the General Meeting of Shareholders deliberates subsequent to a first notice or a second one, making decisions by a majority of the votes issued, notwithstanding the requirement of qualified majority in the cases provided for by law and under the current articles of association.

As such, the constitutive and decision-making quorum for the General Meeting of Shareholders stipulated in the Novabase articles of association is no different from that stipulated in the Commercial Companies Code.

Moreover, it should be noted that no systems related to asset content rights have been implemented.

I.9 Existence of various articles of association rules regarding the right to postal voting

Article 9 (9) of the Novabase articles of association governs postal voting.

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

The Chairman of the General Meeting of Shareholders must ensure the authenticity and confidentiality of postal votes until the time of voting.

Votes exercised by post or by electronic means shall be considered as negative votes with regard to any resolution proposals that are presented after the exercise of such votes.

The attendance of the shareholder at the General Meeting of Shareholders will result in the revocation of the postal vote.

I.10 Existence of a form for exercising the right to postal voting

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

I.11 Requirement of a time period spanning between reception of the postal vote and the date of the General Meeting of Shareholders

As mentioned above, in accordance with Article 9 (9c) of the Novabase articles of association, voting forms must be placed in a sealed envelope addressed to the Chairman of the General Meeting of Shareholders, delivered by hand to the company's registered office, or delivered to this office by registered mail by the third working day preceding the date of the General Meeting of Shareholders.

I.12 Electronic voting

Shareholders with voting rights may vote electronically. The rules to be followed for this method of voting (and the means for shareholders to prove their right to take part in the General Meeting of Shareholders and thereby discuss and vote) can be found in the notices convening the General Meetings of Shareholders.

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

Novabase's company website normally has additional instructions on electronic voting (also mentioned in meeting notices).

Votes exercised by electronic means will be considered as negative votes with regard to any resolution proposals that are presented after the exercise of such votes.

The attendance of the shareholder at the General Meeting of Shareholders will result in the revocation of the electronic vote.

I.13 Possibility of shareholders gaining access to excerpts from the minutes of the General Meetings of Shareholders in the company's website within five days after the General Meeting of Shareholders was held

A summary of the decisions is published on the Novabase website and in the CMVM information disclosure system immediately after the General Meeting of Shareholders.

At its company website, Novabase maintains documents with content corresponding to extracts from the minutes, including information on the number of people present, number of shareholders and meeting agendas. Voting results have also been provided since 2010. Novabase has also established the necessary mechanisms to ensure that the above are disclosed as quickly as possible, and always within the 5 days following the General Meeting of Shareholders.

I.14 Existence of a historical record on the company's website with the resolutions passed at the company's General Meetings of Shareholders, share capital and voting results referring to the previous three years

Novabase maintains a collection of past minutes, including information about the number of people present, number of shareholders represented and the number of institutional investors present, as well as the meetings' agendas and the decisions taken at meetings held over the past three years.

Since the 2010 financial year, Novabase has also provided information on voting results at the General Meeting of Shareholders.

I.15 Indication of the representative(s) from the Remuneration Committee present at General Meetings of Shareholders

Francisco Luís Murteira Nabo, as Chairman of the Remuneration Committee, was present at the 2011 General Meeting of Shareholders.

I.16 Information regarding intervention of the General Meeting of Shareholders as regards the company's remuneration policy and assessment of the performance of the members of the board of directors and other managers

As regards the intervention of the Novabase General Meeting of Shareholders concerning the remuneration of the board of directors, since it was introduced as a CMVM recommendation regarding the governance of listed companies in November 2005, this corporate board has assessed and decided on the documents prepared by the Remuneration Committee, either as a separate item on the agenda or as an annex to the management report, and containing the guidelines to be followed by this committee in the following year or for the period deemed most appropriate.

With regard to assessing the performance of the members of the Board of Directors, after increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, a Board of Directors Performance Assessment Committee was established with the following powers: (i) Assist the Board of Directors in the assessment of its overall performance; (ii) Assess the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals; (iii) Assess the performance of the Board of Directors' other specialized committees, namely the Audit Committee, Corporate Governance Assessment Committee and its own performance. To carry out its duties, the Board of Directors

Performance Assessment Committee asks other committees for a self-evaluation of their own performance, and submits an annual written evaluation report on the performance of the Board of Directors and of these committees before the date of the Board of Directors' approval of the annual report and accounts.

In addition to the assessment method described above, and prior to the establishment of this Board of Directors Performance Assessment Committee, the activity of executive directors was monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors, who is responsible for providing information regarding the company's business required to ensure monitoring of the activity of the executive directors. This monitoring of executive directors by non-executive directors continues to be a current practice at Novabase.

Lastly, it is important to point out that only the members of Novabase's Board of Directors are considered managers, within the meaning of Article 248-B (3) of the Securities Code; as such, there is no separate information to be disclosed in this regard.

I.17 Information of the intervention by the General Meeting of Shareholders on matters concerning the proposal on the share allocation plan, and/or stock option plans, or based on share price fluctuations, the members of the Board of Directors, Supervisory Board and other Directors, within the meaning of Article 248-B (3) of the Securities Code together with the details provided to the General Meeting of Shareholders for the purposes of correctly assessing said plans

All four plans for options to allot, subscribe for and/or purchase shares implemented at Novabase since 2000 have been subject to the approval of the General Meeting of Shareholders.

On 28 April 2009, the General Meeting of Shareholders approved a plan for the option to allot shares to members of Novabase's Board of Directors, for the years 2009 to 2011, under the terms described in greater detail in point III.10 of this corporate governance report. The complete version of the proposed regulations for this plan was provided to the General Meeting of Shareholders so that shareholders could properly evaluate it.

I.18 Information of the intervention by the General Meeting of Shareholders on matters concerning the approval of the main features of the retirement benefit system as enjoyed by the members of the Board of Directors, Supervisory Board and other Directors, within the meaning of Article 248-B (3) of the Securities Code

As stated in point II.31 of this report, the company has adopted no retirement benefit system for members of managing boards. Moreover, no such system applies to members of supervisory boards. As stated earlier, only Novabase's directors are considered managers, pursuant to Article 248-B (3) of the Securities Code.

I.19 Existence of statutory provision that envisages for a duty to be subject, at least every five years, to a resolution by the General Meeting of Shareholders, for the maintenance or withdrawal of the statutory provision providing for the limitation of the number of votes capable of being held or exercised by a single shareholder individually or together with other shareholders

Novabase's articles of association have no statutory provision that envisages a limitation of the number of votes capable of being held or exercised by a single shareholder individually or together with other shareholders. As such, the maintenance or withdrawal of such measures is not subject, at least every five years, to a resolution by the General Meeting of Shareholders.

I.20 Defensive measures that automatically cause serious erosion in the company's assets in the event of the transfer of control or changes to the composition of the board

No measures of this nature exist.

I.21 Significant agreements that the company is a party to and will come into force in the future which can be altered or terminated in the event of a change in the control of the company, along with the respective effects, unless, by their very nature, their disclosure is seriously harmful to the company, except if the company is specifically obliged to disclose such information as a result of legal requirements

These do not exist.

I.22 Agreements between the company and members of the board of directors and administrators under Article 248-B (3) of the Securities Code that provide for compensation in the event of resignation, termination without just cause or termination of the employment relationship following a change in the company's control

These do not exist.

Chapter II: Managing and Auditing Bodies

Section I – General Points

II.1 Identification and composition of the company's corporate boards

The managing and auditing bodies of Novabase are the Board of Directors, the Audit Committee and the Statutory Auditor.

The figure illustrates the composition of the Board of Directors as of 31 December 2011.

Rogério Santos Carapuça
Luis Paulo Cardoso Salvado
João Nuno da Silva Bento
Álvaro José da Silva Ferreira
Nuno Carlos Dias dos Santos Fórneas
Francisco Paulo Figueiredo Morais Antunes
Luís Fernando de Mira Amaral
Manuel Alves Monteiro
João Luis Correia Duque
José Afonso Oom Ferreira de Sousa
Joaquim Sérvulo Rodrigues
Pedro Miguel Quinteiro Marques Carvalho

On 31 December 2011 the Audit Committee was comprised of Luís Fernando de Mira Amaral (Chairman), Manuel Alves Monteiro (member) and João Luís Correia Duque (member). All members of the Audit Committee are non-executive and independent from the Board of Directors.

On 31 December 2011 the Novabase statutory auditing body had as its active member the official auditing firm Price Waterhouse Coopers & Associados - SROC, represented by Jorge Manuel Santos Costa or Ana Maria Ávila de Oliveira Lopes Bertão, and with César Abel Rodrigues Gonçalves as substitute statutory auditor.

II.2 Identification and composition of other committees equipped with skills related to administering or auditing the company

Within the scope of the committees equipped with corporate administrative qualifications, the Board of Directors has created the Executive Committee following the General Meeting of Shareholders' approval of the current corporate governance model, being the body to which the day-to-day management has been delegated. On 31 December 2011, the Executive Committee was comprised of the following members: Luís Paulo Cardoso Salvado (Chairman), João Nuno da Silva Bento, Álvaro José da Silva Ferreira, Nuno Carlos Dias dos Santos Fórneas and Francisco Paulo Figueiredo Morais Antunes.

During the 2011 financial year, information was provided to the members of the Board of Directors concerning all matters handled and decisions made by the Executive Committee, within the scope of its duties.

In fact, to date, the activity of the Executive Committee has been monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors and the Chairman of the Executive Committee, who is responsible for providing the minutes of the Executive Committee meetings and all additional information regarding the company's business required to ensure monitoring of the activity of the executive directors.

After increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, two specialized committees were also created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee, whose composition, powers and operating rules are shown below.

The Board of Directors Performance Assessment Committee is comprised of the following members: Rogério Santos Carapuça, Luis Paulo Cardoso Salvado, Luís Fernando de Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quinteiro Marques Carvalho.

The Corporate Governance Assessment Committee is comprised of the following members: Rogério Santos Carapuça, Luis Paulo Cardoso Salvado, Manuel Alves Monteiro, João Luís Correia Duque, José Afonso Oom Ferreira de Sousa and Joaquim Sérvulo Rodrigues.

As stated above, Novabase bore in mind the provisions of the new Recommendation no. II.5.1 of the Corporate Governance Code, under which (unless the company's small size dictates otherwise) committees should be created to identify, in a timely manner, potential candidates with the high profile needed for the position of director.

Novabase did not create any specialized committee to this end in 2011, in view of its size and the specific nature of its corporate governance model; an adequate definition does exist for the profile of candidates for management positions via the shareholders themselves, as detailed in point II.36 of this report.

II.3 Organizational structure and functional chart relating to the division of powers among the various boards, committees and/or departments within the company, including information on the scope of the delegation of powers, particularly with regard to the delegation of day-to-day management of the company, or distribution of functions among the members of the Board of Directors or Supervisory Board, and a list of non-delegable matters and powers actually delegated

Novabase was organized into four business areas in 2011:

- Novabase Business Solutions ³
- Novabase Infrastructures and Managed Services ⁴
- Novabase Digital TV ⁵
- Novabase Venture Capital ⁶

Novabase has a business model which includes the existence of executives responsible for the main sectors, the respective specialized products and services and the various competencies.

³ Corresponding to Novabase Business Solutions - Soluções de Consultoria, Desenvolvimento, Integração, Outsourcing, Manutenção e Operação de Sistemas de Informação, S.A.

⁴ Corresponding to Novabase IMS - Infrastructures & Managed Services S.A.

⁵ Corresponding to Novabase Digital TV - Engenharia de Sistemas para TV Interactiva S.A.

⁶ Corresponding to Novabase Capital - Sociedade de Capital de Risco, S.A.

These sectors are as follows:








- Aerospace & Transportation
- Energy & Utilities
- Financial Services
- Government & Healthcare
- Manufacturing & Services
- Telecommunications & Media

In 2011 Novabase has operated in each area and sectors with the following competencies:

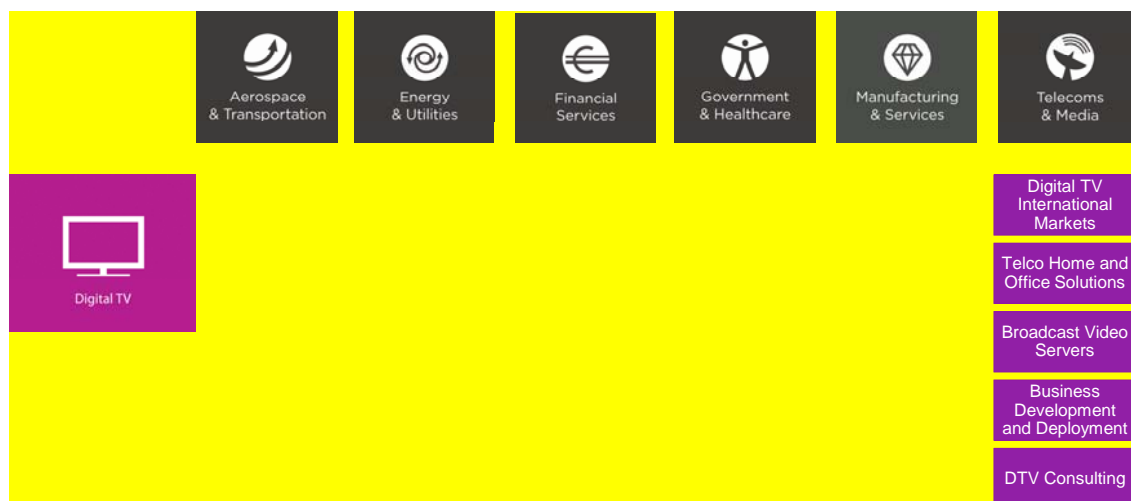
NOVABASE Business Solutions

	 Aerospace & Transportation	 Energy & Utilities	 Financial Services	 Government & Healthcare	 Manufacturing & Services	 Telecoms & Media
 Business Solutions	Intelligent Transportation Systems (ITS) Product	Electric Mobility Framework	Banking Operations	Corporate Solutions		Customer Service
	ITS Application Management		Process Efficiency & Integration	Citizen Relationship		Order Management & Integration
	ITS Infrastructure Management		Customer Experience	Fraud Prevention & Performance Analysis		Sales Performance Management
			Performance Analysis	Business Process Outsourcing		Next Generation Intelligent Network
			FS Consulting, Regulatory & Compliance	G&H Consulting		On-Line
						T&M Consulting
	A&T Solutions	E&U Solutions	FS Solutions	G&H Solutions	M&S Solutions	T&M Solutions
	IT Contracting	IT Contracting	IT Contracting	IT Contracting	IT Contracting	IT Contracting

NOVABASE Infrastructures & Managed Services

	 Aerospace & Transportation	 Energy & Utilities	 Financial Services	 Government & Healthcare	 Manufacturing & Services	 Telecoms & Media
 Infrastructures & Managed Services	Intelligent Infrastructures	Intelligent Infrastructures	Intelligent Infrastructures	Intelligent Infrastructures	Intelligent Infrastructures	Intelligent Infrastructures
	IT Management	IT Management	IT Management	IT Management	IT Management	IT Management

NOVABASE Digital TV



Novabase Venture Capital³ combines Novabase's corporate venture function with the area of mergers and acquisitions, and is able to respond to the needs of the other areas in this dominion. It also manages the two venture capital funds aimed at supporting investments in domestic technology-based SMEs.

The first, the Novabase Capital venture capital fund (€7.14 million), was established in 2005 and is owned by IAPMEI/Institute for the Support of Small and Medium Enterprises of the Ministry of the Economy and Innovation (€5 million) backed by the PRIME Program, with co-funding from the European Union via the ERDF (European Regional Development Fund), with the remaining €2.14 million held by Novabase Capital.

The second, the Novabase Capital Inovação e Internacionalização venture capital fund, has a maximum provision of €11.36 million, backed by the Support Fund for Financing Innovation (FINOVA) through a contribution of €5 million for the Northern, Central and Alentejo regions from the COMPETE program, and a contribution of €0.5 million for early-stage projects in the Lisbon region from the POR Lisboa program; it is included in the National Strategic Reference Framework (QREN) with co-funding from the European Union via the ERDF. The remaining contribution comes from Novabase Capital, totalling €5.1 million for the Northern, Central and Alentejo regions and €0.76 million for the Lisbon region.

Novabase Capital has also invested €0.3 million in the IStart I venture capital fund, aimed at supporting projects with relevant technology content currently in the proof-of-concept phase, and with a maximum provision of €5 million.



NOVABASE SGPS⁴ / NOVABASE Serviços⁵

Novabase SGPS and Novabase Serviços control the central functional areas: Human Resources, Finance & Administration, IT, Marketing & Communication and Legal. Novabase SGPS directly controls the investor relations function, including the Investor Relations Office.

³ NOVABASE Capital - Sociedade de Capital de Risco S.A.

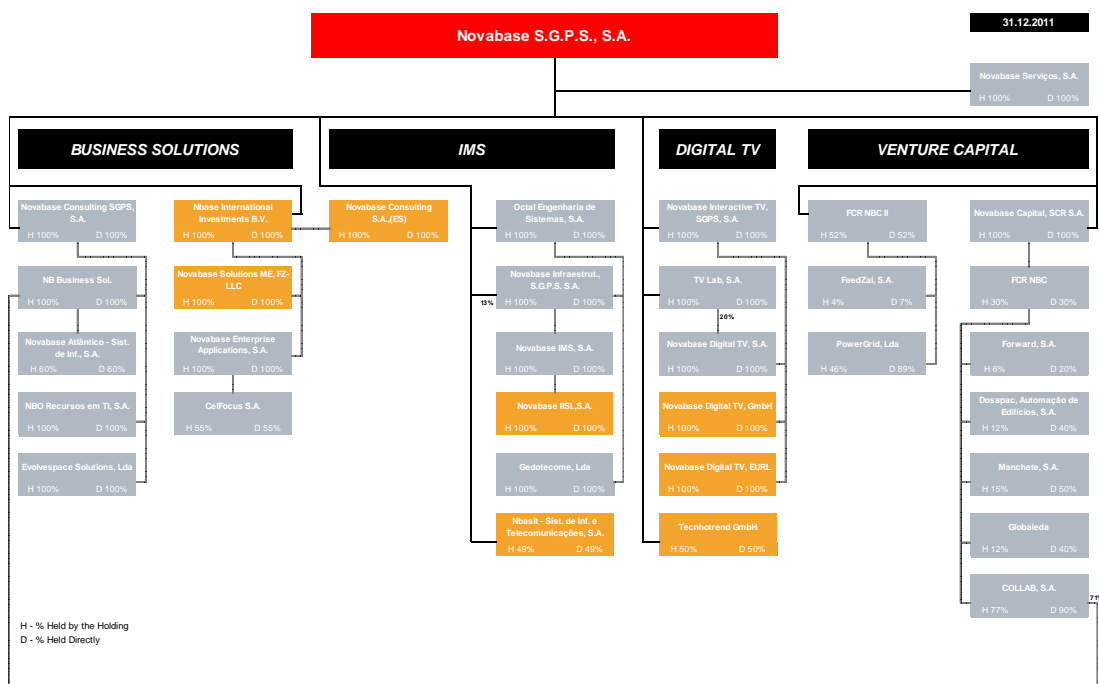
⁴ NOVABASE – Sociedade Gestora de Participações Sociais, S.A.

⁵ NOVABASE Serviços – Serviços de Gestão e Consultoria, S.A.

Information on the Investor Relations Office can be found in point III.15 of this report.

Organizational Chart

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



The adoption of an Anglo-Saxon corporate governance model was approved at the General Meeting of Shareholders of 12 April 2007. In light of amendments to the Commercial Companies Code under Decree-Law no. 76-A/2006 of 29 March, the Board of Directors submitted a proposal at this General Meeting of Shareholders (which was approved) to change the articles of association so that Novabase could adopt the Anglo-Saxon corporate governance model by institutionalizing the Auditing Committee as a board according to the articles of association for supervising company activities, consequently eliminating the Board of Auditors. In this way, the company's new corporate governance model was comprised of a Board of Directors, an Auditing Committee and a Statutory Auditor.

In addition, after increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, two specialized committees were also created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee.

The powers, operation and composition of the General Meeting of Shareholders, Board of Directors, Executive Committee, Auditing Committee and Statutory Auditor, together with those of the Board of Directors Performance Assessment Committee and the Corporate Governance Assessment Committee, are described below. Lastly, the powers, composition and operation of the Remuneration Committee are detailed.

Corporate Boards and other committees -- powers

The General Meeting of Shareholders: Novabase's highest decision-making board. This corporate board meets at least once every year to decide on matters for which it is responsible under the law and the articles of association, such as the annual report and accounts, as well as on the proposal for allocation of profits, generally assessing the company's management and auditing and electing the persons it is responsible for electing (along with other matters not falling under the responsibility of other company boards). The General Meeting of Shareholders may only make decisions on matters involving company management at the request of the Board of Directors.

The 2011 General Meeting of Shareholders was held on May 5 2011.

Board of Directors: Responsible for managing activities and ensuring the general interests of the company, exercising all powers under the law and the articles of association, and performing all actions necessary or appropriate toward the pursuit of its corporate purpose. The Board of Directors is fully and exclusively empowered to represent the company. In 2011, it worked entirely within its remit and in compliance with the guidelines laid down and approved for this financial year, which are reflected in this report.

The Board of Directors has general powers to act in pursuit of the company's corporate and business interests, within the confines of the law, the articles of association and the decisions of the General Meeting of Shareholders and, in particular, to:

- a) Acquire, encumber and sell any rights or movable property as well as to acquire, encumber and sell immovable property, whenever it is deemed appropriate for the company;
- b) Take out loans and carry out any other financing operations in the interest of the company, under such terms and conditions that it deems fit;
- c) Appoint representatives of the company;
- d) Delegate powers to its members, pursuant to Article 14 (4) of the articles of association;
- e) Hire employees, set their conditions of employment and exercise disciplinary power;
- f) Represent the company in and out of court, as plaintiff or defendant, file lawsuits, and make admissions, compromise in them and withdraw from them, and engage in arbitration;
- g) Open, operate and close any of the company's bank accounts, deposit and withdraw money, issue, accept, draw and endorse cheques, bills and promissory notes, invoice statements and any other securities;
- h) Decide on investments in the capital of other companies or on participating in other businesses;
- i) Run the company's businesses and carry out any acts and transactions relating to the corporate purpose that do not fall within the jurisdiction of other company bodies;
- j) Choose its Chairman, when not designated by the General Meeting of Shareholders pursuant to Article 14 (2) of the articles of association;
- k) Co-opt directors;
- l) Ask the Chairman of the General Meeting of Shareholders to convene General Meetings of Shareholders;
- m) Decide on the annual reports and accounts;
- n) Decide that Novabase may provide collateral, personal guarantees and security in rem;

- o) Open or close establishments or major parts thereof;
- p) Undertake important expansion or reduction in the business operations of Novabase;
- q) Implement important modifications in the organization of Novabase;
- r) Establish or end important long-term cooperation with other companies;
- s) Change the registered office and increase the share capital pursuant to the provisions of the articles of association;
- t) Undertake projects to merge, divide and transform Novabase; and
- u) Undertake any other matter on which a Director seeks a decision from the Board of Directors.

As part of its management powers, the Board of Directors is responsible for implementing and monitoring a suitable internal control and risk management process, working toward its efficacy. The Board of Directors is also responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by regulatory entities and applicable at any given moment.

The following figure illustrates the composition of the Board of Directors elected for the three-year period of 2009-2011, together with the primary responsibilities of its members in 2011.

Rogério dos Santos Carapuça	Chairman of the Board of Directors / Government & Healthcare Sector
Luís Paulo Cardoso Salvado	CEO/Aerospace & Transportation Sector / Business Design /Corporate Development /Investor Relations
João Nuno da Silva Bento	Venture Capital / Digital TV / Telecoms & Media Sector / Energy & Utilities Sector
Álvaro José da Silva Ferreira	CHRO / IMS / Business Solutions / Angola / Outsourcing
Nuno Carlos Dias dos Santos Fórneas	CIO / CMO / Financial Services Sector / Manufacturing & Services Sector
Francisco Paulo Figueiredo Morais Antunes	CFO / CLO / CRO / Spain
Luís Fernando de Mira Amaral	Non-executive and independent
Manuel Alves Monteiro	Non-executive and independent
João Luis Correia Duque	Non-executive and independent
José Afonso Oom Ferreira de Sousa	Non-executive
Joaquim Sérvulo Rodrigues	Non-executive
Pedro Miguel Quinteiro Marques de Carvalho	Non-executive

Although the term of the current members of the Board of Directors ended on 31 December 2011, under the terms of article 391 (4) of the Commercial Companies Code, the current directors will remain in their positions until the election of new members to the Board of Directors in Novabase's General Meeting of Shareholders, to be held on 3 May 2012.

The Board of Directors holds regular meetings once per month, and extraordinary meetings whenever called by its Chairman or by two of its members. This company board cannot function without a majority of its active members present; under urgent circumstances, the Chairman may waive this majority when it can be achieved via postal or proxy voting.

In addition to the attendance methods described above, one or more members of the board may participate via teleconferencing, when duly recorded in the minutes. In this case, directors attending remotely via teleconferencing are considered present at the meeting.

Except when a qualified majority is required by law, the decisions of the Board of Directors are

made by simple majority; the Chairman has a casting vote in the event of a tie.

Pursuant to the law, members of the Board of Directors may not vote on matters whose interests conflict with those of Novabase.

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

In accordance with the delegation of powers approved on 27 July 2009, the performance of all actions required for the day-to-day running of the company has been delegated to Novabase's Executive Committee for the three-year period of 2009-2011, including all powers needed or expedient for pursuing the company's corporate purpose and conducting its business, within the confines of the law, namely:

- a) Carry out the annual business plans and corresponding budgets after their approval by Novabase's Board of Directors;
- b) Approve changes to the budget, except when their cumulative impact on the company's consolidated net profit is expected to exceed €1 (one) million in the financial year;
- c) Approve and carry out the company's short, medium and long-term organic development and investment plans, and identify and make investments in existing or new business areas of the company and its affiliates, by means of a budget approved by Novabase's Board of Directors and/or, in the absence of this, provided that (i) individually, they do not exceed €1 (one) million; and (ii) together, €5 (five) million in a given financial year; or (iii) in the case of R&D (research and development) investments or investments with co-funding, covered by applicable tax incentives or subsidies, up to a combined amount of €20 (twenty) million per financial year;
- d) Acquire, encumber and sell holdings in other companies, provided these transactions' general guidelines fall within the annual business plans and respective budgets, or, otherwise, with the prior approval of Novabase's Board of Directors;
- e) Manage holdings in other companies, including affiliates, namely by appointing their representatives on corporate boards and laying out guidelines for these representatives' activities, together with approving and reorganizing these holdings according to the annual business plans, or by prior decision approved by Novabase's Board of Directors;
- f) Notwithstanding legal provisions and formalities, buy and sell treasury shares within the framework and limits of the decision of the General Meeting of Shareholders;
- g) Open, transact and close bank accounts;
- h) Approve short and medium-term financing agreements (12-36 months), including those which increase overall indebtedness, provided that their value is €5 (five) million or less per transaction, or cumulatively €20 (twenty) million per financial year, or of any amount with the prior approval of Novabase's Board of Directors. The Executive Committee must furnish the Board of Directors with an updated debt schedule each month;
- i) Grant medium and short-term loans (and/or shareholder loans) to affiliates for cash-on-hand and other purposes allowed by law, up to the amount of €20 (twenty) million per financial year, or in any amount with the prior approval of Novabase's Board of Directors.;
- j) Acquire, sell and/or encumber company assets, individually up to €1 (one) million, or cumulatively up to €5 (five) million per financial year;
- k) Take or give in lease, and manage the use of, immovable property allocated to the business of the company and/or its affiliates, partially or in whole, in accordance with the budget approved by Novabase's Board of Directors or, apart from a budget, up to a combined annual amount of €1 (one) million;
- l) Manage and coordinate all of the company's operating and business support areas, including but not limited to Human Resources, Finance and Administration, Marketing

- and Communication, Information Systems, Legal, Organizational Development and Investor Relations, excluding internal auditing boards if/when they exist;
- m) Recruit and dismiss employees, define human resources and occupational health and safety policies, define and implement plans for training, levels, categories, remuneration terms/conditions and other bonuses or salary supplements;
 - n) Perform standard activities involving powers as an employer, including but not limited to disciplinary authority and the application of legally admissible employee penalties;
 - o) Order/determine the presentation, negotiation and contracting of any supplies of goods and/or services by the company and/or its affiliates within the scope of their corporate purpose, individually up to €20 (twenty) million and/or (i) without a binding obligation of any kind exceeding 15 years; (ii) without terms/conditions deemed of considerable financial, legal and/or commercial risk, attributable to Novabase's Executive Committee, by those in the organization responsible for monitoring or otherwise assisting in the control of this risk;
 - p) Contract goods and services of any kind and by any means, as needed to pursue the corporate purpose, up to the amount of €1 (one) million per transaction, or in any amount with the prior approval of Novabase's Board of Directors or associated with the transactions referred to in o);
 - q) Take part in incorporated joint ventures and European Economic Interest Groupings, enter into consortium and equity partnership agreements, and establish or take part in any other forms of temporary or permanent association between companies and/or private or public entities, except when their purpose is to participate in projects whose anticipated turnover for the company exceeds €20 (twenty) million;
 - r) Represent the company in and out of court, as plaintiff or defendant, including the instituting, contesting and lodging of appeals in any legal or arbitration proceedings, as well as confessing, withdrawing from or coming to terms in any proceedings and engagement in arbitration. The Executive Committee must furnish information on any proceedings involving the company whose amount is equal to or exceeds €1 (one) million; and
 - s) Appoint representatives to perform specific acts or categories of acts, defining the scope of their respective powers.

In view of the above, no powers have been delegated involving matters where the Board of Directors must ensure that the company acts in accordance with its objectives, namely: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.

The Executive Committee was first created by the Board of Directors in 2006, and on 31 December 2011 consisted of the following members, who have been assigned the jurisdictions and responsibilities indicated below:

Luís Paulo Cardoso Salvado	CEO / Aerospace & Transportation Sector / Business Design / Corporate Development / Investor Relations
João Nuno da Silva Bento	Venture Capital / Digital TV / Telecoms & Media Sector / Energy & Utilities Sector
Álvaro José da Silva Ferreira	CHRO / IMS/ Business Solutions / Angola / Outsourcing
Nuno Carlos Dias dos Santos Fórneas	CIO / CMO / Financial Services Sector/ Manufacturing & Services Sector
Francisco Paulo Figueiredo Morais Antunes	CFO / CLO / CRO / Spain

The Executive Committee sets the dates or frequency of its ordinary meetings, and holds extraordinary meetings whenever called by its Chairman or by two of its members.

This committee cannot function without a majority of its active members present; under urgent circumstances, the Chairman may waive this majority, with approval of this decision at the Executive Committee's next meeting.

Notwithstanding the above, postal and proxy voting is permitted, although no member of the Executive Committee may represent more than another member of the committee.

Along these lines, one or more members of the Executive Committee may attend remotely via videoconferencing or conference call, so long as the meeting minutes specify this whenever it occurs.

It should also be noted that the Chairman of the Board of Directors is called to Executive Committee meetings under the same terms as its members, and is always entitled to attend Executive Committee meetings without voting rights.

The Executive Committee makes decisions by a majority vote; its Chairman has a casting vote.

Rules involving conflicts of interest apply to the Executive Committee. In fact, Executive Committee members are required to notify the Chairman of the Executive Committee of any potential conflicts of interest with Novabase, whether directly or through third parties, involving issues under discussion and voting. In such cases, the members in question may not exercise their voting rights in decisions on issues with potential conflicts of interest.

All the information requested by the various corporate boards was supplied by the Novabase executive directors in a timely and suitable fashion.

Audit Committee: Comprised of independent non-executive members of the Board of Directors appointed by the General Meeting of Shareholders, the Auditing Committee is responsible for supervising company management and compliance with the law and articles of association, and for issuing an opinion on management's annual report and accounts. Its supervisory powers ensure the independence and quality of company audits in accordance with the best international standards. It also ensures the efficacy of the company's internal control system and monitors the company's fulfilment of principles and best practices involving corporate governance.

This Committee operates within the scope of the Board of Directors and has the following duties:

- a) Propose, at the General Meeting of Shareholders, the appointment of the Statutory Auditor;
- b) Monitor the Statutory Auditor's independence;
- c) Oversee the review of accounts and other company accounting documents, namely the accounting policies and valuation criteria adopted by Novabase, so that these documents lead to a correct appraisal of the assets and results;
- d) Prepare an annual report on its oversight activities, and issue an opinion on the Annual Report and Accounts and proposals submitted by management;
- e) Collaborate with the Board of Directors in selecting external auditors and determining the respective remuneration, as well as supervise these auditors' work, including verification of the existence of suitable conditions for providing external auditing services and receipt of the respective reports, assessing the external auditor on an annual basis;
- f) Ensure the existence of sufficient internal control mechanisms to understand and manage the inherent risks of Novabase's activities;
- g) Monitor the efficacy of the risk management system, internal control system and internal auditing system;

- h) Recommend the adoption of policies and procedures for achieving the goals established in point (g) above to the Board of Directors, and to suggest how these mechanisms may be improved;
- i) Alert the Board of Directors and other corporate boards, depending on the circumstances, to any situations in the company which may be regarded as anomalous, should they exist;
- j) Monitor the preparation and disclosure of financial information;
- k) Take whatever decisions it deems necessary, informing Novabase's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) accordingly, with respect to information about any irregular practices which it receives from shareholders, Novabase employees or others, to the department created specifically for this purpose;
- l) Prepare an annual report, to be submitted to the ordinary General Meeting of Shareholders, describing its activity in the previous financial year and its conclusions;
- m) Comply with other competencies and duties provided for by law and the memorandum of association; and
- n) Prepare reports, define policies and guidelines, create recommendations, implement procedures and execute the necessary measures to fulfil the provisions of these Regulations, national legal and regulatory provisions, recommendations issued by the Portuguese Securities Market Commission, and standards which may be imposed under legislation passed by competent authorities of the European Union concerning the powers and responsibilities of the Auditing Committee as part of the corporate governance principles adopted by Novabase.
- o) Verify the accuracy of the books, accounting records and their supporting documentation;
- p) Verify, when deemed appropriate and in the manner deemed suitable, the extent of cash and inventories of any kind of goods or amounts belonging to the company or received by the company as a guarantee, deposit or other security;
- q) Call the General Meeting of Shareholders, when not done so accordingly by its chairperson; and
- r) Hire the services of experts to assist one or several of its members in the performance of their duties; the hiring and remuneration of such experts must take into account the importance of the matters entrusted to them and the company's financial position.

In addition, since 31 March 2011, and Audit Committee has performed duties involving preliminary assessments of the business deals to be carried out between the company and the owners of qualified holdings or entity relationships with the former, as envisaged in Article 20 of the Securities Code. The Audit Committee's duties in this regard are described in point III.13.

The Audit Committee's internal regulations, available at Novabase's website, also detail some general duties and responsibilities, such as participating in the meetings of the Board of Directors and the General Meeting of Shareholders, or maintaining confidentiality with regard to facts and information disclosed to Auditing Committee members during the performance of their duties, along with duties and responsibilities involving the following specific matters: (i) external auditing; (ii) provision and disclosure of financial information; and (iii) internal auditing, complaints and compliance.

It held the compulsory number of meetings in 2011 as required by the articles of association and made all examinations of the accounts that it saw fit as part of its duties. It conducted analyses and made suggestions as deemed necessary. On 31 December 2011 it was comprised of Luís Fernando de Mira Amaral (Chairman), Manuel Alves Monteiro and João Luís Correia Duque, all of whom are non-executive voting members of the Board of Directors. All members of the Audit Committee are independent, whether as members of the Board of Directors or as members of the Audit Committee. In addition, the Chairman and other members of the Audit Committee are adequately capable of carrying out their duties in this company board.

Although the term of the current members of the Audit Committee ended on 31 December 2011, the current members will remain in their positions until the election of new members to the Audit Committee in Novabase's General Meeting of Shareholders, to be held on 3 May 2012.

The Audit Committee holds ordinary meetings at least once every two months, or whenever deemed necessary by its Chairman or requested by one of its members. The Chairman of the Auditing Committee is responsible for convening and running its meetings, and has a casting vote.

Decisions of the Audit Committee are made by a majority vote.

In carrying out its duties, the Audit Committee may, whenever deemed necessary, request meetings with the Chairman of the Board of Directors, with the CFO (the director responsible for the financial function), with the Board of Directors or with the Executive Committee.

The Audit Committee may also convene, at its own initiative in carrying out its duties, any management staff, employees or consultants at Novabase, together with external auditors or the Statutory Auditor, to attend, partially or in whole, any of its meetings, to meet individually with any of its members or to provide all information deemed necessary by the Audit Committee.

Statutory Auditor: The statutory auditor is responsible for examining the company's accounts (specifically, performing the duties laid out in article 420 c), d), e) and f) of the Commercial Companies Code), together with supervisory duties involving the ongoing pursuit of the company's corporate purpose. On 31 December 2011, its active member was Price Waterhouse Coopers & Associados - SROC, represented by Jorge Manuel Santos Costa or Ana Maria Ávila de Oliveira Lopes Bertão, and with César Abel Rodrigues Gonçalves as substitute statutory auditor.

Although its term ended on 31 December 2011, the statutory auditor will remain in its position until the election of a new statutory auditor in Novabase's General Meeting of Shareholders, to be held on 3 May 2012.

Board of Directors Performance Assessment Committee: Pursuant to its regulations, the Board of Directors Performance Assessment Committee has the following powers: (i) Assist the Board of Directors in the assessment of its overall performance; (ii) Assess the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals; (iii) Assess the performance of the Board of Directors' other specialized committees, namely the Audit Committee, Corporate Governance Assessment Committee and its own performance. To carry out its duties, the Assessment Committee asks other committees for a self-evaluation of their own performance, and submits an annual written evaluation report on the performance of the Board of Directors and of these committees before the date of the Board of Directors' approval of the annual report and accounts.

On 31 December 2011, the Board of Directors Performance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Luís Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quinteiro Marques de Carvalho.

In addition to the assessment method described above, and prior to the establishment of this Board of Directors Performance Assessment Committee, the activity of executive directors was monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors, who is responsible for providing information regarding the company's business required to ensure monitoring of the activity of the executive directors. This monitoring

of executive directors by non-executive directors continues to be a current practice at Novabase.

The Board of Directors Performance Assessment Committee holds ordinary meetings twice per year⁶, on a date and at a location set by its Chairman, and whenever called by the Chairman, at its own initiative or at the request of any of its members.

This committee may not operate unless duly attended or represented by a majority of members; any member may be represented at meetings by any other member via letter addressed to the Chairman. However, no member of the Board of Directors Performance Assessment Committee may represent more than one other member at the same time.

Members may attend Board of Directors Performance Assessment Committee meetings via teleconferencing, and may vote by post.

Decisions are made by a majority vote, and the Chairman has a casting vote.

Corporate Governance Assessment Committee: In turn, pursuant to its regulations, the Corporate Governance Assessment Committee has the following powers: (i) Constantly assess the corporate governance model, internal rules and procedures regarding Novabase's structure and governance, and the adequacy of the Novabase Group's principles and practices of conduct vis-à-vis legal, regulatory and statutory provisions and recommendations, standards and international and national best practices involving corporate governance; (ii) Propose to the Board of Directors – which in turn may convey this proposal to the General Meeting of Shareholders, if applicable – changes to Novabase's corporate governance model deemed relevant for the ongoing refinement of the company's corporate governance practices; (iii) Provide each year to the Board of Directors a proposed text for the Corporate Governance Report to disseminate throughout the company as an integral part of each year's Annual Report and Accounts. This report – drawn up according to CMVM recommendations on format and content – offers conclusions on Novabase's degree of compliance with legal, regulatory and statutory provisions, together with rules, recommendations, standards and international and national best practices involving corporate governance.

On 31 December 2011, the Corporate Governance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Manuel Alves Monteiro, João Luís Correia Duque, José Afonso Oom Ferreira de Sousa and Joaquim Sérvulo Rodrigues.

The Corporate Governance Assessment Committee holds ordinary meetings twice per year, on a date and at a location set by its Chairman, and whenever called by the Chairman, at its own initiative or at the request of any of its members.

This committee may not operate unless duly attended or represented by a majority of members; any member may be represented at meetings by any other member via letter addressed to the Chairman. However, no member of the Corporate Governance Assessment Committee may represent more than one other member at the same time.

Meeting attendance via videoconferencing and postal voting are allowed.

Decisions are made by a majority vote, and the Chairman has a casting vote.

In 2011, Novabase did not create any specialized committee with the power to identify, in a timely manner, potential candidates with the high profile needed for the position of director, as this was not necessary in view of its size and the specific nature of its corporate governance

In 2011, the Board of Directors Performance Assessment Committee believed that a single meeting was sufficient, as described in point II.13.; A second meeting was not justified during the financial year to merely fulfil the obligation found in the internal regulations.

model; an adequate definition does exist for the profile of candidates for management positions via the shareholders themselves, as detailed on point II.36 of this report.

Novabase also has a Remuneration Committee, which is not a managing or supervisory board, and which is responsible for establishing the terms and conditions of remuneration for corporate board members. The Remuneration Committee's composition, powers and other information are detailed in Section V of this report.

II.4 Reference to the annual reports on the activities undertaken by the General and Supervisory Board, the Financial Board, the Auditing Committee and the Supervisory Board including the description of the supervisory activity and indicating any restraints found, and being subject to disclosure on the website of the company, together with the financial statements

The Audit Committee Report is annexed in its entirety to this document, and is available on the Novabase website, together with the accounting documents and the Audit Committee's annual report, which includes a description of the oversight activities carried out by the Auditing Committee, together with the fact that no constraints were found with regard to these activities.

II.5 Description of the company's internal control and risk management systems, particularly with regard to financial reporting and the functioning and effectiveness thereof

Given the importance of a structured risk management model to the business, together with market regulatory requirements, the company's Board of Directors has been tasked with implementing and monitoring a suitable internal control and risk management process, working towards its efficacy.

The company therefore has a working model – safeguarding the company's worth and encouraging transparency in its corporate governance – based on detecting and anticipating potential risks and risk factors, so as to manage them in a timely manner, via the delegation of responsibilities and appropriate internal communication channels in line with the company's strategic goals for assuming risks as defined under this system.

Under its non-delegable powers of defining the company's overall policies and strategy, the Board of Directors is responsible for defining Novabase's strategic objectives in the area of risk assumption, in accordance with the company's needs and business activities.

In addition, in the area of medium and long-term strategic planning, the Board of Directors is responsible for analyzing risk, and does so regularly in relation to the annual operations plan and whenever potential businesses and markets are being evaluated, measuring each potential risk's impact and likelihood of occurrence.

Since Novabase does business in the area of Information Technology, this system has identified the following main risks (in addition to those listed in point II.9, whose risk factors are also identified via this model) and corresponding risk factors: (i) risk that the solutions developed may become obsolete relatively fast, due to the market trend of adopting their base technologies or changes in customers' business needs and investment priorities; (ii) risk that a proposed solution may prove unsuitable in terms of the choices made or the timing of the development of new solutions, due to the incorrect forecasting of technology trends or trends in our customers' business sectors impacting their information systems needs.

With these risks in mind, the teams tied to Novabase's primary markets analyze the industry in order to detect current trends and promote the development of internal skills to address these

trends. In turn, the teams from Novabase's various practices control typical risks in the IT sector within their spheres of expertise, such as technology obsolescence, the risk that solutions may not be suitable, and the timing of the development and proposal of new solutions not being right for the market.

This system's efficiency is due to the instituted internal procedure, which reinforces the communication channels between the Group's various departments and decision-making bodies, thereby allowing communication and information on various system components, and potential internal control problems to be analyzed, and detecting potential risks in real time.

Novabase also has an Internal Auditing team responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group's central service areas, always in accordance with the strategic goals laid out in the integrated risk management model. Periodic, focused internal audits are thus performed, covering all of Novabase's affiliates.

Additionally, the position of Chief Risk Officer ("CRO") was created at Novabase. Internal auditing areas and areas that ensure compliance with norms applicable to the company (compliance services) report to the CRO with regard to risk prevention and management. The CRO is responsible for reporting to the Chairman of the Board of Directors, with meetings at least once per quarter between the Chairman of the Board of Directors, CRO and the Audit Committee. Director Francisco Paulo Figueiredo Morais Antunes holds the position of CRO.

Along these lines, it should be noted that the Audit Committee, as an inspection body, monitors the activity of the external auditors, as well as that of the internal auditors, assessing annual internal auditing plans, obtaining information about the actions performed by this team and providing an opinion regarding their conclusions.

In this context, this committee also has powers involving the assessment of sufficient internal control mechanisms in order to understand and manage the inherent risks of Novabase's activities, suggesting policies and procedures to the Board of Directors to achieve these goals and refine these mechanisms.

The Board of Directors is also responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by the applicable regulatory entities at any given moment.

As regards the quality of the financial information that is publicly disclosed by the Investor Relations Department, it should be pointed out that it is the result of a financial reporting process that is ensured by the central services areas of the Group, subject to the internal control system of the Group and monitored through the aforementioned methods. Nevertheless, this information is also subject to analysis and approval by the relevant bodies, namely the Executive Committee and the Board of Directors.

In 2011, the risk management and internal control model implemented allowed the risks and risk factors mentioned above to be identified, effectively helping to prevent them.

II.6 Responsibility of the Board of Directors and the Supervisory Board in establishing and operating the company's internal control and risk management systems, and also in assessing said system's functioning and adaptation to the company's requirements

The company's Board of Directors is responsible for implementing and monitoring a suitable internal control and risk management process, working towards its efficacy. Systematic and regular monitoring of this matter is directly conducted by the Executive Committee with the aim of optimizing management of risk that can negatively impact achievement of the strategic

business goals. The process is based on anticipating and identifying risk, permitting its timely management through processes of delegating responsibilities and suitable internal communication channels.

As mentioned in the previous point, Novabase also has an Internal Auditing team responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group's central service areas. Internal audits are thus conducted and essentially focused on processes that impact the financial area and covering all of Novabase's affiliates.

The Audit Committee, as an inspection body, monitors the activity of the external auditors, as well as that of the internal auditors, assessing annual internal auditing plans, obtaining information about the actions performed by this team and providing an opinion regarding their conclusions.

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

The Board of Directors is also responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by the applicable regulatory entities at any given moment.

Although formal reporting structures to the Audit Committee currently do not exist for the internal auditing area and areas that ensure compliance with norms applicable to the company (compliance services), regardless of these areas' hierarchical relationship with the company's executive management, the position of Chief Risk Officer ("CRO"), was created at Novabase, to whom these areas report with regard to risk management and prevention. The CRO is responsible for reporting to the Chairman of the Board of Directors, with meetings at least once per quarter between the Chairman of the Board of Directors, CRO and Audit Committee. Director Francisco Paulo Figueiredo Morais Antunes holds the position of CRO.

II.7 Indication of the existence of operating regulations for the company's corporate boards or other rules related to the internally defined incompatibilities, the maximum number of positions that can be accumulated and where they can be consulted.

The Board of Directors, Executive Committee, Audit Committee, Board of Directors Performance Assessment Committee and Corporate Governance Assessment Committee have their own operating regulations, which are available for consultation at Novabase's website.

Beyond those resulting from applicable legislation, there are no other regulations regarding incompatibilities or the maximum number of positions that can be accumulated applicable to Novabase corporate boards.

Section II – Board of Directors

II.8 In the event of the Board of Directors' Chairman carrying out an executive role, an indication of the mechanisms coordinating the tasks of non-executive members in order to ensure independence and notification of decisions.

Not applicable.

II.9 Identification of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity.

Below is a description of some of the risks analyzed by the company which deserve attention due to their relevance and business impact.

As regards credit risk, although it is focused on major customers and its credibility is above average, Novabase has internally developed a customer credit risk analysis system that includes categorization prior to the presentation of a work proposal, involving the reality of the potential risk and associating the hierarchical approval level suited to it subsequent to that categorization.

As regards legal risk, potential problems with customers and employees are the most probable. These risks are part of the internal control system in terms of project management, relationships with outside entities and internal departmental processes. Procedures have been defined to streamline the prior analysis of all contracts and other legal processes by the legal department, thereby minimizing potential future sources of risk. In addition, the status of current legal proceedings is regularly monitored, with an analysis of their potential financial impacts.

Some of the Group's business areas are exposed to exchange risk (primarily EUR/USD), which is analyzed and hedged through an exchange management policy based on "natural hedging", or using the exchange derivatives market or even exchange options.

Novabase takes a conservative, prudent stance in managing its exchange risks, with the speculative use of derivatives forbidden.

Where project risk management is concerned, Novabase has a project qualification methodology which analyzes various specific parameters. Once the risk of the project has been ascertained, it is assigned to a project manager with the appropriate seniority. A number of qualifying training courses for project managers have been pursued in recent years. It should also be mentioned that there is a methodology in place that involves conducting internal project audits with the appropriate frequency. A system of ceilings is in place, by which authorization of proposals must be validated by a supervisor and the maximum ceiling requires authorization by the Board itself. There is a procedure for centrally validating, sending and filing proposals, which is revised by Novabase's legal department at the contract level. This department must issue its opinion before a proposal can be sent to a customer.

II.10 Powers of the board of directors, namely with respect to decisions to increase capital.

The authority and powers of the Board of Directors are described in point II.3 above of this report.

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

This power of the board of directors was renewed for an additional period of five years at the Annual General Meeting of Shareholders of 12 April 2007.

II.11 The information on the rotation policy of the Board of Directors' functions, namely as to the financial responsibility division and the rules applicable to the appointment and replacement of members of the board of directors and of the supervisory board.

The members of the Board of Directors and Audit Committee are appointed and replaced in the performance of their duties, pursuant to the law.

Constitutive quorum for the General Meeting of Shareholders

The General Meeting of Shareholders can, on first or second notice, decide on the appointment and replacement of members of the managing and supervisory body, however many shareholders are represented there.

Deliberative quorum for the General Meeting of Shareholders

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

Novabase currently has no formal rotation of functions policy for Board of Directors, specifically with regard to the individual in charge of the financial function.

However, it should be noted that Novabase has significantly and frequently rotated the holders of executive positions.

Director Francisco Antunes performed the duties of Chief Financial Officer (CFO) in 2009, having replaced Luís Paulo Salvado who had held this position since 12 April 2007, following the General Meeting of Shareholders of 28 April 2009. On 6 May 2010, the Executive Committee decided that Director Francisco Antunes would also take on the responsibility of Novabase Legal Management, previously held by Luís Paulo Salvado.

In the Executive Committee meeting of 29 June 2011, it was likewise decided that Director Álvaro Ferreira would replace Director Luís Paulo Salvado in the position of Chief Human Resources Officer (CHRO) beginning in July 2011.

The company's remaining management (and supervisory) functions have also undergone considerable rotation, primarily because directors João Vasco Tavares da Mota Ranito and José Carlos de Almeida Pedro de Jesus left their positions at the company in 2008, and because directors Manuel Saldanha Fortes Tavares Festas and João Quadros Saldanha left their positions in 2009. In 2009, the executive positions of directors Rogério dos Santos Carapuça, José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques de Carvalho also ended, with former CFO Luís Paulo Cardoso Salvado taking the position of Novabase CEO. Finally, a new member of the Auditing Committee, João Luís Correia Duque, was elected in 2009.

II.12 The number of meetings held by the board of directors and the supervisory board as well as reference to the minutes of said meetings.

See information in next point.

II.13 The number of meetings held by the Executive Committee or by the Executive Board of Directors, as well as reference to the drawing up of the minutes of those meetings and whenever applicable, the submission of same with the convening notices to the Chair of the Board of Directors, the Chair of the

Supervisory Board or of the Audit Committee, the Chair of the General and Supervisory Board and to the Chair of the Financial Matters Committee.

The table below lists the number of meetings of the Novabase managing and auditing bodies during the 2011 financial year, indicating the date on which they were held:

Governing Body	Board of Directors	Executive Committee	Audit Committee
Number of meetings	12	41	10
Meeting dates	<div>07.02.11</div> <div>03.03.11</div> <div>31.03.11</div> <div>03.05.11</div> <div>05.05.11</div> <div>02.06.11</div> <div>30.06.11</div> <div>25.07.11</div> <div>29.09.11</div> <div>27.10.11</div> <div>24.11.11</div> <div>15.12.11</div>	<div>06.01.11</div> <div>19.01.11</div> <div>26.01.11</div> <div>31.01.11</div> <div>02.03.11</div> <div>09.03.11</div> <div>30.03.11</div> <div>06..04.11</div> <div>13.04.11</div> <div>27.04.11</div> <div>04.05.11</div> <div>11.05.11</div> <div>16.05.11</div> <div>18.05.11</div> <div>25.05.11</div> <div>08.06.11</div> <div>15.06.11</div> <div>22.06.11</div> <div>29.06.11</div> <div>04.07.11</div> <div>13.07.11</div> <div>20.07.11</div> <div>27.07.11</div> <div>28.07.11</div> <div>07.09.11</div>	<div>07.02.11</div> <div>04.03.11</div> <div>31.03.11</div> <div>06.05.11</div> <div>29.04.11</div> <div>30.06.11</div> <div>25.07.11</div> <div>29.09.11</div> <div>24.10.11</div> <div>24.11.11</div> <div>28.10.11</div> <div>14.12.11</div>

		14.09.11	
		21.09.11	
		28.09.11	
		06.10.11	
		12.10.11	
		19.10.11	
		24.10.11	
		26.10.11	
		31.10.11	
		02.11.11	
		07.11.11	
		16.11.11	
		23.11.11	
		30.11.11	
		14.12.11	
		22.12.11	

Note that the Chairman of the Novabase Executive Committee is responsible for submitting the minutes of the Executive Committee meetings to the Chairman of the Board of Directors and Chairman of the Auditing Committee. In addition, the Chairman of the Board of Directors may attend Executive Committee meetings, without voting rights, and also receives the respective meeting notices for this purpose. All non-executive directors also receive the Executive Committee meeting minutes.

In turn, both the Board of Directors Performance Assessment Committee met once in 2011, and the Corporate Governance Assessment Committee met twice in 2011. The corporate boards and specialized committees draw up their own meeting minutes.

II.14 Distinction between executive and non-executive members and among these, differentiating those members that would comply if the incompatibility rules were to be applied (Article 414-A (1) of the Commercial Companies Code, except for item b) and the independency criteria provided for in Article 414 (5), both of the Commercial Companies Code).

The chart below details the composition of the Board of Directors at 31 December 2011, including a breakdown of executive versus non-executive and independent versus non-independent members and those that comply with incompatibility regulations:

Director	Member of Committee within Board of Directors	Category	Independent	Complies with Article 414-A (1) of the Commercial Companies Code
Rogério dos Santos Carapuça	CAACA ¹ CAGS ²	Non-executive	No	No
Luís Paulo Cardoso Salvado	CE ³ CAACA CAGS	Executive	No	No
João Nuno da Silva Bento	Executive Committee	Executive	No	No
Álvaro José da Silva Ferreira	Executive Committee	Executive	No	No
Nuno Carlos Dias dos Santos Fórneas	Executive Committee	Executive	No	No
Francisco Paulo Figueiredo Morais Antunes	Executive Committee	Executive	No	No
Luís Fernando de Mira Amaral	CAUD ⁴ CAACA	Non-executive	Yes	Yes
Manuel Alves Monteiro	CAUD CAGS	Non-executive	Yes	Yes
João Luis Correia Duque	CAUD CAGS	Non-executive	Yes	Yes
José Afonso Oom Ferreira de Sousa	CAACA CAGS	Non-executive	No	No
Joaquim Sérvulo Rodrigues	CAACA CAGS	Non-executive	No	No
Pedro Miguel Quinteiro Marques de Carvalho	CAACA	Non-executive	No	Yes

¹ Board of Directors Performance Assessment Committee

² Corporate Governance Assessment Committee

³ Executive Committee

⁴ Audit Committee

II.15 A description of the legal and regulatory rules and other criteria that have been used as a basis for assessing the independency of its members carried out by the board of directors.

As regards the Board of Directors' composition and operation, the independence of its members is assessed under the terms of Article 414 of the Commercial Companies Code, while also considering applicable incompatibility rules pursuant to Article 414-A (1) of this same code.

The Board of Directors assesses the independence of its members, seeking to ensure the systematic and time-related consistency of the independence criteria applied throughout the company. Specifically, as a principle, any director which, in another corporate board, could not assume this same position due to applicable rules, should not be considered independent.

Along these same lines, three members of the Board of Directors are in compliance with the incompatibility rules laid out in Article 414-A (1) of the Commercial Companies Code, and fulfil the independence criteria laid out in Article 414 (5) of the Commercial Companies Code, namely Luís Fernando de Mira Amaral, Manuel Alves Monteiro and João Luís Correia Duque.

II.16 A description of the selection rules for candidates for non-executive member positions and the way in which executive members refrain from interfering in the selection process.

Candidates for non-executive director positions are selected through a process conducted exclusively by shareholders, in which they are nominated for election at the General Meeting of Shareholders via a proposal signed by the company's shareholders, with no interference by executive directors, as such, at any time during the selection process, to the decision-making process of the shareholders for the names to be submitted to the General Meeting of Shareholders. None of the current non-executive directors was co-opted during this term.

It should be noted with regard to this matter that some qualified company shareholders and signatories of the shareholders' agreement referred to in point III.5 of this report are also executive directors at Novabase, and that Recommendation No. II.1.3.2. of the CMVM Corporate Governance Code states that the selection process of candidates for non-executive members should be structured so as to prevent interference by executive directors.

However, in view of the scope of the recommendation in question, Novabase believes that the factual existence of qualified shareholders who may influence, as shareholders, the process of selecting candidates for non-executive directors does not entail the need to consider this recommendation as not adopted by the company.

In fact, the scope of this recommendation seems to revolve around the need to prevent executive directors from influencing (due to their intense involvement in the company's daily activities) the selection process for directors who, among other duties, will be supervising the activities of executive management.

In this way, the purpose of the above recommendation does not seem to be to limit the exercising of inherent shareholder rights. As such, the ability of shareholders, as shareholders, to influence the process of selecting candidates for non-executive director positions seems to be irrelevant in this regard.

Since the process of selecting candidates for non-executive directors does not involve any interference from executive directors, as executive directors, Novabase believes that Recommendation No. II.1.3.2. of the CMVM Corporate Governance Code has been followed in its entirety.

Notwithstanding the above, it should also be noted that even if the fact that some executive directors are also qualified company shareholders and signatories of the shareholders' agreement referred to in point III.5 did apply for the purposes of Recommendation No. II.1.3.2. of the CMVM Corporate Governance Code, the directors in question are only three to five members of the Executive Committee; the two executive directors who are not in this situation do not have any influence or involvement in the process of selecting candidates for non-executive director positions, clearly demonstrating that any involvement of people performing executive duties in this selection process is in no way related to the performance of these duties.

Moreover, in accordance with the information shown in point III.5 of this report, the signatories of the shareholders' agreement in question (in effect on 31 December 2011) who are Novabase executive directors owned only 41.69% of the shares covered by the terms and conditions of this agreement; as such, they were not in a position, by themselves, to have any decisive factual influence in the process of selecting non-executive directors.

Furthermore, as mentioned above in the General Corporate Governance Model Assessment in Chapter 0 (see also point II.36 of this report), in 2011, Novabase did not create any specialized committee with the power to identify, in a timely manner, potential candidates with the high profile needed for the position of director, for the reasons stated therein.

II.17 Reference to the fact that the company's annual management report includes a description on the activity carried out by non-executive members and possible obstacles that may be detected.

A report on the activities carried out by non-executive directors in 2010 is attached to this report.

II.18 Professional qualifications of the members of the board of directors, indication of the professional activities they have exercised within the past five years at least, the number of company shares they own, date of first appointment and date of the end of the term.

Director (date of first appointment/end of term)	# shares ¹	Professional Qualifications	Work experience in last 5 years
Rogério dos Santos Carapuça (29-03-94/31-12-11)	<ul style="list-style-type: none"> 1.884.787 	<ul style="list-style-type: none"> Ph.D in Electrotechnical and Computer Engineering from IST M.Sc. in Electrotechnical and Computer Engineering from IST Graduate in Electrotechnical Engineering from IST 	<ul style="list-style-type: none"> Chairman of Novabase Board of Directors Chairman of the Board of Directors Performance Assessment Committee Chairman of the Corporate Governance Assessment Committee Director of various Novabase Group companies Member of the Faculty Council of the UNL Faculty of Sciences and Technologies Member of the Scientific Board of Exact Sciences and Engineering of the Foundation for Science and Technology (Fundação para a Ciência e Tecnologia) <p>Formerly:</p> <ul style="list-style-type: none"> CEO and Executive Committee member responsible for Marketing & Communication
Luís Paulo Cardoso Salvado (18-3-98/31-12-11)	<ul style="list-style-type: none"> 2.018.047 	<ul style="list-style-type: none"> MBA in Information Management from Universidade Católica Portuguesa Graduate in Electrotechnical 	<ul style="list-style-type: none"> CEO, Executive Committee member responsible for the Aerospace and Transportation sector, Business Design, Corporate Development, Investor Relations

		Engineering from IST	<ul style="list-style-type: none"> • Member of the Board of Directors Performance Assessment Committee • Member of the Corporate Governance Assessment Committee • Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • Novabase Group CFO • Novabase Group CLO • Executive Committee member responsible for the Novabase Consulting business
João Nuno da Silva Bento (09-11-99/31-12-11)	<ul style="list-style-type: none"> • 1.899.799 	<ul style="list-style-type: none"> • MBA in Information Management from Universidade Católica Portuguesa • Graduate in Electrotechnical Engineering from IST 	<ul style="list-style-type: none"> • Executive Committee member responsible for the areas of Venture Capital, DigitalTV, Energy and Utilities and Telecoms and Media sectors • Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • CEO of Novabase Digital TV
Álvaro José da Silva Ferreira (03-03-00/31-12-11)	<ul style="list-style-type: none"> • 1.189.423 	<ul style="list-style-type: none"> • MBA from Universidade Nova de Lisboa • Graduate in Informatics Engineering from Universidade Nova de Lisboa 	<ul style="list-style-type: none"> • CHRO, Executive Committee member responsible for the IMS business, Angola, Outsourcing • Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> • Novabase Group CIO • CEO of Novabase IMS
Nuno Carlos Dias dos Santos Fórneas (28-04-09 / 31-12-2011)	<ul style="list-style-type: none"> • 103.324 	<ul style="list-style-type: none"> • MBA from ISEG • Graduate in Electrotechnical and Computer Engineering from IST 	<ul style="list-style-type: none"> • CIO, CMO, Financial Services and Manufacturing and Services Sectors <p><u>Formerly:</u></p>

			<ul style="list-style-type: none"> Novabase Consulting Partner
Francisco Paulo Figueiredo Morais Antunes (28-04-09 / 31-12-2011)		<ul style="list-style-type: none"> Masters in Finance from ISCTE Graduate in Management from ISCTE 	<ul style="list-style-type: none"> CFO, CLO, CRO and Executive Committee member responsible for Spain <p><u>Formerly:</u></p> <ul style="list-style-type: none"> Novabase Group Financial Director
Luís Fernando de Mira Amaral (20-04-06/31-12-11)	<ul style="list-style-type: none"> 6.305 	<ul style="list-style-type: none"> Postgraduate Diploma in Management (Stanford Executive Program) from Stanford University M.Sc. in Economics from Universidade Nova de Lisboa Graduate in Electronic Engineering from IST 	<ul style="list-style-type: none"> Chairman of the Audit Committee Member of the Board of Directors Performance Assessment Committee CEO and Vice President of Caixa Geral de Depósitos Director of Sociedade Portuguesa de Inovação, SA Director of BPI CEO of Banco BIC Português Member of the Royal Lankhorst Group Supervisory Board
Manuel Alves Monteiro (20-04-06/31-12-11)	<ul style="list-style-type: none"> 9.000 	<ul style="list-style-type: none"> Graduate in Law, member of the Portuguese Bar Association (Ordem dos Advogados) Business Management and Corporate Governance Program – Wharton University, Pennsylvania, USA 	<ul style="list-style-type: none"> Member of the Audit Committee Member of the Corporate Governance Assessment Committee Non-executive director: AICEP, CIN-SGPS Member of the General and Supervisory Board of EDP and Member of the Consulting Board of FGEUC Chairman of the Remuneration Committees of the following companies: AICEP Capital, S.A.; AICEP Global Parques, S.A.; Douro Azul, S.A.; Sardinha & Leite SGPS, S.A. Member of the Executive Council of SEDES

João Luís Correia Duque (28-04-09 / 31-12-11)	<ul style="list-style-type: none"> 500 	<ul style="list-style-type: none"> Ph.D in Business Administration from Manchester Business School / Manchester University Graduate in Company Organization and Management from ISEG / UTL 	<ul style="list-style-type: none"> Member of the Audit Committee Member of the Corporate Governance Assessment Committee Non-executive director of Sogevinus, SGPS President and Full Professor at ISEG Chairman of IDEFE / ISEG Chairman of the Board of Auditors of the Portuguese Gymnastics Foundation (FGP) Member of the management board of the Portuguese Financial Analysts Foundation (APAF) Member of the Board of Auditors of Sagres – Sociedade de Titularização de Créditos, SA
José Afonso Oom Ferreira de Sousa (24-01-91/31-12-11)	<ul style="list-style-type: none"> 2.514.947 	<ul style="list-style-type: none"> MBA from Universidade Nova M.Sc. in Electrotechnical Engineering from IST Graduate in Electrotechnical Engineering from IST 	<ul style="list-style-type: none"> Member of the Board of Directors Performance Assessment Committee Member of the Corporate Governance Assessment Committee <p><u>Formerly:</u></p> <ul style="list-style-type: none"> Novabase Group CLO Novabase Group CFO Director of various Novabase Group companies
Joaquim Sérvulo Rodrigues (29-04-03/31-12-11)		<ul style="list-style-type: none"> MBA from INSEAD M.Sc. in Electrotechnical Engineering from IST Graduate in Electrotechnical 	<ul style="list-style-type: none"> Member of the Board of Directors Performance Assessment Committee Member of the Corporate Governance Assessment

		Engineering from IST	<p>Committee</p> <ul style="list-style-type: none"> Chairman of the executive committee of the board of directors of Es Tech Ventures, SGPS, SA Chairman of the executive committee of the board of directors of ES Ventures, SCR, SA School board member of the Higher Technical Institute (Instituto Superior Técnico – UTL) Director of various companies from the portfolio of the prior companies
Pedro Miguel Quinteiro Marques de Carvalho (24-01-91/31-12-11)	<ul style="list-style-type: none"> 2.170.679 	<ul style="list-style-type: none"> Graduate in Applied Mathematics from Universidade de Lisboa 	<ul style="list-style-type: none"> Member of the Board of Directors Performance Assessment Committee <p><u>Formerly:</u></p> <ul style="list-style-type: none"> Director responsible for the administrative and logistics area Novabase Group CIO Director of various Novabase Group companies

¹The shareholdings referred to in the above table also comply with the report of the Shareholdings of Corporate Board Members (Article 447 (5) of the Commercial Companies Code).

II.19 Duties that the members of the board of directors perform in other companies, broken down according to those exercised in other companies of the same group.

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

Director	Group Companies ¹	Other Companies ¹
Rogério dos Santos Carapuça	<ul style="list-style-type: none"> Novabase Serviços, S.A. Novabase Business Solutions, S.A. 	

Luís Paulo Cardoso Salvado	<ul style="list-style-type: none"> • Novabase Consulting SGPS, S.A. • Novabase Serviços, S.A. • Novabase Enterprise Applications, S.A. • Novabase Business Solutions, S.A. • Octal, S.A. • Octal2Mobile, S.A. • Gedotecome, Lda • Novabase IMS, S.A. 	
João Nuno da Silva Bento	<ul style="list-style-type: none"> • Novabase Interactive TV, SGPS S.A. • Novabase Capital, S.A. • Celfocus, S.A. • Novabase Serviços • Novabase Business Solutions, S.A. • Collab, S.A. • Novabase Digital TV, S.A. • TVLAB, S.A. • Octal2Mobile, S.A. • Novabase Consulting, S.A. (Spain) • Novabase Middle East 	
Álvaro José da Silva Ferreira	<ul style="list-style-type: none"> • Novabase Consulting, SGPS, S.A. • NBO, S.A. • Novabase Serviços • Novabase Enterprise Applications, S.A. • Novabase Business Solutions, S.A. • Novabase IMS, S.A. • Novabase Infraestruturas, S.A. • Novabase Atlântico, S.A. • Novabase Consulting, S.A. (Spain) • Novabase Infraestructuras e Integración de Sistemas Informáticos, SA 	<ul style="list-style-type: none"> • Director of Groovsnore – Investimentos Imobiliários, SA.

	<ul style="list-style-type: none"> NBASIT 	
Nuno Carlos Dias dos Santos Fórneas	<ul style="list-style-type: none"> Novabase Serviços Novabase Business Solutions, S.A. Novabase Infraestruturas SGPS 	
Francisco Paulo Figueiredo Morais Antunes	<ul style="list-style-type: none"> Novabase Interactive TV Novabase Consulting SGPS NBO Novabase Serviços Novabase Enterprise Applications Novabase Business Solutions, S.A. Collab, S.A. Octal, S.A. Novabase Digital TV, S.A. TVLAB, S.A. Gedotecome, S.A. Novabase IMS Novabase Infraestruturas SGPS Novabase Digital TV GmbH NBASIT NB EURL Evolvespace Solutions, Lda. Novabase Capital 	<ul style="list-style-type: none"> Managing partner of Commostock, Lda.
Luís Fernando de Mira Amaral		<ul style="list-style-type: none"> CEO of Banco BIC Português SPI Director
Manuel Alves Monteiro		<ul style="list-style-type: none"> Non-executive director of CIN, SGPS Member of the General

		and Supervisory Board of EDP
João Luis Correia Duque		<ul style="list-style-type: none"> • Non-executive director of Sogevinus, SGPS. • Chairman of the IDEFE – Instituto para o Desenvolvimento e Estudos Económicos (Institute for Economic Studies and Development)
José Afonso Oom Ferreira de Sousa		<ul style="list-style-type: none"> • Director of Fundação Maria Dias Ferreira • Director of Quinta de Santa Margarida – Propriedades e Investimentos, SA • Director of Xistroban – Imobiliária, SA • Director of Aprove – Investimentos e Projectos Imobiliários, SA • Managing Partner of S2i – Sociedade de Investimento Imobiliário, Lda.
Joaquim Sérvulo Rodrigues		<ul style="list-style-type: none"> • Chairman of the executive committee of the board of directors of Es Tech Ventures, SGPS, SA • Chairman of the Executive Committee of ES Venture, SCR, S.A. • Executive director of Bica da Sapataria- Empreendimentos Agrícolas e Gestão, S.A. • Director of Watson Brown • Director of PVCi-SCR. • Director of Military Commercial

		<p>Technologies, Inc.</p> <ul style="list-style-type: none"> • Director of ES Contact Center, S.A. • Director of YDreams, S.A. • Director of ES Capital – S.C.R., S.A. • Director of Atlantic Ventures Corporation, LLC • Director of Oceanlix, Pty • Director of Outsystems, S.A.
<p>Pedro Miguel Quinteiro Marques de Carvalho</p>		<ul style="list-style-type: none"> • Managing Partner of LX Gourmet Falcão Branco – Produtos Alimentares de Qualidade, Lda. • Director of Feedzai – Consultadoria e Inovação Tecnológica, SA • MQC – Investimentos Imobiliários, SA

¹ As of 31 December 2011

Section III – General and Supervisory Board, Financial Matters Committee and Supervisory Board

As applicable,

II.21 Identification of the members of the supervisory board, stating that they comply with the incompatibility rules stipulated in Article 414-A (1), and the independence criteria stipulated in Article 414 (5), both of the Commercial Companies Code. For said purpose, the supervisory board may carry out the relevant self-assessment.

Since it has adopted the Anglo-Saxon corporate governance model, Novabase does not have a supervisory board.

Nonetheless, as regards its composition and operation, the Audit Committee independently assesses the independence of its respective members, pursuant to Article 414 of the Commercial Companies Code. Similarly, members of the Auditing Committee are subject to the incompatibility rules referred to in Article 414-A (1) of this same code.

The Board of Directors Performance Assessment Committee assesses the independence of its members, seeking to ensure the systematic and time-related consistency of the independence criteria applied. Specifically, as a principle, any Auditing Committee member which, in another corporate board, could not assume this same position due to applicable rules, should not be considered independent.

Therefore, although Novabase does not have a supervisory board, the following should be noted:

Member of the Audit Committee	Category	Independent	Complies with Article 414-A (1) of the Commercial Companies Code
Luís Fernando de Mira Amaral	Non-executive director	Yes	Yes
Manuel Alves Monteiro	Non-executive director	Yes	Yes
João Luis Correia Duque	Non-executive director	Yes	Yes

Along these same lines, all members of the Audit Committee are in compliance with the incompatibility rules laid out in Article 414-A (1) of the Commercial Companies Code, and fulfil the independence criteria laid out in Article 414 (5) of the Commercial Companies Code, namely Luís Fernando de Mira Amaral, Manuel Alves Monteiro and João Luís Correia Duque.

In addition, the Chairman and other members of the Audit Committee are adequately capable of carrying out their duties.

II.22 Professional qualifications of the members of the auditing committee, indication of the professional activities they have exercised within the past five years at least, the number of company shares they own, date of first appointment and date of the end of the term.

Not applicable.

II.23 Duties that the members of the auditing committee perform in other companies, broken down according to those exercised in other companies of the same group.

Not applicable.

II.24 Reference to the fact that the supervisory board assesses the external auditor on an annual basis and the possibility of proposing to the General Meeting of Shareholders that the auditor be discharged whenever justifiable grounds are present.

As stated in point II.21 above, since it has adopted the Anglo-Saxon corporate governance model, Novabase does not have a supervisory board. The following information is in reference to the Auditing Committee.

As described in point II.3 above, the Auditing Committee collaborates with the Board of Directors in selecting external auditors and determining the respective remuneration, as well as supervising these auditors' work, including verification of the existence of suitable conditions for providing external auditing services and receipt of the respective reports, assessing the external auditor on an annual basis. To date, there has been no need to justifiably dismiss any entity performing these duties.

Notwithstanding the above, it should be noted that contrary to the statutory provisions concerning statutory auditors, the law and Novabase's articles of association do not empower the General Meeting of Shareholders to appoint external auditors. For this reason, the possibility of proposing the auditor's justified dismissal to the General Meeting of Shareholders does not exist.

II.25 Identification of the members of the general and supervisory board and other committees created within the company for the purposes of assessing the individual and overall performance of the executive members, consideration on the governance system that has been adopted by the company and the identification of potential candidates with the professional profile fitting the member position.

Not applicable.

II.26 Statement indicating that members comply with the incompatibility rules provided for in Article 414-A (1), including item f), and the independency criteria provided for in Article 414 (5), both of the Commercial Companies Code. For said purpose, the general and supervisory board carries out the relevant self-assessment.

Not applicable.

II.27 Professional qualifications of the members of the general and supervisory board and other committees created under its auspices, indication of the professional activities they have exercised within the past five years at least, the number of company shares they own, date of first appointment and date of the end of the term.

Not applicable.

II.28 Duties that the members of the general and supervisory board and other committees created under its auspices perform in other companies, broken down according to those exercised in other companies of the same group.

Not applicable.

II.29 Description of the remuneration policy including that of the managers within the concept of Article 248-B (3) of the Securities Code and of the other workers whose professional activity might have a relevant impact on the risk profile of the company and whose remuneration contains an important variable component.

Only the members of Novabase's Board of Directors are considered managers, within the meaning of Article 248-B (3) of the Securities Code.

Independent non-executive directors are only remunerated with a fixed salary, and are not entitled to any variable component in their salary. The Remuneration Committee is also responsible for deciding whether the remaining non-executive directors and executive directors will receive a fixed component and a variable component, or just a fixed component.

Notwithstanding the above, it should be noted that, by unanimous decision of the Remuneration Committee in a meeting held on 19 September 2006, Novabase directors who are primarily dedicated to the management of companies in the Novabase Group shall have a variable remuneration consisting of (i) a sum to be paid in cash, to be defined annually by the Remuneration Committee, according to the performance and results of the company each year and the contribution of each director to these results; and (ii) a set of options attributed according to the current plan in effect.

Directors' variable cash remuneration component is therefore aligned with Novabase's annual performance, while the options component aligns this remuneration with the stock performance of the Novabase share. The variable remuneration in cash paid in 2011 (€978,750.00, as shown in the table in point II.31.) corresponds to just 50% of the variable remuneration in cash component due for 2010. The remaining 50% of this component is subject to deferred payments in the following 3 years (2012, 2013 and 2014) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

As described in greater detail in point III.10 of this report, attributed options in 2009 may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date. In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

Furthermore, as also described in point III.10 of this report, the strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 28 April 2009 was €4.04 per

share. Exercised options are settled via net share settlement from Novabase's portfolio using the following formula:

$$\text{No of shares} = \text{No. of options exercised} \times (\text{TP} - \text{Strike}) / \text{TP}$$

where TP (or take-up price) and strike have the meanings described in point III.10.

In this way, since options should only be exercised when the company's performance is positive, as reflected by the share price on the date of exercising the options, this variable remuneration component is dependent on the continued positive performance of the company through these exercise dates.

Furthermore, insofar as the total variable remuneration earned by the directors complies with the creation of value reflected in the results and the company's finance and stock performances, Novabase's remuneration policy values the company's long term performance and its sustainability.

The current remuneration policy for the Board of Directors was implemented for the 2011 financial year in accordance with points II.31- II.34 below.

In addition to the above, the remuneration of certain employees at Novabase may include a major variable component when their professional activities, according to their assigned duties within the Group, may significantly impact the company's risk profile. Although the company has no remuneration policy for these situations, the variable component of these employees' remuneration has not exceeded 55% of their annual remuneration, and is determined based on an annual performance evaluation by the managing board member(s) responsible for the employee's department.

With regard to 2011, this remuneration corresponds to just 50% of the variable remuneration component due to these employees for 2011. The remaining 50% of this component is subject to deferred payments in the following 3 years (2012, 2013 and 2014) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

Name	Position
Carmo Palma	EA ERP Director/Novabase Business Solutions Director
Célia Vieira	NBO Director
Jamie Bridel	CelFocus Director
João Rafael	Novabase Business Solutions Director / Octal Engenharia de Sistemas, SA Director / Evolvespace Director
José Paiva	Novabase Business Solutions Director
Luís Lobo	Novabase Business Solutions Director / Novabase Enterprise Applications Director / Gedotecome Director
Luís Quaresma	Novabase Capital Director / Novabase Atlântico Director / PowerGrid Director / Feedzai Director / Chairman of the Board, Secretary and Treasurer of Electryon USA Corporation
Manuel Relvas	Octal - Engenharia de Sistemas, S.A. Director / Novabase Business Solutions Director

María Gil	In Charge of IR Novabase SGPS / Novabase Capital Director / Novabase IIS Espanha Director / Collab Director / Globaleda Director / Dosapac Director / Forward Director
Miguel Vicente	Novabase IMS Director/NBASIT Chief Executive Officer
Paulo Ferreira	Novabase IMS Director
Paulo Trigo	CelFocus Executive Director / Business Solutions Director / NBO Director
Pedro Afonso	Novabase DigitalTV Director / TvLab Director / NB Interactive TV Director
Pedro Borges	Executive Director Telecommunications & Media
Pedro Faustino	Novabase Business Solutions Director
Pedro Gomes	Novabase Business Solutions Director
Pedro Chagas	Novabase Business Solutions Director / Octal Engenharia de Sistemas, SA Director
Pedro Quintas	CelFocus Director / Collab Director
Ricardo Nunes	Novabase Business Solutions Director
Vítor Prisca	Novabase IMS Director

Section IV - Remuneration

II.30 Description of the remuneration policy of the board of directors and the supervisory board, as provided for in Article 2 of Law 28/2009 of 19 June.

Attached to this report is a statement with regard to the remuneration policy laid out in Law 28/2009 of 19 June.

II.31 Indication on the amount concerning the annual remuneration paid individually to members of the board of directors and of the supervisory board of the company, including fixed and variable remuneration and as to the latter, mentioning the different components that gave rise to same, the parts that has been deferred and paid.

Since 2003, Novabase has already complied with the CMVM recommendation regarding disclosure of the remunerations of the members of the Board of Directors individually. In this report, Novabase discloses the remuneration received by each member of the Board of Directors and Audit Committee in 2011, pursuant to the provisions of Law no. 28/2009 and CMVM Regulation no. 1/2010.

By unanimous decision of the Remuneration Committee, fixed remuneration components were set for members of the Novabase Board of Directors in 2011, along with annual variable remuneration, as shown in the chart below.

These remunerations are distributed among the members of the Board of Directors in accordance with the breakdown stipulated by the Remuneration Committee, whereby the (i) independent non-executive directors and one non-executive, non-independent director (Joaquim Sérvulo Rodrigues) earn only a fixed cash remuneration and (ii) the executive directors (together with certain non-executive, non-independent directors taking on management responsibilities in the Group) earn a fixed portion in cash, a variable portion in cash and a variable portion based on stock options. This remuneration is shared among the directors as indicated in the chart below, in accordance with the responsibilities assumed by them at Novabase, and as indicated by the Remuneration Committee.

The remuneration of non-executive, non-independent directors who assume management responsibilities in the Group includes a variable portion, since the current term is a transition period to non-executive duties after many years of executive duties.

The variable portion in cash of directors' remuneration is determined with a view to aligning this portion with the organization's performance in the year in question, measured by the net profits generated, and correlates with the responsibility and performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations. The variable remuneration in cash paid in 2011 corresponds to just 50% of the variable remuneration in cash component due for 2010. The remaining 50% of this component is subject to deferred payments in the following 3 years (2012, 2013 and 2014) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

As regards the aforementioned stock option plan, at the start of the 2009-2011 term, the members of the Board of Directors were awarded a number of options as defined by the Remuneration Committee, under the variable remuneration stock options component for the years in question.

Accordingly, in the Remuneration Committee meeting of 4 June 2009, it was thus resolved to offer 1,959,720 options under the 2009-2011 variable remuneration stock options component in force at the Novabase Group, to be distributed among the five executive directors, Chairman of the Board of Directors and members of the Board of Directors, according to the following chart:

Director	Fixed Annual Remuneration (€)	Variable Annual Remuneration paid in 2011 (€)	Partial Total (Fixed + Variable paid in 2011) (€)	Variable paid in 2011 /Partial Total (%)	Deferred annual variable remuneration (€)	Variable Remuneration # options@€4.04€ 2009-2011
Luís Paulo Cardoso Salvado	€258,983.34	€190,050.00	€449,033.34	42.32%	€190,050.00	380,528 options
João Nuno da Silva Bento	€260,610.00	€190,050.00	€450,660.00	42.17%	€190,050.00	380,528 options
Álvaro José da Silva Ferreira	€260,610.00	€190,050.00	€450,660.00	42.17%	€190,050.00	380,528 options
Nuno Carlos Dias dos Santos Fôrneas	€170,800.00	€123,550.00	€294,350.00	41.97%	€123,550.00	247,343 options
Francisco Paulo Figueiredo Moraes Antunes	€131,040.00	€76,000.00	€207,040.00	36.71%	€76,000.00	152,211 options
Executives Total	€1,082,043.34	€769,700.00	€1,851,743.34	41.57%	€769,700.00	1,541,138 options
(% total)	64.91%	78.64%	69.99%		78.64%	78.64%
Rogério dos Santos Carapuça	€238,700.00	€133,050.00	€371,750.00	35.79%	€133,050.00	266,370 options
Luís Fernando de Mira Amaral	€39,424.00 ¹	€0.00	€39,424.00 ¹	0.00%	€0.00	0 options
Manuel Alves Monteiro	€39,424.00 ¹	€0.00	€39,424.00 ¹	0.00%	€0.00	0 options
João Luis Correia Duque	€39,423.96 ²	€0.00	€39,423.96 ²	0.00%	€0.00	0 options
José Afonso Oom Ferreira de Sousa	€106,120.00	€38,000.00	€144,120.00	26.37%	€38,000.00	76,106 options
Joaquim Sérvulo Rodrigues	€15,862.00 ³	€0.00	€15,862.00	0.00%	€0.00	0 options
Pedro Miguel Quinteiro de Marques Carvalho	€106,120.00	€38,000.00	€144,120.00	26.37%	€38,000.00	76,106 options
Non-executives Total	€85,073.98	€209,050.00	€794,123.96	26.32%	€209,050.00	418,582 options
(% total)	35.09%	21.36%	30.01%		35.09%	21.36%
TOTAL	€1,667,117.38	€978,750.00	€2,645,867.30	36.99%	€978,750.00	1,959,720 options

¹ The amount shown represents 50% of the total amount attributed to each director. The remaining 50% will be paid in the following 3 years (2012, 2013 and 2014) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

¹ Took parental leave of absence in 2011.

As described in greater detail in point III.10 of this report, attributed options in 2009 may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date. In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

Furthermore, as also described in point III.10 of this report, the strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 28 April 2009 was €4.04 per share. Exercised options are settled via net share settlement from Novabase's portfolio using the following formula:

$$\text{No of shares} = \text{No. of options exercised} \times (\text{TP} - \text{Strike}) / \text{TP}$$

where TP (or take-up price) and strike have the meanings described in point III.10.

In this way, since options should only be exercised when the company's performance is positive, as reflected by the share price on the date of exercising the options, this variable remuneration component is dependent on the continued positive performance of the company through these exercise dates.

No additional remuneration was paid in 2011 in the form of profit sharing and/or bonuses, except for the amounts shown in the chart below, as decided by the Remuneration Committee in view of the circumstances of the current term, in which the company's founders are transitioning to non-executive positions after performing executive duties for 20 years:

Director	Bonus (€)
José Afonso Oom Ferreira de Sousa	95,000.00
Pedro Miguel Quinteiro de Marques Carvalho	95,000.00
Total	190,000.00

As shown in the attached Remuneration Committee report, the Remuneration Committee unanimously decided to defer, to 2012, 50% of the pending amounts due to directors José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro de Marques Carvalho for the bonus awarded to them in the Remuneration Committee meeting of 9 July 2009, whose final portion was payable in 2011. The bonus amounts shown in the above table thus correspond to 50% of the amount due.

No compensations were paid, nor are any compensations owed, to former executive directors as a result of their duties no longer being performed in 2011.

There are no supplementary pension or early retirement schemes for Novabase directors.

In 2011, an additional amount of €12,528.39 was paid to the members of the Board of Directors in meal allowances.

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

Novabase directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the Novabase Group.

II.32 Information on the way the remuneration is structured so as to allow aligning the interests of the members of the board of directors with the long-term interests of the company as well as how it is based on the performance assessment and how it discourages excessive risk assumption.

The variable portion in cash of directors' remuneration is determined by the Remuneration Committee with a view to aligning this portion with the organization's performance in each year in question, measured by the net profits generated, and correlates with the responsibility and performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations.

The variable remuneration in cash paid in 2011 corresponds to just 50% of the variable remuneration in cash component due for 2010. The remaining 50% of this component is subject to deferred payments in the following 3 years (2012, 2013 and 2014) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

As regards the stock option plan – and as a means of aligning the directors' interests with those of the company – at the start of the 2009-2011 term, the members of the Board of Directors were awarded a number of options as defined by the Remuneration Committee, under the stock options portion of the variable remuneration for the years in question, in accordance with the table in point II.31 above.

As described in greater detail in point III.10 of this report, attributed options may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date. As such, the stock option plan's corresponding variable portion does not exclusively serve Novabase's long-term interests.

However, the variable portion of the remuneration paid through the stock option plan is fully aligned with these long-term interests when the options are not exercised until their last maturity date, i.e. 3 years after the commencement of the directors' terms of office, which must always occur for at least 1/3 of the options attributed.

In fact, as described in greater detail in point III.10 of this report, attributed options in 2009 may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date.

Furthermore, as also described in point III.10 of this report, the strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 28 April 2009 was €4.04 per share. Exercised options are settled via net share settlement from Novabase's portfolio using the following formula:

$$\text{No of shares} = \text{No. of options exercised} \times (\text{TP} - \text{Strike}) / \text{TP}$$

where TP (or take-up price) and strike have the meanings described in point III.10.

In this way, since options should only be exercised when the company's performance is positive, as reflected by the share price on the date of exercising the options, this variable remuneration component is dependent on the continued positive performance of the company through these exercise dates.

In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

In this way, Novabase believes that a substantial part of the variable remuneration of the company's directors aligns their interests with the long-term interests of the company, although not exclusively so.

Moreover, the fact that a significant amount of the options to allot shares are deferred over time discourages excessive risk assumption by directors.

II.33 As regards the remuneration of the executive members:

a) Reference to the fact that the executive members' remuneration includes a variable component and information on the way said component relies on the assessment performance;

As stated in point II.31 of this report, the remuneration of executive directors includes a variable portion in cash and a variable stock option plan portion.

The variable portion in cash of directors' remuneration is determined with a view to aligning this portion of these directors' remuneration with the organization's performance in the year in question, measured by the net profits generated, and correlates with the responsibility and performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations.

b) The corporate bodies responsible for assessing the performance of executive members;

As stated in point II.3 of this report, the Board of Directors Performance Assessment Committee is responsible for assessing the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals.

Moreover, the variable portion in cash of directors' remuneration is determined by the Remuneration Committee with a view to aligning this portion of these directors' remuneration with the organization's performance in the year in question, measured by the net profits generated, and correlating it with the responsibility and performance of each director in particular (as stated in point II.31).

c) The pre-established criteria for assessing the performance of executive members;

The performance assessment of directors (including executive directors) takes into account the organization's performance in the year in question, measured by the net profits generated, and is aimed at correlating the remuneration's variable cash component with the responsibility and performance of each director in particular (as stated in point II.31).

d) The relative importance of the variable and fixed components of the members' remuneration, as well as the maximum limits for each component;

The relative importance of directors' variable and fixed remuneration components is shown in the table in point II.31. One of the goals of the variable portion in cash is to establish a proper balance between the fixed and variable portions of these remunerations.

Under the stock option plan's corresponding variable component, it is stipulated that the total number of options attributed under the 4th Plan may under no circumstances exceed the total

number of options attributed under the 3rd Plan, pursuant to which the shares corresponding to the options attributed but not yet exercised under this third 2006-2008 Stock Option Plan should not at any time exceed 8% of the total volume of shares representing Novabase's share capital at the time, for the three Annual Loyalty Components comprising the 3rd Plan.

e) The deferred payment of the remuneration's variable component and the relevant deferral period;

The variable remuneration in cash paid in 2011 corresponds to just 50% of the variable remuneration in cash component due for 2010. The remaining 50% of this component is subject to deferred payments in the following 3 years (2012, 2013 and 2014) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

However, in what concerns the variable portion of the remuneration paid through the stock option plan, as described in greater detail in point III.10 of this report, attributed options in 2009 may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date. In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

Furthermore, as also described in point III.10 of this report, the strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 28 April 2009 was €4.04 per share. Exercised options are settled via net share settlement from Novabase's portfolio using the following formula:

No of shares = No. of options exercised x (TP – Strike) / TP

where TP (or take-up price) and strike have the meanings described in point III.10.

In this way, since options should only be exercised when the company's performance is positive, as reflected by the share price on the date of exercising the options, this variable remuneration component is dependent on the continued positive performance of the company through these exercise dates.

f) An account of the way whereby the payment of the variable remuneration is subject to the company's continual positive performance during the deferral period;

See item e) above.

g) Sufficient information on the criteria whereon the allocation of variable remuneration on shares is based, as well as on maintaining company shares that the executive members have had access to, on the possible share contracts, namely hedging contracts or risk transfer, the relevant limit and its relation apropos the value of the total annual remuneration;

There is no remuneration through the direct allocation of shares.

Moreover, since no options were exercised on the maturity date of Batch 1 of options under the current stock option plan (as stated in point III.10), the Novabase directors participating in this plan have not accessed any shares under variable remuneration schemes.

The company has no information regarding the signing of contracts involving these shares, namely hedging or risk transfer contracts.

h) Sufficient information on the criteria whereon the allocation of variable remuneration on options is based as well as its deferral period and exercising price;

This information is described in point III.10 of this report.

i) The main factors and reasons for any annual bonus scheme and any other non-financial benefits;

Except for the stock option plan's corresponding variable remuneration component, and notwithstanding the bonuses referred to in point II.31, there is no annual bonus scheme or any other non-financial benefits.

In 2011, an additional amount of €12,528.39 was paid to the members of the Board of Directors in meal allowances.

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

j) Remuneration paid in the form of a share in the profits and/or the payment of bonuses and the rationale behind the act of awarding such bonuses and/or share in profits;

Except for the bonuses described in point II.31, paid to directors José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro de Marques Carvalho, there is no form of profit sharing and/or bonuses. These amounts were decided on by the Remuneration Committee in view of the circumstances of the current term, in which the company's founders are transitioning to non-executive positions after performing executive duties for 20 years.

l) Compensation paid or owed to former executive directors in relation to early contract termination;

No compensations were paid or became due to former executive directors as a result of their duties no longer being performed during the year.

m) Reference to the envisaged contractual restraints for compensation owed for undue dismissal of executive directors and its relation apropos the remunerations' variable component;

There are no contractual restraints for compensation owed for undue dismissal of executive directors, as per legal rules.

Pursuant to Article 403 (5) of the Commercial Companies Code, if the dismissal lacks justified grounds, the director is entitled to compensation for damages incurred by the means specified in his/her contract or under the general terms of the law; this compensation may not exceed the remuneration he/she would presumably receive through the end of his/her appointed term.

In Novabase's opinion, since management positions are remunerated, with a mandatory legal ceiling on compensation for dismissal without due cause, and in view of the protection of expectations principle, there is no justification for contractual restraints that reduce the maximum legal compensation amount to a director with legal proof of damages incurred, when dismissal occurs due to his/her inadequate performance without justified grounds.

Similarly, in view of the mandatory legal ceiling on compensation for undue dismissal, there is no foreseeable advantage in establishing contractual restraints to directors' compensation in the event of consensual termination of duties.

Lastly, the implementation of such measures during the term of office does not seem appropriate.

n) Amounts paid on any basis by other companies in a group relationship or exercising control over the company;

Novabase directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the Novabase Group.

o) A description of the main characteristics of the supplementary pensions or early retirement schemes set up for executive directors and whether said schemes were subject or not to the approval of the General Meeting of Shareholders;

There are no supplementary pension or early retirement schemes for Novabase directors.

p) An estimate of the non-financial benefits considered as remuneration which do not fall under the categories listed above;

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

q) Mechanisms to prevent executive directors from having employment contracts that question the grounds of the variable remuneration;

The company does not adopt mechanisms to prevent executive directors from having employment contracts that question the grounds of the variable remuneration.

However, to the company's knowledge, there are no contracts of this sort.

II.34 Reference to the fact that remuneration of non-executive members of the Board of Directors is not included in the variable component.

Only independent non-executive directors and one non-independent non-executive director (Joaquim Sérvulo Rodrigues) receive solely fixed cash remuneration. The remuneration policy for directors passed in the 2011 General Meeting of Shareholders still allowed non-independent non-executive directors to receive a variable remuneration component, especially bearing in mind that these directors could take on key management responsibilities in the Group, although without executive powers (which they ultimately did), thereby justifying this variable component.

In any case, since differences in the remuneration structure are intended to adjust remuneration according to the duties actually performed by each director in the Group, the remuneration of the members of the Board of Directors is structured so as to align their interests with those of the company.

II.35 Information on the reporting of irregularities adopted by the company (reporting means, persons entitled to receive said reports, how the reports are to be handled and the names of the persons or bodies that have access to the information and the relevant involvement in the procedure).

In compliance with the CMVM Recommendations published in the 2007 Corporate Governance Code, and in view of fostering a culture of responsibility and compliance, Novabase has adopted a system for reporting irregularities (known as "SPI") that may occur within its Group. Any report of irregularities made through SPI is directed to the Audit Committee, which will appoint a person in charge of SPI to manage the reports received. The person in charge of SPI must act independently and autonomously (notwithstanding responsibility to the Auditing Committee for proper compliance with his/her duties) and will be subject to confidentiality requirements. This system also observes the requirements in the Corporate Governance Code currently in force.

According to the implemented system, employees and other Novabase stakeholders have access to a direct and confidential channel for reporting to the Audit Committee any practice

that appears to be improper or irregular in any way, whatever it may be, which has occurred within the Novabase Group, regardless of any blame that may be attributed, and which may impact the financial statements or the information sent to the CMVM, or that may cause serious damage to Novabase or its stakeholders (employees, customers, partners and shareholders).

Reporting of irregular practices occurring within the Novabase Group by Novabase employees when they have such knowledge is a duty, regardless of the source of the practice or the person who has performed it.

The apparent irregularity must be reported in a secure and confidential manner to the person in charge of SPI, the independent member of the Audit Committee Manuel Alves Monteiro, in two different manners:

- to the private e-mail address: m.a.monteiro.novabase@gmail.com; and
- by post in a letter addressed to Dr. Manuel Alves Monteiro, marked "Confidential", to the address: Av. D. João II, Lote 1.03.2.3. Parque das Nações 1998 – 031 Lisbon

Such reports will be processed by the person in charge of SPI according to the following procedure:

- i) receipt and preliminary analysis of the report of the irregular practice;
- ii) judgement of the consistency of the report received (with destruction of all inconsistent reports, the Auditing Committee being responsible for this destruction, subsequent to a proposal from the person in charge of SPI);
- iii) investigation/report/archiving; and
- iv) final forwarding.

Before proceeding to the final forwarding of the reports, the person responsible for SPI takes account of the reports for statistical purposes and maintains a record of the reports that exclusively covers the following aspects: (i) date on which the report was received; (ii) essence of the facts reported, eliminating all information that permits identification of any physical persons; and (iii) date on which the investigation was concluded.

Once the investigation has been concluded, reports with an underlying probability of an irregular practice are forwarded by the Auditing Committee to the Board of Directors so that it can take appropriate measures.

Whenever the report of irregular practices results in evidence of the practice of a crime or serious disciplinary infraction, the Auditing Committee must recommend that the company forwards the matter to (i) Novabase internal bodies for due process and (ii) to external investigation bodies, namely the police or the public prosecutor, in order to ascertain responsibilities.

General rules of conflict of interest apply to the decisions to be approved by the Auditing Committee or by the Board of Directors regarding reports made within the scope of SPI.

Whatever the circumstance, the confidentiality of the report will be guaranteed if so requested by its author, and the personal data of the physical persons involved will be protected, while any action taken against the person who has made the report will be considered a serious offence.

This policy is explained on the Novabase website (www.novabase.pt) in the IR/Corporate Governance section.

In this way, Novabase complies with the provisions of the Commercial Companies Code and the recommendations of the Corporate Governance Code. Its system has been approved by the Portuguese Data Protection Authority (CNPD) through authorization no. 4494/2009.

Section V – Special Committees

Remuneration Committee: The board decides upon the remuneration of corporate board members. Its current members for the three-year period of 2009-2011 were decided in the General Meeting of Shareholders of 28 April 2009. Francisco Luís Murteira Nabo presides over the Remuneration Committee. Pedro Rebelo de Sousa and João Quadros Saldanha are also members of this committee. All of the committee's members are independent from the members of the Board of Directors, pursuant to Chapter II, point II.19 of the Annex to CMVM Regulation No. 1/2007, which includes the criteria adopted by Novabase in 2009 to gauge the fulfilment of Recommendation No. II.5.2 of the 2007 Corporate Governance Code (since the current CMVM Regulation No. 1/2010 and Corporate Governance Code do not establish specific criteria in this regard, Novabase believes that the criteria of prior norms should still be taken into account in assessing the independence of members of the Remuneration Committee from the Board of Directors).

Notwithstanding the above, pursuant to Recommendation No. II.5.3 of the Corporate Governance Code, no one serving or having served on the Board of Directors, in the preceding three years, should be hired to support the Remuneration Committee in the performance of its duties, together with other circumstances, under the terms of this recommendation, affecting the independence of the person in question within the scope of the Remuneration Committee's duties. This recommendation seems to suggest, *a fortiori*, that individuals who have performed duties on the Board of Directors in this period should likewise not be hired to support this committee or, *a fortiori*, become one of its members, which is the case of one of this committee's current members (João Quadros Saldanha).

Therefore, in view of Recommendation No. II.5.3 of the Corporate Governance Code, former director João Quadros Saldanha may be considered a non-independent member of the Remuneration Committee in relation to the members of Novabase's Board of Directors.

Notwithstanding the above, Novabase wishes to emphasize that since the Remuneration Committee's current members were appointed to their positions for the three-year period of 2009-2011, it seems inappropriate to make any changes at this time to this committee's composition before the end of the current term.

Although the term of the current members of the Remuneration Committee ended on 31 December 2011, these members will remain in office until the new Remuneration Committee is elected in the next General Shareholders Meeting, on May 3 2012.

In 2011, the Remuneration Committee held two meetings, and the respective minutes were drafted and signed.

II.36 Identification of members of those committees that have been constituted for the purposes of individual and overall performance assessment of the executive members, consideration on the governance system that has been adopted by the company and the identification of potential candidates with the professional profile fitting the member position.

As stated in point II.3, on 31 December 2010, the Board of Directors Performance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Luís Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quinteiro Marques de Carvalho.

Moreover, as also stated in point II.3, on 31 December 2010, the Corporate Governance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Manuel Alves Monteiro, João Luís Correia Duque, José Afonso Oom Ferreira de Sousa and Joaquim Sérvulo Rodrigues.

Furthermore, as mentioned above in the General Corporate Governance Model Assessment in Chapter 0 and in point II.16 of this report, in 2011, Novabase did not create any specialized committee with the power to identify, in a timely manner, potential candidates with the high profile needed for the position of director, as this was not necessary in view of its size and the specific nature of its corporate governance model; an adequate definition does exist for the profile of candidates for management positions. With regard to 2011, Novabase believes that such circumstances justified the dismissal of Recommendation No. II.5.1. of the CMVM Corporate Governance Code.

Notwithstanding the above, it should be noted that when executive directors must be replaced, the company has a procedure in place under which the Executive Committee Chairman and the Executive Committee as a whole identify potential candidates (internal or external) to be designated under this replacement, submitting their names to the company boards legally responsible for the replacement, or communicating these names to shareholders interested in submitting, to the General Meeting of Shareholders, a respective proposal for election to the Board of Directors, when applicable.

II.37 Number of meetings held by the committees that have been constituted for management and supervision during the period concerned, as well as reference to the minutes of said meetings that have been held.

As already mentioned in point II.13, the Board of Directors Performance Assessment Committee met once in 2010, and the Corporate Governance Assessment Committee met twice in 2010. Both of these specialized committees draw up their own meeting minutes

II.38 Reference to the fact that one member of the remuneration committee has knowledge and experience in remuneration policy issues.

The Chairman of the Remuneration Committee, Francisco Luís Murteira Nabo, has suitable knowledge and experience in remuneration policy issues, pursuant to point II.38 of CMVM Regulation No. 1/2010.

II.39 Reference to the independency of natural or legal persons with an employment contract or providing services to the remuneration committee, as regards the Board of Directors as well as, when applicable, to the fact that these persons have an existing relation with the company consultant.

The Remuneration Committee is not assisted by any natural or legal persons with an employment contract or service agreement as regards the Board of Directors or any structure beneath it, or by any existing relationship with a company consultant that affects its independence or exemption.

In addition, the Remuneration Committee is not assisted by any entity having a relationship with the company's management in the preceding three years, pursuant to the above paragraph, or by any person related by an employment contract or service agreement with any person referred to in this or the above paragraphs.

Notwithstanding the above, the considerations from the start of this Section V, namely concerning the assessment of the independence of Remuneration Committee members in view of the provisions of Recommendation No. II.5.3 of the 2010 Corporate Governance Code, must be taken into account.

As explained earlier, the provisions of this CMVM recommendation seem to suggest, *a fortiori*, that individuals who have performed duties on the Board of Directors in this period should likewise not be hired to support this committee or, *a fortiori*, become one of its members, which is the case of one of this committee's current members (João Quadros Saldanha).

Therefore, in view of Recommendation No. II.5.3 of the 2010 Corporate Governance Code, former director João Quadros Saldanha may be considered a non-independent member of the Remuneration Committee in relation to the members of Novabase's Board of Directors.

Chapter III. Information and Auditing

III.1 Shareholder base, including indication of shares not admitted to trading, different categories of shares, underlying rights and duties and the percentage of capital that each category represents.

Novabase's share capital consists of 31,401,394 issued shares. There are no shares that are not admitted for trading, nor are there different categories of shares. All shares confer the same rights and obligations.

III.2 Qualified holdings in the shareholder capital of the issuer company, calculated in accordance with Article 20 of the Portuguese Securities Code.

Shareholdings¹ (under the terms of Article 20, Item 1 of the Securities Code)

Shareholder	#	#	%
	Partial Shares	Shares	Capital and Voting Rights
Partbleu, Sociedade Gestora de Participações		3,180,444	10.13%
ES TECH VENTURES, SGPS, SA	1,792,144		
BES Pension Fund	1,149,395		
Corporate Board members	60		
Banco Espírito Santo, SA Group (under the terms of Article 20, Item 1 of the Securities Code)		2,941,599	9.37%
José Afonso Oom Ferreira de Sousa		2,514,947 ²	8.01%
Pedro Miguel Quinteiro Marques de Carvalho		2,170,679 ²	6.91%
Luís Paulo Cardoso Salvado		2,018,047 ²	6.43%
João Nuno da Silva Bento		1,899,799 ²	6.05%
Rogério dos Santos Carapuça		1,884,787 ²	6.00%
Fernando Fonseca Santos		1,575,020	5.02%
Fundo de Investimento Mobiliário Aberto Poupança Ações Santander PPA	1,413,967		
Fundo de Investimento Mobiliário Aberto Santander Ações Portugal	138,786		
Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, SA (under the terms of Article 20, Item 1 of the Securities Code)		1,552,753	4.94%

Álvaro José da Silva Ferreira		1,189,423 ²	3.79%
CAIXAGEST ACÇÕES PORTUGAL – Fundo de Investimento Mobiliário Aberto de Acções	209,382		
CAIXAGEST PPA -	467,332		
Caixagest – Técnicas de Gestão de Fundo		676,714	2.16%
		648,486	2.07%
Total		22,252,698	70.87%

¹Shareholdings of each of these shareholders correspond to last positions notified to the company as at 31 December 2011.

² Includes shares under the shareholders' agreement described in point III.5 of this report. The voting rights attributable to other shareholders under this agreement are attributable to the shareholder in question. The total voting rights under this agreement corresponded to 10,488,065 shares representing 33.40% of the share capital and voting rights of Novabase – SGPS, S.A.

III.3 Identification of shareholders with special rights and description of these rights.

The articles of association do not provide for shares with special rights.

III.4 Restrictions on the transferability of shares, such as consent of sale clauses or restrictions on ownership of shares.

The articles of association do not limit the transfer or ownership of Novabase shares.

III.5 Shareholders' agreements that are known to the company and which may lead to restrictions in terms of transferring securities or voting rights.

On 28 October 2008, the market was notified of the signing of a shareholders' agreement (replacing a prior agreement signed on 20 April 2006) signed by shareholders José Afonso Oom Ferreira de Sousa, Pedro Miguel Quinteiro Marques de Carvalho, Rogério dos Santos Carapuça, Luís Paulo Cardoso Salvado, João Nuno da Silva Bento and Álvaro José da Silva Ferreira, centred on 10,488,065 Novabase shares held by them, corresponding to 33.4% of the company's voting rights. The shareholders' agreement entered into force on 20 April 2009, for a period of three years, at which time the prior shareholders' agreement referred to above ceased to be valid.

The shares under the shareholders' agreement that entered into effect on 20 April 2009 were held by these shareholders in the following quantities:

Shareholder	No. of Shares	% Capital
José Afonso Oom Ferreira de Sousa	2,170,679	6.91%
Pedro Miguel Quinteiro Marques de Carvalho	2,170,679	6.91%

Rogério dos Santos Carapuça	1.774.755	5.65%
Luís Paulo Cardoso Salvado	1.783.543	5.68%
João Nuno da Silva Bento	1.783,543	5.68%
Álvaro José da Silva Ferreira	804,866	2.56%
Total	10,488,065	33.40%

The following contents of this shareholders' agreement are noteworthy:

- a) Obligations regarding the composition of the Board of Directors and election of its members, namely the joint creation by all signatories, previously at General Meetings of Shareholders for the election in question, of proposals for designating members of the Board of Directors. A majority must pass such proposals equal to or greater than two thirds of votes corresponding to shares, with signatories assuming the responsibility of voting in favour of proposals they have presented at the General Meeting of Shareholders;
- b) The need for agreement by a majority equal to or greater than two thirds of votes corresponding to shares to establish terms by which these shares may be sold, together with the potential purchase of Novabase shares by the signatories, with signatories agreeing not to initiate sales or purchases of any kind outside of this agreement;
- c) Notwithstanding the above information, each signatory is authorized, under the terms of the shareholders' agreement, to acquire Novabase shares in proportion to the shares held by him/her within the scope of this agreement, providing that the total shares owned by the signatories does not exceed 33% or 50% of the total number of Novabase shares and/or respective voting rights, depending on whether the qualified shareholding of the signatories is greater or less than 33% on that date, pursuant to article 20 of the Securities Code. Novabase shares acquired in this way will not be considered agreement shares;
- d) Obligation of signatories to vote at General Meetings of Shareholders exclusively in favour of decisions previously passed by a two-thirds or greater majority of signatories having voting rights corresponding to shares, on the following matters: dividends policy, management bonus policy for the company's directors, increase and decrease in share capital, suppression of right of preference in share capital increases, composition of corporate boards, and changes in the articles of association;
- e) Obligation of signatories to vote at General Meetings of Shareholders exclusively in favour of decisions previously passed by a two-thirds or greater majority of signatories having voting rights corresponding to shares;
- f) The need for unanimity of all signatories for the purchase of Novabase shares that imply the allocation to such signatories of a qualified shareholding exceeding 33% or 50% of Novabase voting rights;
- g) The signatories undertake to ensure that their descendents in the first degree, who have not yet reached legal age, will not acquire any Novabase shares in return for payment; and
- h) Any Signatory that, in breach of the Shareholders' Agreement, causes a qualified shareholding of 50% of Novabase voting rights to be allocated to the remaining signatories, under the terms of Article 20 of the Securities Code, must immediately initiate the procedure to suspend the tender offer obligation as provided for in Article 190 of the Securities Code.

Any Signatory responsible for allocating such voting rights, in the terms specified above, and who fails to execute the proper procedures to suspend and terminate the obligation for a tender offer, will be obliged to launch the tender offer individually.

Any signatory dismissed without just cause, from his/her management duties at Novabase while the Shareholders' Agreement is in force can opt to terminate his/her participation in the agreement.

On 31 December 2011, the shareholders' agreement signed in 2008 and effective since 2009 was in effect. However, on 30 January 2012, a new shareholders' agreement was signed by shareholders Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Rogério dos Santos Carapuça, José Afonso Oom Ferreira de Sousa, Pedro Miguel Quinteiro Marques de Carvalho and Álvaro José da Silva Ferreira, centred on 10,488,065 Novabase shares held by them, corresponding to 33.40% of the company's voting rights (restricted shares). This new shareholders' agreement entered immediately into force, and shall be valid until 30 April 2015, replacing the previous shareholders' agreement signed by the signatories.

The shares under the Shareholders' Agreement are held by the aforementioned shareholders in the following quantities:

Name	No. of Shares	% Capital
Luís Paulo Cardoso Salvado	2,018,047	6.43%
João Nuno da Silva Bento	1,899,799	6.05%
Rogério dos Santos Carapuça	1,884,775	6.00%
José Afonso Oom Ferreira de Sousa	1,748,011	5.57%
Pedro Miguel Quinteiro Marques de Carvalho	1,748,011	5.57%
Álvaro José da Silva Ferreira	1,189,423	3.79%
Total	10,488,066	33.40%

The following contents of this shareholders' agreement are noteworthy:

- The need for agreement by a majority equal to or greater than two-thirds of votes corresponding to shares to establish terms by which such shares may be sold, together with the potential purchase of Novabase shares by the signatories, with signatories agreeing not to initiate sales or purchases of any kind outside of this agreement;
- Need for unanimity of all signatories to acquire Novabase shares or sign agreements giving these signatories qualified holdings exceeding one-third or 50% of Novabase's voting rights, according to whether the signatories' immediately prior shareholdings are less or more than one-third of these voting rights;
- Notwithstanding the above, each signatory is authorized to acquire Novabase shares up to a maximum of 1.93% of the voting rights corresponding to Novabase's share capital, per signatory, provided that such acquisitions do not give the signatories more than 50% of the voting rights corresponding to the company's share capital. Novabase shares acquired in this manner will not be considered restricted shares, unless agreed so by unanimous decision;
- Moreover, any signatory holding less than 1/6 (one-sixth) of all restricted shares on a

given date may acquire restricted shares, and/or Novabase to be included in restricted shares, up to this maximum limit of 1/6 (one-sixth) of all restricted shares;

- e) Signatories who, following transactions performed under the terms of d) above, hold more than 1/6 (one-sixth) of the new total of restricted shares may dispose of restricted shares, provided that they maintain ownership of at least 1/6 (one-sixth) of the new total of restricted shares;
- f) The shareholders' agreement also states that the transactions performed under the terms of d) and e) above may under no circumstances give signatories shareholdings equal to or less than one-third, or more than one half, of the voting rights corresponding to Novabase's share capital;
- g) The Signatories subscribe to the obligation that their first degree descendants shall not undertake to acquire any Novabase shares before they come of age.
- h) Any signatory that, in breach of the Shareholders' Agreement, causes a qualified shareholding of 50% of Novabase voting rights to be allocated to the remaining signatories, under the terms of Article 20 of the Securities Code, must immediately initiate the procedure to suspend the tender offer obligation as provided for in Article 190 of the Securities Code. Any Signatory responsible for allocating such voting rights, in the terms specified above, and who fails to execute the proper procedures to suspend and terminate the obligation for a tender offer, will be obliged to launch the tender offer individually.
- i) In all of the following matters, signatories must exercise their voting right at Novabase's General Meetings of Shareholders by a strict majority equal to or greater than two-thirds of votes corresponding to restricted shares: dividend policy to be adopted, management compensation policy for Novabase directors, increases and decreases in share capital, elimination of the pre-emptive right in increases in capital, composition of corporate boards, Novabase mergers and divisions, and amendments to the articles of association;
- j) Commitment, subject to market conditions and applicable legal conditions, seeking to ensure that:
 - a. A dividend policy be proposed for the 2011-2014 financial years with an annual dividend payment of at least 30% of the consolidated net profit for the year;
 - b. A new stock option plan be implemented, under market conditions to be defined;
- k) Obligation to draw up, together with all signatories before the elections at the General Meeting of Shareholders, proposals to appoint members to Novabase's corporate boards, Executive Committee and specialized committees of the Board of Directors;
- l) Obligation of signatories to vote at General Meetings of Shareholders exclusively in favour of decisions previously passed by a two-thirds or greater majority of signatories having voting rights corresponding to restricted shares;
- m) Any signatory who is dismissed without just cause from his/her management duties at Novabase while the Shareholders' Agreement is in force may opt to terminate his/her participation in the agreement. In the remaining cases, and except in specific situations of death, interdiction, incapacity or disability governed by the agreement, signatories may only terminate their participation in the shareholders' agreement with approval by a majority at least equal to or greater than two-thirds of votes corresponding to restricted shares;
- n) Any party in breach of its obligations arising from the shareholders' agreement shall be subject to the provisions of clause IX concerning penalties for the non-performance of this agreement.

The signing of these Shareholders' Agreements, particularly the new Shareholders' Agreement, has sought to guarantee shareholder stability for their corresponding three-year periods. Novabase believes that the existence of a shareholders' agreement does not constitute a defensive measure contrary to shareholder interests in itself, since it ensures stability in the management of the company, therefore safeguarding Novabase's corporate and shareholder interests. Furthermore, Novabase believes that because the current shareholders' agreement involves only 33.40% of Novabase's total shares, it should not be considered a defensive measure against any public offerings for acquisition, given that in addition to the fact that it was not established for this purpose, such a shareholders' agreement cannot prevent the transfer of control of the company and therefore the success of any general public offerings for acquisition.

However, due to the existence of this shareholders' agreement, the CMVM believes that Novabase does not fulfil Recommendation No. I.6.1. of the Corporate Governance Code in its entirety.

Apart from this Shareholders' Agreement, Novabase has no knowledge of the existence of any other shareholders' agreements regarding its share capital.

III.6 Rules applicable to amendment of the company's articles of association;

Constitutive quorum for the General Meeting of Shareholders

When amendments to the articles of association are under consideration, the General Meeting of Shareholders can only decide on first notice if shareholders having stock corresponding to at least one-third of the share capital are present or represented. This requirement does not apply on second notice, and the General Meeting of Shareholders can then decide on any matter, regardless of how many shareholders are present.

Deliberative quorum for the General Meeting of Shareholders

When amendments to the articles of association are under consideration, the General Meeting of Shareholders decides by a two-thirds majority of the votes cast.

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

III.7 Control mechanisms provided for in a possible employee investment scheme in which voting rights are not directly exercised by them.

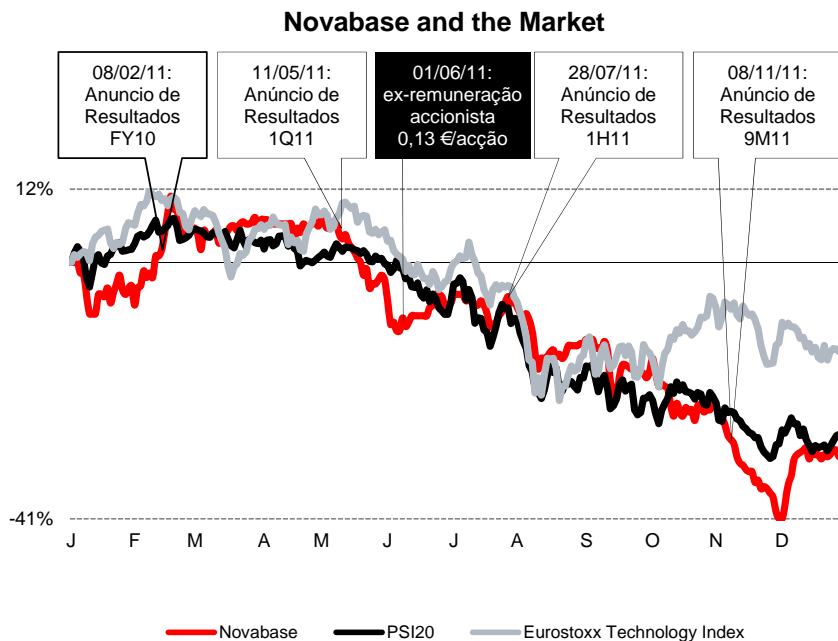
There are no employee investment schemes in which voting rights are not directly exercised by them.

III.8 Changes in the issuer's share prices, taking into account the following:

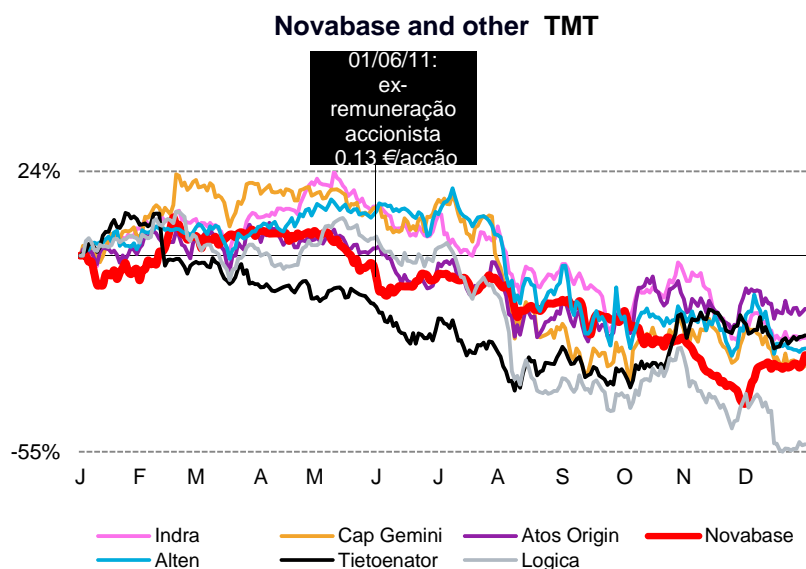
- a) The issue of shares or other securities with share subscription or acquisition rights;*
- b) Announcement of results;*
- c) Payment of dividends according to the category of shares with indication of the net amount per share.*

The NOVABASE share in 2011 lost 27,9%, which compares to a loss of 27,6% in the PSI20 index and a loss in the EuroStoxx Technology index of 12,8%.

In 2011, a dividend of 0,13€/share was distributed.



In comparing Novabase's share price with other similar companies from Europe's IT sector, one can see that Novabase share's performance in the 12M11 was in line with the average performance of other shares.



The average target price from analysts covering Novabase is 3.70 euros.

In the 12M11, rotation represented 17,5% of NOVABASE share capital, with 5,5 million shares traded, values which are below the ones in the 12M10 (rotation of 22,5% of share capital, 7,1 million shares traded).

Resumo Summary	2011	2010	2009	2008	2007
Cotação Mínima (€) Minimum Price (€)	1,70	2,79	3,27	2,10	3,27
Cotação Máxima (€) Maximum Price (€)	3,21	4,63	5,05	5,07	5,91
Cotação Média Ponderada (€) Average Weighted Price (€)	2,67	3,71	4,39	3,87	5,17
Cotação no Último Dia (€) Last Tradable Day Price (€)	2,09	2,90	4,44	4,59	3,27
Nº Títulos Transaccionados (milhões) Number of Shares Traded (millions)	5,5	7,1	8,5	21,0	20,2
Capitalização Bolsista no Último Dia (M€) Market Capitalization on Last Day (M€)	65,6	91,1	139,4	144,1	102,7

The relevant occurrences disclosed by Novabase in 2011 were as follows:

15/12/2011

[NOVABASE – SGPS, SA informa sobre transacções de dirigentes](#)

05/12/2011

[NOVABASE – SGPS, SA, informa sobre transacções de dirigentes](#)

25/11/2011

[NOVABASE – SGSP, SA informa sobre Relatório e Contas no 3T2011](#)

24/11/2011

[NOVABASE – SGPS, SA, informa sobre transacções de dirigentes](#)

08/11/2011

[NOVABASE – SGPS, SA informa sobre resultados consolidados no 3º trimestre de 2011](#)

12/09/2011

[NOVABASE-SGPS, SA informa sobre transacções de dirigentes](#)

26/08/2011

[NOVABASE-SGPS, SA, 1º Semestre de 2011](#)

28/07/2011

[NOVABASE – SGPS, SA informa sobre resultados consolidados do 1º semestre de 2011](#)

28/07/2011

[NOVABASE – SGPS, SA informa sobre revisão do guidance para 2011](#)

15/07/2011

[NOVABASE - SGPS, SA informa sobre participação qualificada](#)

26/05/2011

[NOVABASE – SGPS, SA informa sobre Relatório e Contas do 1T2011](#)

26/05/2011

[NOVABASE – SGSP, SA informa sobre participação qualificada](#)

19/05/2011

[NOVABASE – SGPS, SA informa sobre pagamento de dividendo](#)

19/05/2011

[NOVABASE – SGPS, SA informa sobre transacções de dirigentes](#)

11/05/2011

[NOVABASE – SGPS, SA informa sobre resultados consolidados no 1º Trimestre de 2011](#)

05/05/2011

[NOVABASE-SGPS, SA informa sobre deliberações da Assembleia Geral Anual de Accionistas](#)

27/04/2011

[NOVABASE-SGPS, S.A. informa sobre pedido de inclusão de assuntos na ordem do dia de Assembleia Geral Anual e respectivas propostas de accionistas](#)

27/04/2011

[NOVABASE-SGPS, SA informa sobre aditamento à convocatória da Assembleia Geral Anual](#)

19/04/2011

[NOVABASE – SGPS, SA informa sobre reforço da aposta no sector Aeroespacial com a aquisição da Evolvespace Solutions](#)

15/04/2011

[NOVABASE-SGPS,S.A.informa sobre transacções de dirigentes](#)

12/04/2011

[NOVABASE-SGPS, SA informa sobre Relatório e Contas consolidadas e individuais de 2010](#)

12/04/2011

[NOVABASE-SGPS, SA informa sobre o Relatório de Governo da sociedade de 2010](#)

12/04/2011

[Proceder à apreciação geral da Administração e Fiscalização da Sociedade](#)

12/04/2011

Deliberar sobre a declaração da Comissão de Vencimentos relativa à política de remuneração dos membros dos órgãos sociais

12/04/2011

Deliberar sobre aquisição e alienação de acções próprias

12/04/2011

Deliberar sobre a alteração dos números 2, 3, 4 e 7 do artigo 9.º e dos artigos 12.º e 13.º dos Estatutos

12/04/2011

Deliberar sobre a proposta de aplicação de resultados

12/04/2011

Deliberar sobre o Relatório de Gestão e as Contas relativas ao exercício de 2010

12/04/2011

NOVABASE-SGPS, SA informa sobre a convocatória da Assembleia Geral Anual

12/04/2011

NOVABASE – SGPS, SA informa sobre Síntese de Informação Divulgada em 2010

04/04/2011

NOVABASE-SGPS,S.A.informa sobre transacções de dirigentes

17/02/2011

NOVABASE - SGPS, SA informa sobre decisão sobre Fundos de Capital de Risco

08/02/2011

NOVABASE – SGPS, S.A. informa sobre política de remuneração accionista

08/02/2011

NOVABASE – SGPS, S.A. informa sobre guidance 2011

08/02/2011

NOVABASE – SGPS, S.A. informa sobre resultados consolidados de 2010

III.9 Description of the dividends distribution policy adopted by the company, identifying the amount of the dividend per share distributed over the past three financial years.

Dividends for 2000, 2001 and 2002 – the Board of Directors proposed at the General Meetings of Shareholders on 22 May 2001, 29 April 2002 and 29 April 2003 that the profits made in the financial years of 2000, 2001 and 2002 should continue to be invested in the company to enable it to give priority to structural investments with a decisive impact on the company's growth and profitability. The prospectus of the public offer for the sale and admission to official trading of Novabase's shares on the Lisbon and Porto Stock Exchanges (today Eurolist of Euronext Lisbon) had already announced the company's intention not to distribute dividends to the shareholders in the three years following its admission to trading. The General Meeting of Shareholders therefore decided unanimously not to distribute dividends to the shareholders for the financial years ending on 31 December of 2000, 2001 and 2002.

Dividends for 2003, 2004, 2005, 2006, 2007 and 2008 – shareholders present at Annual General Meetings of Shareholders decided not to distribute dividends.

In 2009, Novabase distributed a total of €15.7 million to shareholders, of which €10 million corresponded to 2009 annual profits and €5.7 million corresponded to capital reimbursements. This distribution entailed a total payment of €0.50 per share to shareholders.

Moreover, on 8 February 2011, Novabase announced that its Board of Directors has approved the intention to implement a shareholder earnings policy with the following essential terms and conditions:

- Payment, in 2011, of a cash dividend of €0.13 per share, for a total of €4,082,121.22.
- As of 2012, annual payment of a dividend in an amount ranging between 30% and 40% of consolidated net profit recorded in each financial year.

It also announced that the implementation of the above shareholder earnings policy would remain subject to market conditions, a financial and accounting status at Novabase allowing its execution, approval at the appropriate corporate board meetings and/or the General Meeting of Shareholders and other applicable legal and regulatory terms and conditions, together with other factors deemed relevant by the Board of Directors at the time.

With regard to 2010, Novabase distributed a total of around €4.1 million to shareholders in 2011 (corresponding to around €2.7 million from the year's net profit and around €1.4 million from free reserves and cumulative results) with the General Meeting of Shareholders' approval of the proposal from the Board of Directors, resulting in a payment to shareholders of €0.13 per share.

Meanwhile, on 2 February 2012, Novabase announced that its Board of Directors had approved a plan to propose, at the 2012 General Meeting of Shareholders, the distribution €942,041.82 to shareholders. This payment, equal to 35.54% of consolidated net profit, represents a distribution of 3 euro cents per share.

III.10 Description of the main characteristics of the stock plans and plans for options to purchase stock adopted or in force during the year under review, namely justification for adoption of the plan, category and number of plan recipients, eligibility criteria, inalienability of shares clauses, criteria regarding share prices and the price for exercising options, time frame during which options can be exercised, characteristics of the shares to be attributed, existence of incentives to acquire shares and/or exercise options and the power of the board of directors to execute or modify the plan.

Indication:

- a) Of the number of shares needed to meet the exercising of the options attributed and the number of shares needed to meet the number of exercisable options, as a reference at the beginning and end of the year;*
- b) Of the number of options attributed, exercisable and extinguished during the year;*
- c) At the General Meeting of Shareholders, assessment of the characteristics of the adopted plans or the plans in force during the year in question.*

To date, the Novabase General Meeting of Shareholders has approved four plans for options to allot, subscribe for and/or purchase shares, namely:

- 1st Plan was universal, offering stock options to employees and members of the Board of Directors of Novabase and other companies in the Novabase Group (2000-2002 Plan), passed in the General Meeting of Shareholders of 22 May 2001;
- 2nd Plan for Options to Subscribe and/or Purchase Novabase Stock for the years 2003 to 2005 (2003-2005 Plan), passed in the General Meeting of Shareholders of 29 April 2003, also a universal plan, offering stock options to employees and members of the Board of Directors of Novabase and other companies in the Novabase Group;
- 3rd Stock Options Plan (2006-2008 Plan), passed in the General Meeting of Shareholders of 20 April 2006, covering only the directors of some of the

Novabase Group companies, namely those directors who in large part manage these companies, as well as those persons who hold an important position in any company of the Novabase Group on the basis of an employment contract;

- 4th Plan for Options to Allot Shares (2009-2011 Plan) passed in the General Meeting of Shareholders of 28 April 2009, covering only the directors of Novabase SGPS.

The time periods for exercising the first three plans have already expired, and there are no active stock options that can be exercised. The plans implemented by Novabase have sought and still seek to promote investment in the company by employees and/or members of the Board of Directors of the company and other companies in the Novabase Group, with a view to pooling efforts towards developing the company's business activity, achieving its goals and sharing the company's strong growth potential with staff, regardless of their professional category.

The 4th Plan for Options to Allot Shares, in effect from 2009-2011, covers the directors of Novabase.

This Plan for Options to Allot Shares involves ordinary Novabase shares as a performance bonus for participants.

The options are allotted by way of decision of the Remuneration Committee, which will meet for this purpose within 60 days of the commencement of duties. The options may be exercised in phases at three points in time. The first can be exercised on 25 May of the year following that in which the first annual component is attributed, and the other two on the same day (or on the first subsequent working day) in the following months of May, and in blocks corresponding to 1/3 of the number of options attributed. Unexercised options may be exercised on their subsequent maturity dates, although they will automatically expire if not exercised on the last maturity date of 25 May 2012.

Each participant may benefit only once from the options under this plan, which will occur in the year in which they commence their management duties.

The options' strike price is defined before the date of attribution. It should, as a rule, be the arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase shares at sessions of the Euronext Lisbon regulated market occurring in the ninety days preceding the participant's commencement of management duties, with any necessary adjustment under the terms of the plan. The strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 28 April 2009 was €4.04 per share.

Under the terms of the plan, exercised options are settled via net share settlement from Novabase's portfolio.

Once the participant notifies the company of his/her intention to exercise options on each of the scheduled dates, the number of shares to allot to this participant (rounded down) is determined by the formula:

$$\text{No of shares} = \text{No. of options exercised} \times (\text{TP} - \text{Strike}) / \text{TP}$$

Where:

TP or take-up price = arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase's shares at sessions of the Euronext Lisbon occurring in the ninety days preceding the vesting date.

The total number of options attributed under the 4th Plan may under no circumstances exceed the total number of options attributed under the 3rd Plan, pursuant to which the shares corresponding to the options attributed but not yet exercised under this third 2006-2008 Stock Option Plan should not at any time exceed 8% of the total volume of shares representing Novabase's share capital at the time, for the three Annual Loyalty Components comprising the 3rd Plan.

Novabase's Remuneration Committee is responsible for selecting participants in the 4th Plan.

As a rule, changes to strike and take-up prices are not authorized. Whenever financial transactions with potentially relevant impacts on Novabase's share value occur, these prices may be adjusted under the terms of the Plan, but only to offset these transactions' effects, subject to the Remuneration Committee's prior authorization and validation.

The total number of recipients is eight participants.

Implementation of the Plans:

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

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

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

In 2005, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 319,058 subscription options for Novabase shares were exercised on 25 May 2005, corresponding to 8.9% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 01 June 2005. Of the total 319,058 shares, 314,971 were subscribed and paid up at the unit price of €4.96, and the remaining 4,087 shares were subscribed and paid up at the unit price of €5.87.

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

In 2007, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 23,169 subscription options for Novabase shares were exercised on 25 May 2007, corresponding to less than 1% of the options attributed and exercisable on that date (active options). All 23,169 options were subscribed for at the unit price of €4.91 (resulting from the

adjustment to the unit price of €4.96, as explained below). The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2008, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 10,974 subscription options for Novabase shares were exercised on 25 May 2008, corresponding to 1% of the options attributed and exercisable on that date (active options). All 10,974 options were subscribed at the unit price of €4.09. The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2009, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 10,974 subscription options for Novabase shares were exercised on 25 May 2009, corresponding to 1% of the options attributed and exercisable on that date (active options). All 10,974 options were subscribed at the unit price of €4.09. The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2009, under the 4th Plan, a total of 1,959,720 options were allotted to Novabase directors participating in the Plan.

On 25 May 2010, the maturity date was reached for Batch 1 (equalling one third of the total) of the options allotted to each participant under the 4th Plan; no options were exercised on this date.

On 25 May 2011, the maturity date was reached for Batch 2 (equalling one third of the total) of the options allotted to each participant under the 4th Plan; no options were exercised on this date.

Implementation Summary Chart:

Period	Total Shares Exercised	Shares	Subscription Price	Shares	Subscription Price
2001	55,964	45,043	8.5	10,921	10.40
2004	150,743	150,743	4.96		
2005	319,058	314,971	4.96	4,087	5.87
2006	2,675,629	2,634,308	4.96	38,755	5.87
2006		2,566	6.10		
2007	23,169	23,169	4.91		
2008	10,974	10,974	4.09		
2009	10,974	10,974	4.09		
2010	0	0	0	0	0
2011	0	0	0	0	0

Given a hypothetical take-up price, on 31 December 2011, of the options attributed in the 4th Plan, which would be €1.99 per share (calculated according to the above criteria), if all attributed and exercisable options (i.e. the total 1,959,720 options allotted to management) were exercised on the next vesting date of 25 May 2012, no shares would be attributed in settlement of the exercised options.

The above information is for information purposes only, since, as stated above, the options attributed under the 4th Plan may only be exercised on the maturity dates specified in the plan: 25 May of the year following that in which the options are attributed, and the same days (or on the first subsequent working day) in the following months of May, in batches corresponding to 1/3 of the number of options attributed.

It is important to note that, bearing in mind (a) the distribution to shareholders in 2010 and 2011 (as indicated in point III.9) and (b) Novabase's publicly announced intention to implement a shareholder earnings policy including payment, as of 2012, the annual payment of a dividend in an amount ranging between 30% and 40% of consolidated net profit recorded in each financial year, the options' strike and take-up prices are expected to experience adjustments. Adjustments to the 4th Plan must be made pursuant to clause 8 of the respective regulations, and are subject to prior authorization and validation by the Remuneration Committee.

As regards the shares attributed under the 4th Plan, these cannot be sold or encumbered by participants for a period of one year from their respective date of attribution due to the exercising of these options, with the exception of 50% of all shares attributed on said date.

Meanwhile, on 30 January 2012, as part of the announcement of the new shareholders' agreement described above, it was announced that its signatories would make efforts to implement a new stock option plan.

III.11 A description of the main data on business deals and transactions carried out between the company and between the members of the Management and Supervisory Board or companies in a control or group relationship, provided the amount is economically significant for any of the parties involved, except for those business deals or transactions that are cumulatively considered within the bounds of normal market conditions for similar transactions and are part of the company's current business.

No business deals or transactions were conducted between the company and the members of its management and supervisory boards, or companies in a control or group relationship, outside of normal market conditions or outside of the company's current business.

III.12 Description of the vital data on business deals and transactions carried out in the absence of normal market conditions between companies and owners of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

No business deals or transactions were conducted between the company and owners of qualified holdings, or entities in any way related to them, outside of normal market conditions.

III.13 A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the owners of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

Pursuant to Recommendation No. IV.2 of the Corporate Governance Code, significant business deals with qualified shareholders, or with entities in any way related to them, pursuant to Article 20 of the Securities Code, must be subject to the prior opinion of the supervisory board. The procedures and criteria required to define the relevant level of significance of these deals and other conditions must be established by the supervisory board.

Taking this recommendation into account, on 31 March 2011, Novabase passed Internal Regulations on Transactions with Qualified Shareholders, to which major company business deals with qualified shareholders are subject.

Business deals of this sort include transactions by the company, by entities in a control or group relationship or entities within its consolidation perimeter, with qualified shareholders, or with entities related to them pursuant to Article 20 of the Securities Code.

Significant business deals also include: (i) those that are not part of the day-to-day business of the company, of shareholders or of entities related to them pursuant to Article 20 of the Securities Code, and revolving around a single matter, with a cumulative combined total equal to or greater than, in a given financial year, half-year or quarter, €50,000 (fifty thousand euros), even when the amount of each individual transaction does not exceed this amount; or (ii) those not carried out in normal market conditions.

In the above cases, Novabase's Board of Directors, Executive Committee and bodies, committees and individuals in the Novabase Group with authorization to approve the transaction in question must notify the company's Auditing Committee as soon as possible, and never less than 5 days from the transaction's occurrence, of their intention to approve the transaction.

Such notification to Novabase's Audit Committee must include the following: (a) identification of the body, committee or individual in the Novabase Group making the notification, together with

the Novabase Group entity under which said body, committee or individual operates or is found; (b) parties to the transaction; (c) scheduled transaction date; (d) economic and financial terms of the transaction, and its total amount, which must always be specified, even if only an estimate; (e) reason for transaction between the Novabase Group and the entity in question; (f) reason for transaction specifically with customer or supplier in question.

Once the above notification has been received, the Audit Committee must issue its approval or disapproval of the transaction as soon as possible.

In issuing its opinion, the Audit Committee must bear in mind whether the business deal in question will be carried out under normal market conditions for similar transactions, whether it is part of the company's day-to-day business and whether the principle of equal treatment of Novabase Group customers/suppliers will be respected, together with grounds justifying the transaction when digressions to these principles occur, i.e. the need to pursue a higher company interest.

In either case, the Audit Committee must give immediate notification to Novabase's Board of Directors of any prior opinion issued.

III.14 A description of the statistical data (number, average and maximum values) on the business deals subject to preliminary opinion by the supervisory board.

The supervisory board had no prior involvement in the company's business deals in 2011.

III.15 Indication of the availability on the company's website, of annual activity reports drawn up by the general and supervisory board, by the financial matters committee, the audit committee and the supervisory board, including constraints that might be encountered, as well as financial information documents.

The report on the activities of Novabase's Audit Committee is attached to this report and published at Novabase's website, and includes a description of the oversight activities carried out by the Audit Committee, together with the fact that no constraints were found with regard to these activities.

III.16 Reference to the existence of an Investor Relations Office or other similar service, indicating:

- a) Office functions;*
- b) Type of information provided by the office;*
- c) Means of accessing the office;*
- d) Company website;*
- e) Identification of the market relations representative.*

Novabase is particularly focused on its presence in the capital market. The Investor Relations Office is responsible for representing Novabase in its dealings with the CMVM and investors, while promoting contact with private and institutional, foreign and Portuguese investors.

The office provides information through Novabase's website (www.novabase.pt). Since 2002 Novabase has had a dedicated investor relations area on its company website at www.novabase.pt. Investors have access to a number of links containing information of interest

to their profile. In terms of financial information, they have access to Annual Reports and Accounts for previous years, the Financial Calendar, relevant information about the sector supporting the predictability of earnings, reserved information, information on the composition and powers of the company's Corporate Boards, the names and e-mail addresses of the analysts covering the security, the market consensus on three-year sales and EBITDA margins, the market performance of Novabase's shares, Novabase's shareholders, a space reserved for the General Meetings of Shareholders for convening meetings and posting preparatory information for General Meetings of Shareholders, the form for postal votes and electronic voting (available since 2006), a Corporate Governance space in which Novabase publishes this report, CMVM Regulation No. 1/2010 on the Governance of Listed Companies and Corporate Governance Code and the procedure for reporting irregularities, frequently asked questions, and the contact details of Novabase's Investor Relations Office.

A summary of the decisions is published on the Novabase website and in the CMVM information disclosure system immediately after the General Meeting of Shareholders.

At its company website, Novabase maintains documents with content corresponding to extracts from the minutes, including information on the number of people present, number of shareholders and meeting agendas. Voting results have also been provided since 2010. Novabase has also established the necessary mechanisms to ensure that the above are disclosed as quickly as possible, and always within the 5 days following the General Meeting of Shareholders.

On its website, Novabase maintains a collection of past minutes, including the number of people present, number of shareholders represented and the number of institutional investors present, as well as the meetings' agendas and the decisions taken at meetings held over the past three years.

The following information is published in English on Novabase's website: a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code; b) Articles of Association; c) Credentials of the members of corporate boards and the market liaison officer; d) Investor Relations Office – its functions and access tools; e) Accounts reporting documents; f) Half-yearly calendar on company events; g) Proposals sent through for discussion and voting during the General Meeting of Shareholders; h) Notices convening General Meetings of Shareholders.

The Investor Relations Office can be contacted as follows:

María Gil Marín

Market and Investor Relations

Phone: +351 213 836 300

Fax: +351 213 836 301

E-mail: investor.relations@novabase.pt

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

III.17 Indication of the amount of annual remuneration paid to the auditor and to other individual or legal persons belonging to the same network supported by the company and/or legal persons that are controlled by or part of a group, and breakdown of the percentage relating to the following services:

- a) Statutory auditing services;*
- b) Other reliability assurance services;*
- c) Tax consultancy services;*
- d) Services other than statutory auditing.*

If the auditor provides any of the services described in sub-paragraphs c) and d), a description of the auditor independence safeguarding measures shall be provided.

For the purpose of this information, the concept of network is that stipulated by European Commission Recommendation no. C (2002) 1873, of 16 May.

Service	2010 ('000€)	2011 ('000€)
Statutory auditing	200	200
Other reliability assurance services	3	3
Tax consultancy services	8	0
Services other than statutory auditing	12	3

Among other duties, the external auditor is responsible for verifying the application of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and the reporting of any shortcomings to the Auditing Committee, thereby fulfilling Recommendation No. III.1.4 of the Corporate Governance Code.

A procedure is in place by which all of the various auditing services are subject to the prior approval of the Auditing Committee. In 2010, auditors were hired to perform services involving the certification and declaration of consolidated annual sales data for training and electrical and electronic equipment; however, these services (as shown in the table above) did not exceed 10% of all auditing services.

The use of such services is justified at the time of their prior approval by the Auditing Committee, primarily due to the functional advantages of Novabase knowledge held by the external auditor from the performance of these duties, in addition to the assurance of independence given by the external auditor in the fulfilment of professional obligations.

III.18 Reference to the external auditor's rotation period.

- o) Recommendation No. III.1.3 of the Corporate Governance Code states that auditors should be rotated at the end of three terms when the term of office of corporate boards is three years, as is the case with Novabase.

Moreover, pursuant to Article 54 of Decree-Law No. 224/2008 of 20 November, in entities of public interest (which, under the terms of the respective legislation, includes listed companies), the maximum period for performing auditing duties by the partner responsible for overseeing or directly performing statutory audits is seven years from his/her appointment, renewable after a minimum period of two years.

On 31 December 2011, the Novabase statutory auditing body and active external auditor was the official auditing firm PricewaterhouseCoopers & Associados, SROC, Lda, represented by Jorge Manuel Santos Costa or Ana Maria Ávila de Oliveira Lopes Bertão, and with César Abel Rodrigues Gonçalves as substitute statutory auditor.

Since the partner responsible for statutory audits has provided services to Novabase since 2003 (as a representative of Belarmino Martins, SROC), under Article 54 of Decree-Law No. 224/2008 of 20 November, once seven years had passed in relation to the start of these

services (in May 2010), the current partners were appointed to oversee and directly perform Novabase's statutory audits, under the above terms.

PricewaterhouseCoopers & Associados, SROC, Lda. was chosen as the company's statutory auditor for the three-year term of 2009-2011, and will perform these duties at least until Novabase's General Meeting of Shareholders on 3 May 2012.

In view of the above, the Auditing Committee weighed up the conditions of the auditor's independence, the advantages and costs involved in maintaining the auditor, and the auditor's replacement.

Along these lines, the following were taken into account:

- a) The abilities, qualifications and professional experience of the current external auditor, along with its detailed internal knowledge of the various companies of the Novabase Group and the sectors in which they do business, compared to the comparable characteristics of other accredited auditing firms contacted;
- b) The fact that the partner responsible for auditing services must be replaced every seven years, the ethical standards applicable to statutory auditors and the powers assigned by the Auditing Committee itself (which is fully comprised of independent members, with proper training to perform their duties and knowledge of accounting and auditing) already ensured a very high degree of external auditor independence;
- c) That the European Commission Recommendation of 16 May 2002 does not provide for any rotation of the external auditor, but only consideration of the extent to which the prolonged participation of other members of the auditing team beyond the partner responsible may compromise its independence, and that the necessary safeguarding measures be taken to reduce this risk to an acceptable level (which the aspects referred to in the above item seem to already largely address);
- d) That the reform proposed by the European Commission to make the rotation of the external auditor mandatory has yet to be implemented;
- e) That some experiences in other European jurisdictions (e.g. Spain) imposing the mandatory rotation of the external auditor at the end of a given time period were ultimately abandoned;
- f) That a change to the external auditor may involve costs to adapt information systems and communication methods, and costs involving time or the recovery of previously drawn up documents, among others;
- g) That in view of the status quo of the global, European and Portuguese economies, prudence is needed in weighing up the consequences of changing methods and procedures in companies' daily routines.

In view of all of the above aspects, the Auditing Committee issued a specific opinion to keep the current external auditor for at least one more term, thereby fulfilling Recommendation No. III.1.3. of the CMVM Corporate Governance Code in its entirety.

Annexes:

- *Report from the Audit Committee*
- *Report from the Remuneration Committee*
- *Report from the non-executive directors*

REPORT FROM THE AUDIT COMMITTEE

11



Report on the Activity of the Audit Committee in 2011



1. Scope

Novabase adopted in 2007 the Anglo-Saxon governance model which implies the existence of an Audit Committee as statutory supervisory corporate board of the company.

The current Audit Committee is composed by:

Luis Mira Amaral (Chairman)

João Luís Correia Duque (Member) and

Manuel Alves Monteiro (Member)

The current members of the Audit Committee were elected on the General Meeting of Novabase on 28 April 2009 for the triennium 2009 - 2011 and also are part of the composition of the Board of Directors of the group as non executive members, fulfilling the requisites established in the law – namely nº 5 artº 414 of the Companies Code.

2. Activities of the Committee

The current Audit Committee, as a statutory auditing body of Novabase, with the supervisory competencies established in its internal regulations and in artº 423-F of the Companies Code, carried out the following activities in the course of the 10 formal meetings it held during the year:

a) To provide opinion on the work carried out by the external auditors, namely overseeing its independence

.The Committee evaluates, on a yearly basis, the activity of the external auditors, namely in the respect of its independence, rigor, professionalism and pro-active character, issuing a report which is passed on to the Board of Directors.

Within the established proceeding known as “Non Audit Services”, which establishes the need of previous approval by the Audit Committee of all services other than specific auditing services by the group auditors, no such request of such nature was received by the Audit Committee.

b) Opinion on the quality of the financial information

The Committee held regular internal meetings jointly with the external auditors and the CFO, not excluding regular meeting in separate with each, to analyse the conformity of the financial information issued by the company to be disclosed to the market quarterly as well as compliance with the accounting policy and criteria in the preparation of financial statements.

The Committee holds regular meetings with the CEO and CFO, jointly or separately, building closer relationships with these and assuring a high degree in the sharing of information and discussion of all the financial and operational matters considered relevant in this period.

c) Supervision of the internal control system and the quality and effectiveness of the risk management policies implemented, identifying the different risks for the company and its businesses.

During 2011, the Committee held regular meetings with the CRO, analysing and discussing the reports for this effect.

Simultaneously, the risks on the company and its businesses were analysed as well as challenges to the sustainability of the company’s business, within the meetings with the external auditors.



The evaluation of the internal audit reports is carried out on a yearly basis, with the discussion of the conclusions jointly with the CFO.

The Committee accompanied the evolution of the solutions implemented in response to the internal control issues as reported by the external auditors during the period.

Also, meetings with the people responsible in charge of Quality and Corporate Development were carried out, which were very productive as to deepening the knowledge of the internal control processes.

This Audit Committee devotes special attention to the various potential risks for the company and its businesses undertaking a special effort to get to know them in detail, at the same time seeking to assure that the executive management has a high degree of knowledge of their nature and repercussions to the company, adopting measures leading to an adequate monitoring of their variables and establishing mitigation policies to protect the company businesses and the assets allocated, ensuring the future sustainability of the company and of the legitimate interests of the respective stakeholders, in particular the shareholders.

Interaction with the Chairman and the CRO was, to this respect, very positive, allowing a better identification of risk issues and the ways to address them.

Novabase has adopted a system for communication of irregular practices (designated as "SPI") eventually occurred in the Group. The communication of irregular practices through the SPI is addressed to the Audit Committee which has appointed a person Responsible for the SPI to manage these communications. During 2011 no communication regarding any irregularity was received.

Simultaneously with these activities the Committee carries out on a yearly basis a self evaluation of its performance and compliance with the goals established, which are an incentive to the continuous improvement of its actions.

In compliance with the Companies Code, the Audit Committee confirms that in the pursuit of its activities as above it has not come across any limitation to its activity as auditing body.

The Committee has in fact encountered a posture of great cooperation and transparency, both from the people responsible with whom it held contacts and from the team which makes up the Executive Committee, with special note to the Chairman of the Board of Directors, the President of the Executive Committee and the CFO; a posture hereby registered with great satisfaction.



3. Activities to be developed

After the setting up of routine control actions, the Audit Committee now plans to have special emphasis on:

- continuing to build close relationships with the Executive Committee and other managers of the company, assuring a high level of sharing of information;
- strengthening the monitoring and analysis of internal control processes in place;
- continuing to pursue the analysis and monitoring of the risks on the company and its most relevant businesses;
- implementing actions and proceedings that the self assessment of the Committee may deem adequate with view to the general improvement of the Committee's performance;
- special attention to hot topics which traditionally accompany financial reporting;
- in general, the Audit Committee will maintain a very special attention on other elements and factors which contribute to the sustainability of the company and the profitability of its businesses, contributing towards the effort of creating sustainable value to the stakeholders and the shareholders in particular.



4. Conclusion

In pursuing its mission, the Audit Committee concludes that:

- 1) The management of Novabase acts with high levels of rigor and transparency, which reflect on the quality of managing information issued, on the working conditions of those with the mission of auditing, controlling and supervising, and on the attention it gives to the monitoring and mitigation of risks for the company and its businesses;
- 2) Novabase is audited on a capable, professional and independent manner, the company receiving from the external auditors the necessary and adequate information for the issuing of a report worthy of trust by the shareholders and the market.

The Audit Committee

Luís Mira Amaral (Chairman)

João Luís Correia Duque

Manuel Alves Monteiro

Lisbon, 29 March 2012

Report from the Remunerations Committee for the year 2011
and Recommendations for the Remuneration Policy for the term 2012/ 2014.

The Remunerations Committee (RC) of Novabase SGPS held two meetings in 2011, on 21 March 2011 and on 7 June 2011, at the company's head offices.

This Committee is composed by Dr. Francisco Luis Murteira Nabo (Chairman) and members Dr. Pedro Rebelo de Sousa and Engº João Quadros Saldanha. All members were present at the referred meetings held in 2011.

The work of the RC was guided in 2010 by the stipulated in the remuneration policies approved by the Annual Shareholders Meeting of 20 April 2006. These policies were reinforced for the triennium 2009-2011 of the corporate bodies by decision of the shareholders on the Annual Shareholders Meeting.

This report summarizes the decisions of the Remunerations Committee during 2011 and includes the annual declaration of the Remunerations Committee on the remuneration policy of the corporate bodies of the company.

PART I
Remunerations Committee Report for the Year 2011

At the meeting held on 21 March, the Remunerations Committee deliberated on:

A) The amendment of Minutes number 11 and 12 of the Remunerations Committee

The Committee verified that minutes 11 and 12 on the book of minutes were copies instead of originals which was an irregular situation. This fact was due to a services mistake which led to the destruction of the said originals instead of the copies as was intended. The members of the Committee, having verified that these meetings in fact took place and its contents corresponded to the contents in the copies, unanimously deliberated that the book should be updated and signed, having then signed minutes 11 and 12 so that they might be part of the original book for the necessary and proper effects.

B) The Remunerations Committee Report for the Year 2010 and Recommendations for the Remunerations Policy for the year 2011.

Following some work with the writing of the minute of the report the said minute was read and unanimously approved so as to be submitted to the Annual Meeting of Shareholders.

At the meeting held on 7 June, the Remunerations Committee deliberated on:

A) The remuneration of members of the Annual General Meeting of Shareholders for 2011

The committee unanimously approved the remuneration of the Chairman of the Annual Shareholders Meeting of an attendance fee in the amount of 1000 (one thousand) euros per meeting. It also deliberated on the attendance fee per each meeting of the Annual Shareholders Meeting attributed to the Secretary of the Shareholders Meeting Dra. Maria José Santana in the amount of 750 (seven hundred and fifty) euros. These amounts were equal to the amounts established for the prior period.

B) The fixed remuneration of the Executive Board of Directors of Novabase SGPS for the year 2011

The Committee unanimously deliberated that, in spite of the excellent results attained in 2010, given the difficulties in the Portuguese economy in 2011, the fixed remuneration of the executive directors should be maintained, without any update in relation to the previous year.

C) The fixed remuneration of Novabase SGPS's non executive members of the board for 2011.

For the same reasons as described above, the RC has unanimously decided to maintain without any alteration the fixed remuneration of the non executive directors for the year 2011.

D) The attribution of the cash component of the variable remuneration of the Members of the Board of Novabase SGPS related to performance in 2011.

In this matter and considering the previous decision by this committee on 19 September 2006, according to which the variable remuneration of the Members of the Board of Novabase SGPS is composed by two components: one in cash to be defined by the RC after approval of the Accounts each year according to the company's and each board member performance that year, and one in stock options of Novabase SGPS shares, and considering that this matter had already been decided upon by the RC during 2009, this Committee only decided on the attribution of the cash component for the year 2010.

Therefore, and given the strong increase of net profit for the year 2010 compared to 2009, which had already been remarkable, the RC decided to increase in proportion the amount of the cash component to be attributed to the members of the board in place in the previous year. Therefore the RC unanimously approved the payment of the total gross amount of 1.957.500 (one million nine hundred and fifty seven thousand and five hundred) euros for all the board members in place in 2010 which compares to the amount of 1.932.000 (one million nine hundred and thirty two thousand) euros paid to all the board members in the previous year of 2009 and in line with the increase of net profit of the company of 13.1 million euros compared to 12.9 million euros in 2009.

Also given the contribution of the board members in 2010, the RC unanimously attributed the amount of 380.100 (three hundred and eighty thousand and one hundred) euros payable to each of the executive directors Luis Paulo Cardoso Salvado (CEO),

João Nuno da Silva Bento and Álvaro José da Silva Ferreira, 247.100 (two hundred and forty seven thousand one hundred euros) to the executive director Nuno Carlos Filipe dos Santos Fórneas, 152.000 (one hundred and fifty two thousand) euros to the executive director Francisco Morais Antunes, 266.100 (two hundred and sixty six thousand and one hundred) euros to the Chairman of the Board of Directors Rogério dos Santos Carapuça (which for the remainder of the term will support the Executive Committee), and for the members of the board José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques de Carvalho (to whom were attributed duties beyond the responsibilities as non executive directors) the amount of 76.000 (seventy six thousand) euros.

All independent members of the board and the non executive member Joaquim Sérvulo Rodrigues were not attributed any variable component in their remuneration.

E) On the deferment of payment of part of the amounts attributed as variable remuneration.

It was unanimously decided to pay only, this year, half of the amount attributed to each board member as cash variable remuneration, deferring the remaining 50% for payment in the following three years (2012, 2013 and 2014). Each year 1/3 of the half of this amount now attributed shall be paid, depending on the positive performance of the company in the period.

It was further unanimously decided to defer to 2012, 50% of the amount still owed to board members José Afonso Ferreira de Sousa and Pedro Quinteiro Marques de Carvalho referring to the bonus attributed on the RC meeting of 9 July 2009 which last portion was up for payment this year.

Finally it is to be noted that in 2011 no payments were made in relation to the destitution or ceasing duties of any board members.

PART II

Declaration of the Remunerations Committee on the Remuneration Policy of Corporate Bodies

Given the experience of the committee in the year ended, the committee believes that the general principles guiding the remuneration of the management bodies of Novabase, as approved by the shareholders on 20 April 2006 and further confirmed on 28 April 2009 and on 5 May 2010, establish a best practice and as such should be maintained.

The most relevant principles defended by the RC on its annual declaration presented to the General Meeting of Shareholders on 28 de April 2009 for the triennium 2009-2011 of the corporate bodies, are:

- a. Allocation to the non executive independent board members (which make up the Audit Committee) of an exclusively fixed remuneration. The attribution of this remuneration to the non executive independent board members is aligned with the company's interests as it assures the independence of such board members in carrying out their duties.

- b. Allocation to the remaining board members, in accordance with case determination from the Remunerations Committee, of just a fixed component or a fixed and a variable component.
- c. The attribution of a variable component should consider the alignment of these board members with the shareholders' interests both in the short and medium and long term, therefore making it advisable the attribution of a two fold component.
- d. The first part of the variable component should be payable annually in cash and should be directly related to the company's performance in the year ended, assessed for instance in terms of the net profit obtained and with the responsibility and performance of each board member in particular.
- e. The Remunerations Committee may determine the payment of only half the amount attributed to each board member as cash variable remuneration, deferring the remaining 50% for payment within the next three years. In each of these years, 1/3 of the half of the amount can be paid, depending on the positive performance of the company in the period.
- f. The second part of the variable component should have as an objective to align the board members with the stock performance of the company in the triennium and mechanisms may be established in order to defer the payment of a significant part of this component for a period never under three years and this payment depending on the positive performance of the company in the period, also being possible that this payment takes the form of a stock options plan which should be approved by shareholders on the Annual General meeting, as well as the respective regulation. The remunerations committee would in that case apply this regulation, determining for each board member the amount of shares to be attributed.
- g. The members of the General Meeting shall have an attendance fee remuneration only.
- h. The remuneration of the external auditor of the company will be in accordance with the market practices and the adequate performance of the duties to be defined by the board of the company under proposal by the Audit Committee.

We further inform that the stock option plan establishes that the options under such plan are to be attributed only once to each participant in the year they begin their management duties for the triennium 2009-2011. These options, however, are to be divided in three, each amounting to 1/3 of the total. Each of these can be exercised on the following dates: 25 May 2010, 25 May 2011 and 25 May 2012.

In this manner, although there is no possibility for the payment of this component to take place after the current term, at least 1/3 of the stock options can only be exercised after the end of this term and with disclosure of the accounts for the respective period.

On the other hand, it is to be noted that there are no limitation mechanisms in place for the variable remuneration in the event that the company results show a relevant deterioration to the company's performance in the prior year or when this is expectable

for the current year. In the event of this deterioration this would reflect, however, on the company's share prices. Taking into consideration that the options were attributed at a 4.40 euros per share strike and that it is only reasonable to take up the options in the situations where a positive performance of the company has occurred which reflects on the share price on the maturity dates, this variable remuneration component is dependent on the positive performance of the company up to these maturity dates.

It is also to be noted that the remuneration of the board members is determined exclusively in light of the goals described above, without consideration of any comparison with remuneration policies or practices of other companies or group of companies.

Considering that this practice has proved to be adequate for the company, this committee recommends to the AGM that no changes to the policy are made for the next term.

Lisbon, 23 March 2012

The Remunerations Committee

Francisco Luis Murteira Nabo (Chairman)

Pedro Rebelo de Sousa (Member)

| João Quadros Saldanha (Member)

REPORT FROM THE NON-EXECUTIVE DIRECTORS

11

2011 Report from Novabase SGPS Non-Executive Directors

In 2011, the Novabase SGPS Board of Directors was made up of the following members:

Rogério dos Santos Carapuça (*Chairman of the Board of Directors*)

Executive members:

Luis Paulo Cardoso Salvado (Chairman of the Executive Committee)

João Nuno da Silva Bento

Álvaro da Silva Ferreira

Nuno Carlos Dias dos Santos Fórneas

Francisco Paulo Figueiredo Morais Antunes

Non-executive members:

José Afonso Oom Ferreira de Sousa

Pedro Miguel Quinteiro Marques de Carvalho

Joaquim Manuel Jordão Sérvulo Rodrigues

Independent non-executive members:

Luis Fernando de Mira Amaral (*Chairman of the Audit Committee*)

Manuel Alves Monteiro

João Correia Duque

The latter make up the Audit Committee. Together, the non-executive members (seven) account for the majority of the members of the Board of Directors, since there are five executive members out of a total of twelve board members.

On average, the Board of Directors met once per month; the Audit Committee, in turn, was appointed by the General Meeting of Shareholders.

As part of its activities at the company, the non-executive signatories of this report – some of whom are also members of the Board of Directors Performance Assessment Committee – analyzed the work of the Novabase SGPS Board of Directors, which is disclosed in this report.

Similar to the previous two years, an analytical methodology was followed using principles from “*Back to the Drawing Board, Designing Corporate Boards for a Complex World*” by Colin B. Carter/Jay W. Lorsch, Harvard Business School Press.

In our opinion, by systematically applying these principles, the most important aspects of a Board of Directors’ activities can be analyzed, and conclusions can be drawn on the effectiveness, efficiency and transparency of a company’s corporate governance model. In this way, over this last year of the Board of Directors’ current term of office, we continued to use this tool as a backbone of our annual reports.

PART I
2011 Performance Assessment of the Novabase SGPS Board of Directors

Roles of the Board

Approve company strategy, plans and budgets and associated performance monitoring

The strategy is discussed at length based on presentations from the CEO, and its realization in the year in question is reviewed and approved. The annual plan and budget are discussed and approved by the board.

Approval of major investments and disinvestments

These are discussed and approved by the board. In 2011, with the construction of the Agile Center finalized, which was approved in 2010, the said Agile Center started its operations supporting outsourcing contracts secured by the company.

In the Board of Directors meeting on 07/02/2011 a participation of Novabase Capital in the innovation and internationalization fund approved by the COMPETE program was approved, as well as participation in a fund approved by application to the POR Lisboa program.

On the meeting held on 31/03/2011 a participation in the share capital of the company Evolvespace Solutions was approved.

On 25/07/2011 the liquidation of the company TTNV following the restructuring of the Digital TV area.

Approval of capital structure, dividend policy and accuracy/transparency of main company accounting items

The Board of Directors and Audit Committee regularly follow indicators on the progress of the capital structure and major changes to it. The Audit Committee closely monitors the activities of the external auditor, analyzes accounting items and forwards its analysis to the Board of Directors. The Audit Committee meets regularly with the CEO and CFO to analyze these items, together with any issues raised by the auditors.

On the meeting held on 7/02/2011 a dividend distribution policy was approved to be submitted by the Board of Directors to the AGM on 5 May 2011. This dividend policy, which was approved, establishes the distribution on a yearly basis of an amount from 30% to 40% of net profit of the previous year. Complying with this policy, the Board of Directors submitted to the AGM the distribution in 2011 of a dividend of €13 cents per share, for the year 2010, which was approved by the AGM.

Assurance of identifying and managing main risks

The Audit Committee, together with the external auditor, CEO and CFO, follows the main risks of the company and its business pursuits, notifying the Board of Directors of key issues for discussion whenever needed. A regular meeting was established to monitor the issue of risk on a quarterly basis. This meeting includes the Chairman, CRO and Audit Committee.

Appointment of Executive Committee and CEO, and assurance of succession plan

The Board of Directors is responsible for appointing the Executive Committee, which maintained its composition in 2011. In case the shareholders at the 2012 AGM chose not to change the corporate governance model for the next term, the same will apply. There were no discussions on the replacement of the CEO who has just ended his first term of office.

Assurance of compliance with legal and regulatory aspects, and establishment of company ethical standards

The Board of Directors regularly analyzes the main regulatory provisions (in our case, those issued by the Portuguese Securities Market Commission or CMVM); its specialized corporate governance committee does an in-depth analysis of compliance with applicable legal provisions and recommendations, and approves, prior to Board of Directors discussion, the annual corporate governance report. The Corporate Governance Model Assessment Committee met twice in 2011. The first meeting was to approve the corporate governance report to submit to the General Meeting of Shareholders as part of the 2010 annual report and accounts. The purpose of the second meeting, held in September 2011, was to reflect on market practices in this regard and the model's future.

The internal ethics code of conduct was approved by the Board of Directors on 25/07/2011.

Main Tasks

Company and executive management performance monitoring

The performance of the company and its managing bodies is monitored regularly (each month) by the Board of Directors and the Board of Directors Performance Assessment Committee, respectively. All members of the Board of Directors are invited to the annual company kick-off and monthly status quo review meetings.

Key decision-making

The Novabase Board of Directors analyzes and makes the most important decisions with regard to the company, delegating the day-to-day running of the company to the Executive Committee, pursuant to the terms of approved delegation of powers.

Advising executive management and the CEO

Yes; this is done whenever so justified.

In accordance with the approved governance model, the Chairman may take part in Executive Committee meetings without voting rights and did so in most of the committee's meetings in 2011.

Variables monitored in greater detail and frequency

Financial performance

Reviewed monthly by the CEO, CFO and Audit Committee; reviewed and approved monthly by the Board of Directors.

Competitive position

Analyzed whenever relevant on a business-by-business basis.

Risk exposure

Analyzed monthly by the Audit Committee and external auditors. Analyzed in the meeting between the Chairman, CRO and Audit Committee (quarterly).

Development of executive management

The CEO performs this role on a day-to-day basis with his/her executive team members. Given the good relationship between them, the Chairman shares many daily aspects of the company's business with the CEO.

Organizational climate

There is an annual employee survey on the performance of operating areas, whose results are analyzed by the Executive Committee. This tool measures the degree of employee satisfaction with services provided by the organization that are reflected internally.

The kick-off and other events also help to determine whether a good climate exists at the organization.

In 2011, a Code of Conduct was approved, following the work in 2010 on corporate culture and values.

Customer Satisfaction

Regular surveys are conducted, with high response rates, whose results are shared with the Board of Directors. The results obtained in 2011 were exceptional, and even better than the excellent results obtained in 2010. These are recounted in the annual report and accounts.

Information to share between the Executive Committee and the Board

In which businesses is shareholder value created and destroyed?

The overall performance of all businesses is analyzed monthly by the Board of Directors, together with key situations that create or detract from value.

What are the trends for our business margins (3 years out)?

Although these changes are not forecasted specifically, the Board of Directors does analyze long sequences of results that naturally include this indicator, which has held stable in the main businesses. An informal medium-term prospective analysis is carried out, together with formal projections for the upcoming quarter.

What are the main risks faced by the company, and how are they managed?

These are analyzed regularly by the Audit Committee, Board of Directors and risk analysis meeting referred to above.

Are there any aggressive practices in terms of reporting financial information?

No.

What are the most significant investments (or disinvestments) currently underway at the company, and how are they being carried out?

This is analyzed regularly. The Board of Directors approves all of those that are significant.

What is the organizational climate like? How is employee morale?

What do we do to attract and keep talent?

Good. Already explained above. The company has built powerful tools for attracting and keeping talent. Among these are the Novabase Academy, Novabase Campus and involvement in the CMU and MIT Portugal programs.

Are we gaining or losing market share?

Given the market conditions in Portugal one of Novabase's goals is to continue to grow internationally, having a clear strategy and will to do so. It has been successfully implemented, with international business growing in 2011 around 31%. International business reached in 2011 one fifth of total turnover.

What is the customer satisfaction level like?

Very high (explained earlier). Described in the annual report and accounts.

What is our corporate image like? What do stakeholders think?

The work in this area in 2010 has already been mentioned. A new brand was created which is focused on the synergies between business knowledge, technology and design to provide solutions that make our customers lives 'simpler and happier'. This is the brand tagline, reflecting this concern and goal in the company's logo.

Novabase inquires its stakeholders in a regular manner, conducting a customer satisfaction survey, quarterly road-shows with the shareholders, and also its employees, partners, etc.

How does our strategy differ from that of our main competitors?

Topic analyzed on a business-by-business basis, as there are various differences between them. The Board of Directors takes part in this analysis.

What do the primary analysts following our stock think of it?

What do they base their analyses on?

The CEO, CFO and IRO (in charge of investor relations) do road shows every quarter. The Chairman has also taken part. A meeting is held with key analysts each quarter following the publication of results. Their analyses are public, and therefore read by the Board of Directors. Various investment houses follow the Novabase share on a regular basis. The IRO is available on a permanent basis for contacts from the investors, analysts, the regulator (CMVM) and the Euronext Lisbon.

Performance of the Board

Does the Chairman have an effective leadership style?

Yes.

Do the Chairman and CEO have a good relationship?

Yes. They have had a long-standing working relationship of trust for a number of years, which has greatly facilitated their bi-directional, day-to-day relations.

Do they both understand their roles and how they differ?

Yes. The Executive Committee's self-assessment report specifically states this, together with the good relationship with the Chairman. It also states that the relationship with the CEO is very fitting, cordial and effective.

Does the CEO encourage input from the Board?

Yes. The CEO meets periodically with the Audit Committee, and always asks for input from the Board during meetings and individually from various non-executive members.

Do the Board of Directors and Executive Committee have constructive relationships?

Yes. Completely.

Do members of the Board of Directors and Executive Committee have normal working relationships outside of board meetings?

Yes. Various non-executive members perform activities and actions in synchrony and at the request of executives.

Can board members easily raise questions for discussion, whether for or against positions approved by the group?

Yes. Completely.

Do board members present their views in a constructive manner?

Yes. Always.

Once a decision has been reached, do disagreeing members support it?

Yes. Completely.

Does the Executive Committee quickly notify the Board of Directors of any bad news?

Yes. The meeting minutes of the Board of Directors show that all major situations are analyzed in a timely manner. In 2010, the insolvency request from the Engel client in Spain was closely analyzed. The formal finalization of the closure of the company Technotrend was also conducted as well as final recording of provisions related to the closure of the mobility equipment business.

Judicial proceedings in progress with potential and/or some significance are also analyzed regularly. Potential situations of greater significant risk in projects are reported regularly, and the board takes part in all major situations in all of these areas. An example of this was the attention given to the conflict with the Portuguese Government regarding the compensation to be paid to Novabase due to the cancellation of the Cartão Escola project.

PART II

Conclusions

Novabase's corporate governance model works well. All of the relevant aspects of how it works are detailed in the analysis in PART I of this report.

The annual corporate governance report is drawn up in close co-operation with the CMVM. The evaluation from the regulator remains very positive. The recently created Associação dos Emitentes de Valores Mobiliários has created, in partnership with Universidade Católica Portuguesa, a rating for corporate governance. On this new rating in 2011 Novabase scores AA, the second best rating. Novabase has, in fact, been able to gain a solid reputation in the adoption of corporate governance best practices with the financial and business community.

The non-executive directors thought that it was important to give this report a clear framework for assessing the board's performance which, we believe, may also contribute significantly towards efforts in this area among Portuguese listed companies.

Lisbon, 14 March 2012

The non-executive directors

Rogério Carapuça
(Chairman)

Luis Mira Amaral
(Chairman of the Audit Committee)

José Afonso Oom Ferreira de Sousa

Pedro Marques de Carvalho

Manuel Alves Monteiro

João Correia Duque

Joaquim Sérvulo Rodrigues

ACCOUNTS

11

**Consolidated Financial Statements
for the year ended 31 December 2011**

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

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I. CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2011

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

Consolidated Statement of Financial Position as at 31 December 2011

(Amounts expressed in thousands of Euros)

	Note	31.12.11	31.12.10
Assets			
Non-Current Assets			
Property, plant and equipment	7	9,000	9,836
Intangible assets	8	31,127	31,229
Investments in associates	9	1,621	1,676
Available-for-sale financial assets		165	21
Deferred income tax assets	10	12,387	10,396
Other non-current assets		-	69
Total Non-Current Assets		54,300	53,227
Current Assets			
Inventories	11	6,909	10,403
Trade and other receivables	13	92,830	83,285
Accrued income	14	16,414	14,035
Income tax receivable		3,211	3,378
Derivative financial instruments	15	245	197
Other current assets	16	5,236	3,834
Cash and cash equivalents	17	27,157	28,088
Total Current Assets		152,002	143,220
Assets for discontinued operations	40	-	49
Total Assets		206,302	196,496
Equity			
Share capital	18	15,701	15,701
Treasury shares	18	(490)	(603)
Share premium	18	43,560	43,560
Reserves and retained earnings	19	31,206	21,063
Profit for the year		2,651	13,053
Total Equity attributable to owners of the parent		92,628	92,774
Non-controlling interests	20	9,811	5,724
Total Equity		102,439	98,498
Liabilities			
Non-Current Liabilities			
Borrowings	21	12,028	7,879
Provisions	22	1,721	1,633
Deferred income tax liabilities	10	100	909
Other non-current liabilities	23	308	927
Total Non-Current Liabilities		14,157	11,348
Current Liabilities			
Borrowings	21	5,279	5,333
Trade and other payables	24	60,935	57,101
Income tax payable		17	311
Derivative financial instruments	15	461	353
Deferred income and other current liabilities	25	22,669	22,807
Total Current Liabilities		89,361	85,905
Liabilities for discontinued operations	40	345	745
Total Liabilities		103,863	97,998
Total Equity and Liabilities		206,302	196,496

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

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

Consolidated Statement of Comprehensive Income for the year ended 31 December 2011

(Amounts expressed in thousands of Euros)

		12 M *	
	Note	31.12.11	31.12.10
Continuing Operations			
Sales	5	96,918	103,975
Services rendered	5	132,715	132,356
Cost of sales		(86,917)	(90,125)
External supplies and services	26	(51,720)	(50,378)
Employee benefit expense	27	(76,210)	(75,607)
Restructuring costs	28	(3,496)	-
Other gains/(losses) - net	29	(543)	1,947
Depreciation and amortisation	30	(6,125)	(5,478)
Operating Profit		4,622	16,690
Finance income	31	3,770	5,256
Finance costs	32	(4,626)	(5,371)
Share of loss of associates	33	(645)	(255)
Profit Before Income Tax		3,121	16,320
Income tax expense	34	(884)	(2,628)
Profit from continuing operations		2,237	13,692
Discontinued operations			
Profit from discontinued operations	40	703	-
Profit for the Year		2,940	13,692
Other comprehensive income for the year			
		-	-
Total comprehensive income for the year		2,940	13,692
Profit attributable to:			
Owners of the parent		2,651	13,053
Non-controlling interests	20	289	639
		2,940	13,692
Total comprehensive income attributable to:			
Owners of the parent		2,651	13,053
Non-controlling interests	20	289	639
		2,940	13,692
Earnings per share from continuing and discontinued operations attributable to owners of the parent (Euros per share)			
Basic earnings per share			
From continuing operations	35	0.06 Euros	0.43 Euros
From discontinued operations	35	0.02 Euros	Zero Euros
From profit for the year	35	0.09 Euros	0.43 Euros
Diluted earnings per share			
From continuing operations	35	0.06 Euros	0.43 Euros
From discontinued operations	35	0.02 Euros	Zero Euros
From profit for the year	35	0.09 Euros	0.43 Euros

12 M * - period of 12 months ended

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

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

Consolidated Statement of Changes in Equity for the year ended 31 December 2011

(Amounts expressed in thousands of Euros)

		Attributable to owners of the parent							
	Note	Share capital	Treasury shares	Share premium	Legal reserves	Stock options reserves	Reserves and retained earnings	Non-controlling interests	Total Equity
Balance at 1 January, 2010		15,701	(723)	49,213	1,558	379	27,370	5,644	99,142
Total comprehensive income for the year		-	-	-	-	-	13,053	639	13,692
Transactions with owners									
Share capital reduction	18	(5,652)	-	-	-	-	217	-	(5,435)
Share capital increase	18	5,652	-	(5,652)	-	-	-	-	-
Dividends	19	-	-	-	-	-	(9,662)	-	(9,662)
Legal reserve		-	-	-	807	-	(807)	-	-
Treasury shares movements	18	-	120	-	-	-	816	-	936
Share-based payments	18 / 27	-	-	-	-	697	-	-	697
Changes in consolidation universe	20	-	-	-	-	-	-	173	173
Foreign currency translation reserve		-	-	-	-	-	7	10	17
Transactions with owners		-	120	(5,652)	807	697	(9,429)	183	(13,274)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests	20	-	-	-	-	-	(319)	(742)	(1,061)
Balance at 31 December, 2010		15,701	(603)	43,560	2,365	1,076	30,675	5,724	98,498
Balance at 1 January, 2011		15,701	(603)	43,560	2,365	1,076	30,675	5,724	98,498
Total comprehensive income for the year		-	-	-	-	-	2,651	289	2,940
Transactions with owners									
Dividends	19 / 20	-	-	-	-	-	(3,955)	(1,800)	(5,755)
Legal reserve		-	-	-	140	-	(140)	-	-
Treasury shares movements	18	-	113	-	-	-	625	-	738
Share-based payments	18 / 27	-	-	-	-	331	-	-	331
Changes in consolidation universe	20	-	-	-	-	-	-	5,500	5,500
Foreign currency translation reserve		-	-	-	-	-	96	98	194
Transactions with owners		-	113	-	140	331	(3,374)	3,798	1,008
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests	19	-	-	-	-	-	(7)	-	(7)
Balance at 31 December, 2011		15,701	(490)	43,560	2,505	1,407	29,945	9,811	102,439

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

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

Consolidated Statement of Cash Flows for the year ended 31 December 2011

(Amounts expressed in thousands of Euros)

	Note	12 M *	
		31.12.11	31.12.10
Cash flows from operating activities			
Cash receipts from customers		220,015	245,289
Cash paid to suppliers and employees		(212,351)	(222,270)
Cash generated from operations		7,664	23,019
Income taxes paid		(2,077)	(2,068)
Other operating proceeds		328	2,215
		(1,749)	147
Net Cash generated from operating activities		5,915	23,166
Cash flows from investing activities			
Receipts:			
Proceeds on disposal of subsidiaries and associates		81	78
Cash of subsidiaries consolidated for the first time (i)		1,650	349
Loan repayments received from associates		414	529
Proceeds on disposal of property, plant and equipment		7	-
Interest received		553	208
		2,705	1,164
Payments:			
Acquisition of subsidiaries and associates		(843)	(444)
Dissolution of subsidiaries		(5)	-
Loans granted to associates		(514)	(420)
Purchases of property, plant and equipment		(1,396)	(3,736)
Purchases of intangible assets		(2,418)	(4,199)
		(5,176)	(8,799)
Net Cash used in investing activities		(2,471)	(7,635)
Cash flows from financing activities			
Receipts:			
Proceeds from borrowings		9,288	6,767
		9,288	6,767
Payments:			
Repayments of borrowings		(4,188)	(2,043)
Dividends paid	19 / 20	(5,755)	(9,662)
Share capital reduction	36	-	(5,435)
Payment of finance lease liabilities		(1,849)	(1,645)
Interest paid		(842)	(517)
		(12,634)	(19,302)
Net Cash used in financing activities		(3,346)	(12,535)
Cash, cash equivalents and bank overdrafts at beginning of year		27,057	24,026
Net increase / (decrease) of cash, cash equivalents and bank overdrafts		98	2,996
Effect from exchange rate fluctuations on cash held		2	35
Cash, cash equivalents and bank overdrafts at end of year	17	27,157	27,057
12 M * - period of 12 months ended			

(i) In 2011: FCR NB Capital Inovação e Internacionalização. In 2010: NBASIT-Sist. de Inf. e Telecomunic., S.A..

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

NOVABASE S.G.P.S., S.A.
Notes to the Consolidated Financial Statements
for the year ended 31 December 2011

1. General information

Novabase, Sociedade Gestora de Participações Sociais, SA (hereunder referred to as Novabase or Group), 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's activity is structured around six industries - Telecoms & Media, Financial Services, Government & Healthcare, Energy & Utilities, Aerospace & Transportation and Manufacturing & Services - and aggregated into four business areas: Business Solutions, Infrastructures & Managed Services, Digital TV and Venture Capital:

(i) **Business Solutions** - This area of Novabase incorporates a number of competencies with technology, management, design and business expertise. During 2011, a new offer model was implemented, which is organized by industries, aimed at being closer to the customers' needs, focused on specialization, with sights clearly set on internationalization. This area now includes the business of Novabase Consulting and the areas of Ticketing and Managed Services (application outsourcing area) previously considered within Novabase IMS.

(ii) **Infrastructures & Managed Services (IMS)** - This area of Novabase focuses its engineering and consulting expertise in Information and Communication Technologies (ICT) to design, plan and deploy complex infrastructures as well as transform, manage, operate and optimize these assets through comprehensive projects such as outsourcing services. During 2011, and for the purpose of developing and focusing its growth on services and expanding internationally, IMS restructured its offer by consolidating its areas of Intelligent Infrastructures and IT Management solutions. Now with just one IMS Solutions portfolio, it still specializes in engineering solutions and IT management, but focusing on ongoing services for operations, maintenance and management, in particular areas involving infrastructure outsourcing.

(iii) **Digital TV** - Novabase Digital TV is now a player on an international scale, positioned in the market in close alignment with the strategy of intellectual property, system integrator and a solid focus on products and services targeting telecommunications, television and media operators. This area of Novabase is a pioneer in developing the latest COB and SIP technologies, with a history of innovation and of launching new products of great customer value on the market.

(iv) **Venture Capital** - This area develops a corporate venture capital activity throughout Novabase Capital, Sociedade de Capital de Risco, S.A., which has as main purpose to identify and support Portuguese ICT business projects, in early development or expanding, with high value potential and synergies with Novabase. Novabase Capital has ownership in three venture capital funds: FCR Novabase Capital, FCR Novabase Capital Inovação e Internacionalização and FCR IStart I (the first two managed by Novabase Capital).

Novabase is listed on the Euronext Lisbon.

The share capital is represented by 31,401,394 shares (2010: 31,401,394 shares), and all shares have a nominal value of 0.5 Euros each.

These consolidated financial statements were approved for issue by the Board of Directors on March 29, 2012. In the opinion of the Board of Directors these financial statements fairly present the Group operations, as well as its financial position, financial performance and cash flows.

These financial statements will be approved in the General Meeting of Shareholders.

2. Significant accounting policies

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

2.1. Basis of preparation

The consolidated financial statements of Novabase have been prepared in accordance with International Financial Reporting Standards - IFRS, as adopted by the European Union (EU) as at 31 December 2011.

Standards and interpretations that became effective at 1 January 2011:

- **IAS 32 (amendment)**, 'Financial instruments: Presentation – classification of rights issue'. This amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. If such rights are issued pro rata to an Entity's existing shareholders for a fixed amount of any currency, it is considered a transaction with shareholders and classified as equity. Otherwise, it should be accounted for as derivative liabilities. This amendment had no impact on the Group's financial statements.

- **IFRS 1 (amendment)**, 'First time adoption of IFRS'. This amendment provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7 - 'Financial Instruments: Disclosures', according to which, existing IFRS preparers were granted relief from presenting comparative information for fair value new three-level classification disclosures required by IFRS 7, if comparative period end before 31 December 2009. This amendment had no impact on the Group's financial statements, as Novabase is already reporting under IFRSs.

- **IAS 24 (amendment)**, 'Related party disclosure'. The amended standard removes the general disclosure requirements for Government-related entities, being mandatory the disclosure of the relationship with the Government and any significant transaction occurred with the Government or other Government-related entities. Additionally, related party definition was amended to eliminate inconsistencies in identification and disclosures of related parties. This amendment had a slight impact on the Group's financial statements disclosures.

• **Annual Improvements to IFRSs – 2010**, generally effective for annual periods beginning on or after 1 January 2011. The 2010 annual improvements affects: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13. These improvements were adopted by the Group, when applicable, except the improvements to IFRS 1 as the Group is already reporting under IFRSs.

• **IFRIC 14 (amendment)**, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. IFRIC 14 clarifies that when asset surplus is a consequence of voluntary prepayments done on account of future minimum funding contribution, the surplus can be recognised as an asset. This amendment had no impact on Group's financial statements.

• **IFRIC 19 (new)**, 'Extinguishing financial liabilities with equity instruments'. This interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments (shares) to the creditor. A gain or loss is recognised in the profit and loss account based on the fair value of the equity instruments compared to the carrying amount of the debt. Simple reclassification of debt amount to equity is not allowed. This interpretation had no impact on Group's financial statements.

New standards, amendments to existing standards and interpretations, that although have been published, are only mandatory for annual periods beginning on or after 1 July 2011:

• **IFRS 1 (amendment)**, 'First time adoption of IFRS' (effective for annual periods beginning on or after 1 July 2011). This amendment is still subject to endorsement by European Union. This amendment creates an additional exemption when an entity that has been subject to severe hyperinflation presents for the first time, financial statements in accordance with IFRSs. The exemption allows an entity to elect to measure certain assets and liabilities at fair value; and to use that fair value as the deemed cost in the opening IFRS statement of financial position. Another change refers to the replacement of references to a fixed date with "the date of transition to IFRS" for retrospective adoption exemptions. This amendment will not have an impact on the Group's financial statements.

• **IFRS 7 (amendment)**, 'Financial instruments: Disclosures - transfers of financial assets' (effective for annual periods beginning on or after 1 July 2011). This amendment requires greater transparency in the reporting of asset's transfer transactions, regarding risk exposures and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. This amendment will not have an impact on the Group's financial statements.

• **IAS 12 (amendment)**, 'Income taxes' (effective for annual periods beginning on or after 1 January 2012). This amendment is still subject to endorsement by European Union. This amendment requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale, except for the investment properties measured at fair value model. The amendments also incorporate into IAS 12 the guidance previously contained in SIC 21, which is accordingly withdrawn. This amendment will not have an impact on the Group's financial statements.

• **IAS 1 (amendment)**, 'Presentation of financial statements' (effective for annual periods beginning on or after 1 July 2012). This amendment is still subject to endorsement by European Union. This amendment changes the disclosure of items presented in other comprehensive income (OCI), requiring entities to separate items in OCI on whether or not they may be recycled to profit or loss in the future and the related tax amount if OCI items presented before tax. This amendment will not have an impact on the Group's financial statements.

• **IFRS 9 (new)**, 'Financial instruments - classification and measurement' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IFRS 9 refers to the first part of financial instruments new standard and comprises two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The Group will apply IFRS 9 in the period it becomes effective.

• **IFRS 10 (new)**, 'Consolidated financial statements' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IFRS 10 replaces all the guidance on control and consolidation in IAS 27 and SIC 12, changing the definition of control and the criteria applied to determine control. The core principal that a consolidated entity presents a parent and its subsidiaries as a single entity remain unchanged. The Group will apply IFRS 10 in the period it becomes effective.

• **IFRS 11 (new)**, 'Joint arrangements' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IFRS 11 focus on the rights and obligations of the arrangements rather than its legal form. Joint arrangements can be Joint operations (rights to the assets and obligations) or Joint ventures (rights to net assets, applying equity method). Proportional consolidation of joint venture is no longer allowed. The Group will apply IFRS 11 in the period it becomes effective.

• **IFRS 12 (new)**, 'Disclosure of interest in other entities' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. This standard sets out the required disclosures for all forms of interests in other entities, including joint arrangements, associates and special purpose vehicles, to allow the evaluation of the nature, risks and financial effects associated with entity's interests. An entity can provide any or all of the disclosures without having to apply IFRS 12 in its entirety or IFRS 10 or 11, or amended IAS 27 or 28. The Group will apply this standard in the period it becomes effective.

• **IFRS 13 (new)**, 'Fair value measurement and disclosure' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IFRS 13 aims to improve consistency by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The Group will apply this standard in the period it becomes effective.

• **IAS 27 (revised 2011)**, 'Separate financial statements' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IAS 27 was revised after the issuance of IFRS 10 and contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements. The Group will apply this standard in the period it becomes effective.

- **IAS 28 (revised 2011)**, 'Investments in associates and joint ventures' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IAS 28 was revised after the issuance of IFRS 11 and prescribes the accounting for investments in associates and sets out the requirements for the application of equity method. The Group will apply this standard in the period it becomes effective.

- **IAS 19 (revised 2011)**, 'Employee benefits' (effective for annual periods beginning on or after 1 January 2013). This amendment is still subject to endorsement by European Union. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to the disclosures for all employee benefits. Actuarial gains and losses are recognised immediately, and only in OCI (no corridor approach allowed). Finance cost for funded benefit plans are calculated on a net funding basis. Termination benefits qualify for recognition only when the employee has no future-service obligation. The Group will apply this standard in the period it becomes effective.

- **IFRS 7 (amendment)**, 'Disclosures - Offsetting financial assets and liabilities' (effective for annual periods beginning on or after 1 January 2013). This amendment is still subject to endorsement by European Union. This amendment is part of the IASB offsetting project which introduces new disclosure requirements about entity's right of set-off (assets and liabilities), amounts set-off, and the effects of these in the credit exposure. The Group will apply this standard in the period it becomes effective.

- **IAS 32 (amendment)**, 'Offsetting financial assets and financial liabilities' (effective for annual periods beginning on or after 1 January 2014). This amendment is still subject to endorsement by European Union. This amendment is part of the IASB offsetting project which clarifies the meaning of "currently has a legally enforceable right to set-off", and clarifies that some gross settlement systems (clearing houses) may be equivalent to net settlement. The Group will apply this standard in the period it becomes effective.

- **IFRIC 20 (new)**, 'Stripping costs in the production phase of a surface mine' (effective for annual periods beginning on or after 1 January 2013). This interpretation is still subject to endorsement by European Union. This interpretation refers to the accounting of overburden waste removal costs in the production phase of a surface mine, as an asset, considering that the waste removal generates two potential benefits: immediate extraction of mineral resources and improved access to further quantities of mineral resources to be extracted in the future. This interpretation will not have an impact on the Group's financial statements.

The Group's consolidated financial statements have been prepared in the assumption of the continuity of operations, based on the historical cost convention except for derivative financial instruments, which are measured by its fair value (note 15).

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

The Board of Directors believes that the estimates and assumptions adopted do not bear significant risks from which can result material adjustments to assets and liabilities value.

2.2. Consolidation

The consolidated financial statements, as of 31 December 2011, include assets, liabilities and results of the Group companies, understood as Novabase and its subsidiaries and associates, which are presented in note 6.

(1) Subsidiaries

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group, and the fair value of the acquirer's previously held equity interest in the acquiree before control is transferred to the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the acquisition cost, the fair value of the acquirer's previously held equity interest in the acquiree before control is transferred to the Group and the fair value of non-controlling interest, over the net identifiable assets acquired and liabilities assumed is recorded as goodwill. If the acquisition cost, the fair value of the acquirer's previously held equity interest in the acquiree before control is transferred to the Group and the fair value of non-controlling interest, is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date, regardless of the probability of occurring. Subsequent changes to the fair value of the contingent consideration do not affect goodwill (except those made up to 12 months from the date of acquisition).

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

(2) Transactions with non-controlling interests

Non-controlling interests corresponds to the proportionate share of the recognised amounts of acquiree's identifiable assets acquired and liabilities and contingent liabilities assumed, which are not directly or indirectly attributable to Novabase. Transactions with non-controlling interests are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

In any transaction with non-controlling interests, the difference between any consideration paid and the carrying amount of the relevant share acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset.

(3) Associates

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

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

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

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is the responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee, delegated by the Board of Directors.

An operating segment is a component or set of components of the Group that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Executive Committee and for which discrete financial information is available.

The Group's activity is monitored in four distinct segments, Business Solutions, IMS, Digital TV and Venture Capital. For the purpose of preparing this information, Novabase S.G.P.S. (company that includes the top management of the Group) and Novabase Serviços (company that includes the Group's shared services) are considered as part of the Business Solutions operating segment.

2.4. Foreign currency translation**(1) Functional and presentation currency**

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

(2) Transactions and balances

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

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

The main exchange rates applied on the reporting date are those listed below:

Euro foreign exchange reference rates (x foreign exchange units per 1 Euro)	Rate on 31.12.11	Average rate for the year
• Angolan kwanza (AOA)	123.2854	116.0210
• United States dollar (USD)	1.2939	1.4002
• United Arab Emirates dirham (AED)	4.7524	5.1515
• Pound sterling (GBP)	0.8353	0.8713

(3) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities at the reporting date are translated at the closing exchange rate in force at the reporting date;
- (ii) income and expenses in results are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5. Property, plant and equipment

Property, plant and equipment comprise mainly buildings and other constructions (construction works done in 'Edificio Caribe', the Company's new headquarter and in the new facilities of the logistics unit), basic and transport equipment. Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items (purchase price and all the expenses supported direct or indirectly to bring the asset to its current condition).

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

Depreciation is calculated using the straight-line method, over their estimated useful lives, as follows:

	<u>N.º of years</u>
• Buildings and other constructions	3 to 50
• Basic equipment	3 to 4
• Transport equipment	4
• Tools and utensils	4
• Furniture, fittings and equipment	3 to 10

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are included in profit or loss.

2.6. Intangible assets**(1) Goodwill**

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

Goodwill (that has an indetermined useful life), is carried at cost less accumulated impairment losses, being tested annually for impairment, in the second half of the year. Impairment losses on goodwill are recognised whenever its carrying amount exceeds its recoverable amount, and are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment in each operating segment in which Novabase operates: Business Solutions, IMS, Digital TV and Venture Capital. Additionally, for the purpose of impairment tests of goodwill not allocated to those cash-generating units, the Group identified cash generating units at the level of each subsidiary/associate acquired.

(2) Internally generated intangible assets

Investigation expenses in the search of new technical and scientific knowledge are recorded in the statement of comprehensive income as and when incurred. Development expenses are accounted as intangible fixed assets when: i) it is technically feasible to complete the asset or process; ii) Group is able to complete its development and intends to do so; iii) market viability is assured and iv) its cost can be reliably measured.

These assets are recorded at its production or acquisition cost, which include the acquisition cost of the assets plus employee costs directly involved in the production or outsourcing costs incurred for the same purpose, as well as an appropriate portion of relevant overheads.

Amortisation is calculated using the straight-line method, for periods between 3 to 10 years. Impairment of internally generated assets is tested at the reporting date.

(3) Industrial property and other rights

Industrial property and other rights are shown at historical cost. These assets have a finite useful life and are recognised at cost less accumulated amortisation for a period of 10 years. Amortisation is calculated using the straight-line method to allocate the cost of the industrial property and other rights over their estimated useful lives.

(4) Work in progress

Intangible assets in progress refer to, mainly, the ongoing internal development of software products.

2.7. Financial assets and liabilities

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

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

These assets are derecognised when i) contractual rights to receive cash flows have expired, ii) the Group has transferred substantially all risks and rewards of ownership or iii) nevertheless, maintains a part but not substantially all the risks and rewards of ownership, the Group has transferred the control of the assets.

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

The Group classifies its financial assets in the following categories: (i) financial assets at fair value through profit or loss, (ii) loans and receivables and (iii) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and reassesses that classification at each reporting date.

(1) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in short term. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair value. Gains and losses arising from a change in the fair value are included in profit or loss in the period in which they are incurred.

(2) Loans and receivables

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

(3) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that: (i) the Group intends to maintain for indetermined period of time, (ii) are designated in this category in the moment of initial recognition or (iii) are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of it within 12 months of the end of the reporting period.

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

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

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

2.8. Impairment of non-financial assets

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

2.9. Impairment of financial assets

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

(1) Available-for-sale financial assets

In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the instruments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses on equity instruments recognised in profit or loss are not reversed through profit or loss, unless if, in a subsequent period, the amount of the impairment loss decreases by any event occurred after the date in which it was recognised.

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

In the case of other financial assets that show objective impairment evidence, their present value is determined, and an impairment loss (which is considered the difference between the asset's present value of estimated future cash flows and the carrying amount) is recognised in the statement of comprehensive income. Several indicators are used to identify if there is objective evidence of impairment, such as:

- (i) the Group is not able to collect amounts according to the original terms of the receivables;
- (ii) the Group is not able to collect amounts due over 6 months;
- (iii) significant financial difficulties of the debtor;
- (iv) it becomes probable that the debtor will enter bankruptcy or other financial reorganisation.

The amount of the impairment allowance is measured as the difference between the asset's present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, and its carrying amount and is recognised in the statement of comprehensive income within 'Other gains/(losses) - net'. The carrying amount of the asset is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the same allowance account. Subsequent recoveries of amounts previously written off are credited against 'Other gains/(losses) - net' in the statement of comprehensive income.

2.10. Inventories

Inventories include merchandise, raw materials and subsidiary goods and are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method.

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

2.11. Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

2.12. Cash and cash equivalents

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

2.13. Share capital

Ordinary shares are classified as equity.

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

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

2.14. Borrowings

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

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

Interest costs on borrowings are included in the statement of comprehensive income under 'Finance costs' heading.

2.15. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. The current income tax charge is calculated on the basis of profit before income tax, adjusted according to the tax laws enacted at the reporting date.

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

Deferred income tax is determined using tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

2.16. Employee benefits

Bonus

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

Obligations for vacation, vacation subsidy and Christmas subsidy

In accordance with Portuguese legislation, employees have, annually, the right to receive two months of salary, for a vacation period and a vacation subsidy, right earned in the previous year to its settlement. The employees also have, annually, the right to a Christmas subsidy, which is earned over the year and paid each December. These obligations are recorded in the respective period in which the right is earned, regardless its payment date.

Stock options

The Group rewards the services rendered by some employees through an equity-settled stock option plan. The fair value of the services received is recognised as cost in the statement of comprehensive income against an increase in equity, over the vesting period. The amount registered as cost represents the fair value of the stock option attributed, estimated based only on market conditions. Acquisition conditions, different from market conditions, were used to estimate the number of options vested at the end of acquisition period. At each reporting date, the entity revises its estimates of the number of options expected to become exercisable, and recognises the impact of the revision to original estimates in profit or loss, with a corresponding adjustment to equity.

2.17. Provisions

Provisions are recognised at the reporting date when: i) the Group has a present legal or constructive obligation as a result of past events; ii) it is probable that an outflow of resources will be required to settle the obligation and; iii) the amount has been reliably estimated. Provisions for restructuring include all liabilities to be paid, namely employee termination payments. These provisions do not include any estimated future operating losses or estimated profits from the disposal of assets.

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

2.18. Trade and other payables

Trade and other payables balances are obligations to pay goods or services that have been acquired in the ordinary course of the business. They are initially recognised at fair value and subsequently at amortised cost accordingly with the effective interest rate method.

2.19. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of Value Added Tax (V.A.T.), rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

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

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

(b) Sales of services

Revenue from consulting projects, classified as “time and materials” is recognised in the accounting period in which the services are rendered.

Revenue from consulting projects, classified as “fixed contract” (“turn key”) is recognised under the percentage-of-completion method based on total costs already incurred as a percentage of total estimated costs to be incurred until the end of the project, prepared by each project manager. According to this method, 'Accrued income' and 'Deferred income and other current liabilities' headings are adjusted in order to reflect the accurate result of each project at the end of each reporting period.

Revenue from outsourcing and maintenance projects is recognised linearly over the period of the contract, where there are no significant and specific activities foreseen.

(c) Dividend income

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

2.20. Subsidies

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

Non-refundable subsidies to finance development projects are recorded as a liability at the reporting date, in 'Deferred income and other current liabilities' heading and are recognised in profit or loss of each period by the useful life of the financed assets.

Operating subsidies are aimed to recovering the costs, incurred and recorded, with training initiatives and projects of research of new technological and scientific knowledge, and are recognised in the statement of comprehensive income as the related expenses are incurred, regardless of when the subsidy is received.

2.21. Leases

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

Lease contracts for tangible assets where the Group has substantially all the risks and benefits of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are recorded under liabilities (current and non-current). The interest element of the finance cost is expensed over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period. Tangible assets acquired under finance leases are depreciated over the shorter of the useful life and the lease term.

2.22. Fair value hierarchy of financial instruments

The following table shows the Group's financial assets and financial liabilities that are measured at fair value according with the following hierarchy levels:

- **Level 1:** The fair value of financial instruments is based on quoted prices in active and liquid markets at reporting date.
- **Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Main inputs used on these valuation models are based on observable market data.
- **Level 3:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, and main inputs are not based on observable market data.

	31.12.11			31.12.10		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value						
Derivative financial instruments	-	245	-	-	197	-
	-	245	-	-	197	-
Financial liabilities at fair value						
Derivative financial instruments	-	461	-	-	353	-
	-	461	-	-	353	-

2.23. Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

2.24. Comparatives

The consolidated financial statements for the year ended 31 December 2011 are comparable in all material aspects with the year 2010, and no changes in accounting policies have occurred when compared to those used for preparation of the financial statements of the previous year, presented for comparative effects.

3. Financial risk management policy

The Group's activities expose it to a variety of financial risks, namely, Foreign exchange risk, Cash flow and fair value interest rate risk, Credit Risk, Liquidity risk and Capital management risk.

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

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk, mainly arising from U.S. Dollar exposure, since some subsidiaries perform transactions in this currency.

The finance department is responsible for the tracking of the exchange rate of the currency mentioned above, in order to reduce the impact of the fluctuation in consolidated results. The group uses derivative financial instruments to hedge certain risk exposures (see note 15).

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December based on Group's financial assets and liabilities at carrying amounts, categorised by currency:

At 31 December 2010	Euro	Dollar	Other	Total
Assets				
Other non-current assets	69	-	-	69
Trade and other receivables	69,461	11,410	1,111	81,982
Accrued income	14,034	-	1	14,035
Derivative financial instruments	197	-	-	197
Cash and cash equivalents	23,771	189	4,128	28,088
	<u>107,532</u>	<u>11,599</u>	<u>5,240</u>	<u>124,371</u>
Liabilities				
Other non-current liabilities	927	-	-	927
Borrowings	11,432	1,780	-	13,212
Trade and other payables	50,171	6,594	336	57,101
Derivative financial instruments	353	-	-	353
Deferred income and other current liabilities	22,101	-	706	22,807
	<u>84,984</u>	<u>8,374</u>	<u>1,042</u>	<u>94,400</u>
At 31 December 2011	Euro	Dollar	Other	Total
Assets				
Trade and other receivables	79,799	8,009	3,693	91,501
Accrued income	16,388	-	26	16,414
Derivative financial instruments	245	-	-	245
Cash and cash equivalents	26,585	477	95	27,157
	<u>123,017</u>	<u>8,486</u>	<u>3,814</u>	<u>135,317</u>
Liabilities				
Other non-current liabilities	308	-	-	308
Borrowings	17,307	-	-	17,307
Trade and other payables	54,744	4,151	2,040	60,935
Derivative financial instruments	461	-	-	461
Deferred income and other current liabilities	21,434	-	1,235	22,669
	<u>94,254</u>	<u>4,151</u>	<u>3,275</u>	<u>101,680</u>

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders equity of either an instantaneous 10% strengthening or weakening in Euro against all other currencies, from the rates applicable at 31 December 2011, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone.

Under this assumption, with a 10% strengthening or weakening of Euro against all exchange rates, profit before income tax would have increased or decreased, respectively, by EUR 487 thousand in 2011 (2010: EUR 742 thousand).

b) *Cash flow and fair value interest rate risk*

The Group's interest-rate risk arises from short term finance investments in banks and borrowings. Short term finance investments in banks expose the Group to cash flow interest-rate risk dependent of changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2011, most of the Group's borrowings were issued at fixed rates and were mainly denominated in Euros.

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders equity of either an instantaneous increase or decrease of 0.5% (50 basis points) in market interest rates, from the rates applicable at 31 December 2011, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone. The sensitivity analysis is based on the following assumptions:

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

Under these assumptions, an increase or decrease of 0.5% in market interest rates, would impact respectively in an increase or decrease of profit before income tax of approximately EUR 104 thousand, in 2011 and in an increase or decrease, respectively, of approximately EUR 74 thousand, in 2010.

c) *Credit Risk*

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

At 31 December 2011, the 60 customers with greater balances of the Group represented approximately 83% of the total balance (2010: 82%).

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

	31.12.11	31.12.10
Portugal	80%	82%
Germany	1%	1%
Spain	4%	1%
Rest of Europe	-	1%
Asia	2%	2%
Middle East	1%	3%
Africa	12%	10%
	<u>100%</u>	<u>100%</u>

The distribution by business sector of those customers is shown in the table below:

	31.12.11	31.12.10
Telecommunications	50%	50%
Consumer electronics	6%	5%
Financial Services	17%	18%
Transport	7%	6%
Public Administration	5%	5%
Information Technology	6%	9%
Energy	5%	5%
Aeronautics	1%	-
Other	3%	2%
	<u>100%</u>	<u>100%</u>

The table below shows the ratings attributed by Moody's Investors Services to the financial institutions with whom the Group has higher balances at 31 December 2011 (excluding financial institutions where net balance is negative):

	31.12.11	31.12.10
Aa3	1,220	-
A2	-	11,351
A3	-	15,035
Baa2	4,989	-
Ba2	10,385	-
Ba3	10,194	-
	<u>26,788</u>	<u>26,386</u>

d) *Liquidity risk*

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

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

The plafonds of borrowings contracted by the Group are shown in the table below:

	Euro	Dollar
Banco Espírito Santo (BES)	7,000	2,500
Banco BPI (BPI)	3,075	-
Banco Comercial Português (BCP)	6	-
Banco Santander Totta (Santander)	5,000	-
Barclays Bank (Barclays)	5,250	3,000
Banco Espírito Santo Espanha (BESSA)	750	-
Banco de Fomento de Angola (BFA)	-	2,000
De Lage Landen (DLL)	659	-
	<u>21,740</u>	<u>7,500</u>

e) *Capital management risk*

The Group's objectives when managing capital, which is a broader concept than 'equity' in the consolidated statement of financial position, are:

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

Management monitors the Return on Capital (ROC) ratio, that the Group defines as the 'Operating Profit' divided by 'Total Equity', to measure the Group ability to generate cash flows related to the capital invested in its business.

	31.12.11	31.12.10
Operating Profit	4,622	16,690
Total Equity	102,439	98,498
Return on Capital	5 %	17 %

The Group has the objective to maintain ROC above the cost of capital (measured by WACC - weighted average cost of capital), which allows the Group to add value. The Group's WACC in 2011 is around 9% (2010: 9%). In 2011, the Group didn't achieve the target because of the financial and economic crisis.

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates by the Management, that affect assets, liabilities, and the disclosure of assets and contingent liabilities at the reporting date in the financial statements, as well as income and expenses during the reporting period, consequently future results can differ from the estimated ones. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgments considered more relevant in the preparation of these financial statements are presented below.

a) *Analysis of impairment of goodwill*

The Group tests annually, on the second half of the year, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, to forecast the cash flows of each cash-generating units, and the choice of a discount rate and a perpetual grow rate (see note 8).

b) *Income taxes and deferred taxes*

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and the use of deferred tax assets and liabilities. Deferred tax assets and liabilities were determined based on tax legislation currently in effect for the Group's companies, or on legislation already published for future application. Changes in the tax legislation may influence the value of deferred taxes.

The Group recognises deferred tax assets related to tax incentives obtained under SIFIDE based on estimates. The final amount of these tax incentives is only known in future years based on the approval by the competent body of the Group's applications to these incentives. The amount of tax credits not yet approved reach EUR 4,683 thousand (2010: EUR 3,238 thousand).

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

c) *Revenue recognition*

Revenue recognition in respect of "turn key" projects, is made by Management recurring to analysis and estimates of the current and future developments of consulting projects in place. These projections could have a different development in the future, from the present estimates performed by Management. Eventual changes in the estimates would be reflected under 'Accrued income' and 'Deferred income and other current liabilities' headings in the statement of financial position and under 'Services rendered' in the statement of comprehensive income.

d) *Warranties risk*

The Group recognises a provision for warranties when the underlying products or services are sold. These provisions are established using historical information of nature, frequency and average costs of warranty claims. Any changes to estimates will impact the financial statements of the following year, under 'Provisions' in liabilities and 'Other gains/(losses) - net' in profit or loss.

e) *Valuation allowance for impairment of trade and other receivables*

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

f) *Inventory impairment*

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

g) *Bonus*

The Group recognises on a monthly basis an estimate for bonus and other variable remunerations, which considers the theoretical amounts agreed with employees, the monitoring of the expected objective's achievement rates and the general situation of the Company's business. The variable remuneration of the elements of the Board of Directors is set by the Remuneration Committee based on the evaluation of the previous year performance. Therefore, the cost estimate for the current exercise booked under 'Trade and other payables' heading, is prepared based on the Management's best estimate to the performance of the current year, where the actual final outcome is only known in the following exercise, after the Remuneration Committee's deliberation. More information about the Shareholders' remuneration can be found in the point regarding Remuneration, included in the Corporate Governance Report, which is an integral part of the Consolidated Annual Report.

5. Segment information

In 2011, a new offer structure was defined aggregated into four business areas: (i) Business Solutions (BS); (ii) Infrastructures & Managed Services (IMS); (iii) Digital TV and (iv) Venture Capital. BS segment now includes the business of Novabase Consulting and the areas of Ticketing and Managed Services previously considered within IMS segment.

The table below shows the amounts of Ticketing and Managed Services areas, included in IMS segment for the period ended 31 December 2010, which moved into Business Solutions segment in 2011.

	Consulting (*)	Ticketing & Managed Serv.	Business Solutions	IMS (*)	Ticketing & Managed Serv.	IMS
At 31 December 2010						
Total segment Sales and services rendered	147,016	8,653	155,669	117,428	(8,653)	108,775
Inter-segment Sales and services rendered	66,357	455	66,812	14,320	(455)	13,865
Sales and services rendered	80,659	8,198	88,857	103,108	(8,198)	94,910
Depreciation and amortisation	(3,210)	(260)	(3,470)	(1,477)	260	(1,217)
Operating profit/(loss)	7,725	636	8,361	7,171	(636)	6,535
Finance costs – net	(211)	(42)	(253)	(131)	42	(89)
Share of loss of associates	(6)	-	(6)	-	-	-
Income tax expense	(1,348)	60	(1,288)	(1,640)	(60)	(1,700)
Profit/(Loss) from operations	6,160	654	6,814	5,400	(654)	4,746

Other information:

(Provisions) / Provisions reversal	268	682	950	773	(682)	91
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(*) Amounts disclosed in 2010 Report and Accounts.

The segment results presented below consider the new internal reporting organization, with the comparatives restated.

The companies considered in each operating segment are presented in note 6. For the purpose of preparing this information, Novabase S.G.P.S. and Novabase Serviços are considered as part of the Business Solutions segment.

	Business Solutions	IMS	Digital TV	Venture Capital	Continuing operations	Discontinued operations
At 31 December 2010						
Total segment Sales and services rendered	155,669	108,775	53,325	4,481	322,250	-
Inter-segment Sales and services rendered	66,812	13,865	4,047	1,195	85,919	-
Sales and services rendered	88,857	94,910	49,278	3,286	236,331	-
Depreciation and amortisation	(3,470)	(1,217)	(722)	(69)	(5,478)	-
Operating profit/(loss)	8,361	6,535	1,451	343	16,690	-
Finance costs – net	(253)	(89)	241	(14)	(115)	-
Share of loss of associates (note 33)	(6)	-	-	(249)	(255)	-
Income tax expense	(1,288)	(1,700)	454	(94)	(2,628)	-
Profit/(Loss) from operations	6,814	4,746	2,146	(14)	13,692	-
Other information:						
(Provisions) / Provisions reversal	950	91	445	27	1,513	-
At 31 December 2011						
Total segment Sales and services rendered	157,530	99,793	56,314	2,443	316,080	-
Inter-segment Sales and services rendered	67,882	13,758	3,561	1,246	86,447	-
Sales and services rendered	89,648	86,035	52,753	1,197	229,633	-
Depreciation and amortisation	(3,732)	(1,400)	(805)	(188)	(6,125)	-
Operating profit/(loss)	5,021	2,132	(1,065)	(1,466)	4,622	-
Finance costs – net	(73)	(663)	(111)	(9)	(856)	-
Share of loss of associates (note 33)	(73)	-	-	(572)	(645)	-
Income tax expense	(262)	(1,832)	1,711	(501)	(884)	-
Profit/(Loss) from operations	4,613	(363)	535	(2,548)	2,237	703
Other information:						
(Provisions) / Provisions reversal	418	507	(1,209)	-	(284)	-

6. Companies included in consolidation

The companies consolidated by full method, as at 31 December 2011, were the following:

Holding company and Subsidiaries	Head Office	Share capital 31.12.11	% Interest held	
			31.12.11	31.12.10
Parent company:				
Novabase S.G.P.S., S.A.	Lisbon - Portugal	€ 15,700,697	-	-
Business Solutions:				
Novabase Business Solutions, S.A.	Lisbon - Portugal	€ 3,466,000	100.0%	100.0%
NBO Recursos em TI, S.A.	Lisbon - Portugal	€ 50,000	100.0%	100.0%
Novabase Consulting SGPS, S.A.	Lisbon - Portugal	€ 11,629,475	100.0%	100.0%
Novabase E.A., S.A.	Lisbon - Portugal	€ 150,000	100.0%	100.0%
CelFocus, S.A.	Lisbon - Portugal	€ 100,000	55.0%	55.0%
(*) Novabase International Solutions B.V.	Amsterd. - Netherl.		-	100.0%
Nbase International Investments B.V.	Amsterd. - Netherl.	€ 1,220,800	100.0%	100.0%
Novabase Solutions Middle East FZ-LLC	Dubai - UAE	2,700,000 AED	100.0%	100.0%
(**) Octal - Engenharia de Sistemas, S.A.	Lisbon - Portugal	€ 3,000,000	100.0%	100.0%
(**) Gedotecome Informática, Lda	Lisbon - Portugal	€ 25,000	100.0%	100.0%
(b) Evolvespace Solutions, Lda.	Lisbon - Portugal	€ 5,000	100.0%	-
IMS:				
Novabase Infraestruturas, SGPS, S.A.	Lisbon - Portugal	€ 50,000	100.0%	100.0%
Novabase IMS Infr. & Manag. Services, S.A.	Lisbon - Portugal	€ 70,500	100.0%	100.0%
Novabase Consulting Espanha, S.A.	Madrid - Spain	€ 1,000,000	100.0%	100.0%
Novabase Infr. Integracion S. Inf., S.A.	Madrid - Spain	€ 120,202	100.0%	100.0%
(*) Novabase Polska Sp. z o.o.	Warsaw - Poland		-	100.0%
(***) NBASIT-Sist. de Inf. e Telecomunic., S.A.	Luanda - Angola	47,500,000 AOA	49.4%	49.4%
Discontinued operations - see note 40:				
(*) Octal 2 Mobile, S.A.	Lisbon - Portugal		-	99.5%
Digital TV:				
Novabase Interactive TV SGPS, S.A.	Lisbon - Portugal	€ 278,125	100.0%	100.0%
Novabase Digital TV E.S. Tel. Inter., S.A.	Lisbon - Portugal	€ 250,000	100.0%	100.0%
TVLab, S.A.	Lisbon - Portugal	€ 525,000	100.0%	100.0%
Novabase Digital TV Technologies GmbH	Munich - Germany	€ 25,000	100.0%	100.0%
Novabase Digital TV, EURL	Caen - France	€ 10,000	100.0%	100.0%
Venture Capital:				
Novabase Capital SGCR, S.A.	Lisbon - Portugal	€ 2,500,000	100.0%	100.0%
COLLAB – Sol. I. Com. e Colab., S.A.	Lisbon - Portugal	€ 61,333	76.9%	76.9%
(a) FCR NB Capital Inovação e Internacionalização	-	€ 11,360,000	51.6%	-
Novabase Shared Services:				
Novabase Servicos. S.A.	Lisbon - Portugal	€ 250,000	100.0%	100.0%

(*) Company dissolved in 2011.

(**) In 2010, this company was considered within IMS segment (note 5).

(***) The Group has the power to govern the financial and operating policies of this company, therefore this financial holding was included in the consolidation by full method.

(a) In the Venture Capital area, it was decided to establish a new venture capital fund, which has two specific provisions, with a contribution from the COMPETE Program of EUR 5.0 Million and the POR Lisboa Program (focused on the Early Stage phase) of EUR 0.5 Million. This fund has already made its first investments in the companies FeedZai and PowerGrid (note 9).

(b) In April 2011, the Group acquired 100% of share capital of Evolvespace Solutions, Lda, a company incorporated in 2004 dedicated to providing services in information technology specialized for the aerospace industry, and which majority business is in countries such as Germany, UK, France and Italy, with the goal to strengthen its focus on the Aerospace & Transportation industry and increase its international presence. This company was included in the consolidation by full method in Business Solutions segment.

Of the total amount invested of EUR 251 thousand, EUR 100 thousand corresponds to the initial investment, paid in cash, and to a contingent consideration of EUR 151 thousand to be paid in 2012 and 2013, based on future goals to be achieved by the subsidiary, in terms of operational performance (see notes 23 and 24).

The Goodwill arising from this acquisition, of EUR 92 thousand, is mainly attributable to the access to the highly skilled workforce of Evolvespace Solutions in that industry.

The total acquisition-related costs of Evolvespace Solutions reached EUR 2 thousand. They are related to the Due Dilligence process, and have been recognized in results within 'External supplies and services' heading.

The income and net profit of Evolvespace Solutions since the acquisition date until 31 December 2011, included in the consolidated financial statements and in the consolidated net profit reached EUR 132 thousand and minus EUR 23 thousand, respectively. If Evolvespace Solutions had been consolidated since 1 January 2011, the Group estimates that the total consolidated income would come increased by EUR 127 thousand. The consolidated net profit would be less EUR 60 thousand.

The following table summarises the consideration paid for Evolvespace Solutions, and the amount of assets acquired and liabilities assumed recognised at the acquisition date:

	Apr-11
Consideration	
Cash	100
Contingent consideration	151
Total consideration	251
	Fair value
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	7
Trade and other receivables	349
Trade and other payables	(183)
Provisions	(20)
Borrowings	(13)
Deferred income tax assets	19
Total identifiable net assets	159
Goodwill	92
	251

The companies consolidated using the equity method, as at 31 December 2011, were the following:

Associates (see note 9)	Head Office	Share capital		% Interest held		Equity	Results
		31.12.11		31.12.11	31.12.10	31.12.11	31.12.11
Fundo Capital Risco NB Capital	Lisbon - Portugal	€ 7,142,857		30.0%	30.0%	2,967	(1,905)
(a) Novabase Atlântico, SI, S.A.	P. Delg. - Portugal	€ 216,875		60.0%	60.0%	137	(123)
(b) TechnoTrend Holding N.V.	Amsterd. - Nederl.	€ 97,295		-	49.5%	-	-
(b) TechnoTrend GmbH	Erfurt - Germany	€ 5,263,320		50.0%	49.5%	Unavailable info.	Unavailable info.
(c) Feedzai, Lda	Coimbra - Portugal	€ 73,500		3.6%	-	1,413	96
Powergrid, Lda	T. Vedras - Portugal	€ 450,000		45.8%	-	440	(10)

(a) Novabase considers that does not have the power to control the financial and operating policies of the company (see note 9).

(b) TechnoTrend Holding N.V. was dissolved in 2011, having been distributed to its shareholders the shares in company TechnoTrend GmbH.

(c) Novabase considers that does have significant influence in the company (see note 9).

7. Property, plant and equipment

	31.12.11			31.12.10		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Buildings and other constructions	4,212	1,388	2,824	4,079	986	3,093
Basic equipment	7,919	4,569	3,350	6,692	2,942	3,750
Transport equipment	4,863	2,865	1,998	4,647	2,547	2,100
Tools and utensils	49	23	26	49	7	42
Furniture, fittings and equipment	1,577	778	799	1,432	585	847
Other tangible assets	8	5	3	8	4	4
	18,628	9,628	9,000	16,907	7,071	9,836

During 2010, movements in property, plant and equipment were as follows:

	Balance at 01.01.10	Acquisitions / increases	Write off's	Transfers	Change in consolidation universe	Exchange differences	Balance at 31.12.10
<i>Cost:</i>							
Buildings and other constructions	3,520	599	-	(40)	-	-	4,079
Basic equipment	5,379	2,645	(894)	(438)	-	-	6,692
Transport equipment	4,929	1,611	(1,893)	-	-	-	4,647
Tools and utensils	-	49	-	-	-	-	49
Furniture, fittings and equipment	1,628	124	(165)	(155)	-	-	1,432
Other tangible assets	8	-	-	-	-	-	8
	<u>15,464</u>	<u>5,028</u>	<u>(2,952)</u>	<u>(633)</u>	<u>-</u>	<u>-</u>	<u>16,907</u>
<i>Accumulated depreciation:</i>							
Buildings and other constructions	472	523	-	(9)	-	-	986
Basic equipment	2,492	1,475	(882)	(143)	-	-	2,942
Transport equipment	3,106	1,097	(1,656)	-	-	-	2,547
Tools and utensils	-	7	-	-	-	-	7
Furniture, fittings and equipment	670	188	(158)	(115)	-	-	585
Other tangible assets	3	1	-	-	-	-	4
	<u>6,743</u>	<u>3,291</u>	<u>(2,696)</u>	<u>(267)</u>	<u>-</u>	<u>-</u>	<u>7,071</u>

During 2011, movements in property, plant and equipment were as follows:

	Balance at 01.01.11	Acquisitions / increases	Write off's	Transfers	Change in consolidation universe	Exchange differences	Balance at 31.12.11
<i>Cost:</i>							
Buildings and other constructions	4,079	133	-	-	-	-	4,212
Basic equipment	6,692	1,280	(65)	-	9	3	7,919
Transport equipment	4,647	1,350	(1,139)	-	-	5	4,863
Tools and utensils	49	-	-	-	-	-	49
Furniture, fittings and equipment	1,432	129	(1)	-	17	-	1,577
Other tangible assets	8	-	-	-	-	-	8
	<u>16,907</u>	<u>2,892</u>	<u>(1,205)</u>	<u>-</u>	<u>26</u>	<u>8</u>	<u>18,628</u>
<i>Accumulated depreciation:</i>							
Buildings and other constructions	986	402	-	-	-	-	1,388
Basic equipment	2,942	1,659	(36)	-	3	1	4,569
Transport equipment	2,547	1,287	(973)	-	-	4	2,865
Tools and utensils	7	16	-	-	-	-	23
Furniture, fittings and equipment	585	178	(1)	-	16	-	778
Other tangible assets	4	1	-	-	-	-	5
	<u>7,071</u>	<u>3,543</u>	<u>(1,010)</u>	<u>-</u>	<u>19</u>	<u>5</u>	<u>9,628</u>

Buildings and other constructions includes construction works in the amount of EUR 2,656 thousand made in the headquarter of the Group and in the new facilities of the logistics unit. These construction works are being depreciated over the estimated period of lease of such facilities.

Depreciation is included in 'Depreciation and amortisation' heading in the statement of comprehensive income (note 30).

'Basic equipment' and 'Transport equipment' headings includes the following finance lease contracts:

	Basic equipment		Transport equipment	
	31.12.11	31.12.10	31.12.11	31.12.10
Acquisition cost	342	-	4,651	4,610
Accumulated depreciation	(49)	-	(2,799)	(2,545)
Net book value	<u>293</u>	<u>-</u>	<u>1,852</u>	<u>2,065</u>
	<u>31.12.11</u>	<u>31.12.10</u>	<u>31.12.11</u>	<u>31.12.10</u>
Depreciation charge	49	-	1,226	1,096

8. Intangible assets

	31.12.11			31.12.10		
	Cost	Accumulated amortisation	Net book value	Cost	Accumulated amortisation	Net book value
Internally generated intangible assets	1,911	434	1,477	1,088	20	1,068
Industrial property and other rights	14,010	10,342	3,668	13,334	8,171	5,163
Work in progress	2,515	-	2,515	1,623	-	1,623
Goodwill	23,467	-	23,467	23,375	-	23,375
	<u>41,903</u>	<u>10,776</u>	<u>31,127</u>	<u>39,420</u>	<u>8,191</u>	<u>31,229</u>

During 2010, movements in intangible assets were as follows:

	Balance at 01.01.10	Acquisitions / increases	Impairment ch. / Write off's	Transfers	Change in consolidation universe	Balance at 31.12.10
<i>Cost:</i>						
Internally generated intangible assets	2,165	746	(2,165)	342	-	1,088
Industrial property and other rights	10,605	1,866	(80)	943	-	13,334
Work in progress	615	1,832	-	(824)	-	1,623
Goodwill	23,375	-	-	-	-	23,375
	<u>36,760</u>	<u>4,444</u>	<u>(2,245)</u>	<u>461</u>	<u>-</u>	<u>39,420</u>
<i>Accumulated amortisation:</i>						
Internally generated intangible assets	1,919	266	(2,165)	-	-	20
Industrial property and other rights	6,063	1,921	(80)	267	-	8,171
	<u>7,982</u>	<u>2,187</u>	<u>(2,245)</u>	<u>267</u>	<u>-</u>	<u>8,191</u>

During 2011, movements in intangible assets were as follows:

	Balance at 01.01.11	Acquisitions / increases	Impairment ch. / Write off's	Transfers	Change in consolidation universe	Balance at 31.12.11
<i>Cost:</i>						
Internally generated intangible assets	1,088	478	-	345	-	1,911
Industrial property and other rights	13,334	673	-	-	3	14,010
Work in progress	1,623	1,267	(30)	(345)	-	2,515
Goodwill	23,375	92	-	-	-	23,467
	<u>39,420</u>	<u>2,510</u>	<u>(30)</u>	<u>-</u>	<u>3</u>	<u>41,903</u>
<i>Accumulated amortisation:</i>						
Internally generated intangible assets	20	414	-	-	-	434
Industrial property and other rights	8,171	2,168	-	-	3	10,342
	<u>8,191</u>	<u>2,582</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>10,776</u>

Acquisitions of intangible assets includes capitalised employee costs in the amount of EUR 1,471 thousand.

Amortisation is included in 'Depreciation and amortisation' heading in the statement of comprehensive income (note 30).

The balance of 'Industrial property and other rights' heading is analysed as follows:

Business	Amortisation period	Company	Cost	Accumulated amortisation	Net book value
(i) ATX Projects	10 years	Novabase Business Solutions	8,295	6,907	1,388
(ii) SAP RH and SAP Logística	6 years	Novabase Serviços	714	518	196
(iii) Commercial patents	3 years	NB Digital TV GmbH	1,000	972	28
(iv) Software SCADA	5 years	Novabase Business Solutions	750	225	525
(v) SAP HCM	6 years	Novabase Serviços	292	61	231
(vi) Other			2,959	1,659	1,300
			<u>14,010</u>	<u>10,342</u>	<u>3,668</u>

- (i) Amount paid to Espírito Santo Group, for the acquisition of a service contract, over a period between 6 to 10 years.
(ii) Management information system (mySAP) for the Group internal use.
(iii) Patents of 'Docking Station' and 'Modular digital TV decoder'.
(iv) Management and control platform for wind power production.
(v) Management information system (mySAP), new HR solution - Human Capital Management, for the Group internal use.
(vi) This balance refers mainly to computer software licences.

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

The amount with research and development recognised as a cost, related to the main research projects, reached EUR 7.8 Million (2010: EUR 10.1 Million).

Impairment tests were performed on 'Work in progress' and it was concluded there is no impairment.

Movements in **goodwill** were as follows:

	31.12.11	31.12.10
Balance at 1 January	24,994	24,994
Goodwill arising from the acquisition of new subsidiaries (see note 6)	92	-
Balance at 31 December	<u>25,086</u>	<u>24,994</u>

Movements in **goodwill impairment** were as follows:

	31.12.11	31.12.10
Balance at 1 January	(1,619)	(1,619)
Balance at 31 December	<u>(1,619)</u>	<u>(1,619)</u>

Impairment tests for goodwill

Goodwill is allocated to the Group's Cash-Generating Units (CGUs) identified according to operating segments.

	31.12.11	31.12.10
Business Solutions	14,247	14,155
IMS	685	685
Digital TV	8,535	8,535
	<u>23,467</u>	<u>23,375</u>

The impairment test for goodwill was performed based on the discounted cash flow method, using a 5 year business plan forecasted by Management, with the following key assumptions:

	Business Solutions	IMS	Digital TV
Discounted rate (pre tax)	12.8%	12.8%	12.8%
Perpetual growth rate	2.0%	2.0%	2.0%
Annual growth rate of turnover	5.0%	2.0%	5.0%

The application of the previously described method generates a recoverable amount (determined by value in use) of assets that exceeds its carrying amount, concluding therefore that there is no need for an impairment charge to the goodwill allocated to the Cash-Generating Units.

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

9. Investments in associates

	% Interest held				Acquisition cost	
	% Holding		% held directly		31.12.11	31.12.10
	31.12.11	31.12.10	31.12.11	31.12.10		
Fundo Capital Risco NB Capital (notes 6 and 33)	30.0%	30.0%	30.0%	30.0%	879	1,450
(i) Feedzai, Lda (note 6)	3.9%	-	7.6%	-	190	-
(ii) Powergrid, Lda (note 6)	45.8%	-	88.9%	-	400	-
(iii) Novabase Atlântico, SI, S.A. (notes 6 and 33)	60.0%	60.0%	60.0%	60.0%	135	209
(iv) Ent. Comerc. Prod. Mobilidade Eléctrica	33.3%	33.3%	33.3%	33.3%	17	17
TechnoTrend Holding N.V. (note 6)	-	49.5%	-	49.5%	-	-
(v) TechnoTrend GmbH (note 6)	50.0%	49.5%	50.0%	100.0%	-	-
					1,621	1,676

- (i) Company dedicated to developing solutions for processing large volumes of data in real time, acquired by FCR NB Capital Inovação e Internacionalização. This Fund has a significant influence on Feedzai, therefore this financial holding was included in the consolidation by equity method.
- (ii) Company acquired by FCR NB Capital Inovação e Internacionalização, focused on developing an application platform for SmartGrids.
- (iii) Due to the sale and purchase promise-agreement concluded with Electricidade dos Açores (EDA), and the conditions in shareholders agreement between EDA and Novabase, this company has an option to buy the shareholding held by Novabase in the end of the period of the outsourcing rendered services contract between Novabase and EDA, by the value of the equity of Novabase Atlântico. Thus, Novabase considers that does not have the power to control the financial and operating policies of this company therefore this financial holding was included in the consolidation by equity method.
- (iv) The company ECPME has not yet been incorporated, as the future shareholders have not closed the terms associated to the shareholders agreement to be concluded between them.
- (v) This company is inactive waiting for dissolution, and additional contingencies for the Group are not expected, therefore its fair value is null.

10. Deferred income tax assets and liabilities

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 following amounts were determined after its offsetting:

	31.12.11	31.12.10
Deferred tax assets		
To be recovered within 12 months	1,848	2,348
To be recovered after more than 12 months	10,539	8,048
	12,387	10,396
Deferred tax liabilities		
To be recovered within 12 months	-	809
To be recovered after more than 12 months	100	100
	100	909

The movement in the deferred income tax assets was as follows:

	31.12.11	31.12.10
Balance at 1 January	10,396	8,341
Change in consolidation universe	19	-
Reclassifications	(30)	(12)
Exchange differences	2	9
Discontinued operations	592	-
Profit or loss charge (see note 34)	1,408	2,058
Balance at 31 December	12,387	10,396

The movement in the deferred income tax liabilities was as follows:

	31.12.11	31.12.10
Balance at 1 January	909	100
Profit or loss charge (see note 34)	(809)	809
Balance at 31 December	100	909

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

	Tax Losses	Tax Incentives	Provisions / Adjustments	Total
Balance at 1 January 2010	3,314	3,414	1,613	8,341
Profit or loss charge	(939)	2,936	61	2,058
Reclassifications	(12)	-	-	(12)
Exchange differences	9	-	-	9
Balance at 31 December 2010	2,372	6,350	1,674	10,396
Profit or loss charge	(51)	1,340	119	1,408
Reclassifications	(30)	-	-	(30)
Change in consolidation universe	19	-	-	19
Exchange differences	2	-	-	2
Discontinued operations	592	-	-	592
Balance at 31 December 2011	2,904	7,690	1,793	12,387

Deferred tax assets related to tax incentives result from projects of research and development submitted under the incentive program SIFIDE.

The expiry date of the deferred tax assets can be analysed as follows:

	Tax Losses	Tax Incentives	Provisions / Adjustments	Total
No later than 1 year	688	556	-	1,244
Between 1 and 2 years	264	-	-	264
Between 2 and 3 years	247	649	-	896
Between 3 and 4 years	937	1,802	-	2,739
Between 4 and 5 years	-	2,848	-	2,848
Between 5 and 6 years	-	1,835	-	1,835
Over 6 years	768	-	-	768
With no defined date	-	-	1,793	1,793
	2,904	7,690	1,793	12,387

11. Inventories

	31.12.11	31.12.10
Merchandise	7,243	10,872
Finished products	41	195
Raw materials, subsidiary goods and consumables	199	311
	7,483	11,378
Inventory impairment	(574)	(975)
	6,909	10,403

Movements in inventory impairment are analysed as follows:

	31.12.11	31.12.10
Balance at 1 January	975	857
Impairment (see note 29)	166	282
Impairment reversal (see note 29)	(448)	(166)
Gains on inventories	-	2
Write offs	(119)	-
	574	975

The cost of inventories recognised as expense and included in 'Cost of sales' and 'External supplies and services' headings amounted to EUR 98,929 thousand (2010: EUR 102,750 thousand).

12. Financial instruments by category

At 31 December 2010	Loans and receivables	Assets/liabilit. at fair value through P&L	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Other non-current assets	69	-	-	-	69
Trade and other receivables	81,982	-	-	1,303	83,285
Accrued income	14,035	-	-	-	14,035
Derivative financial instruments	-	197	-	-	197
Other current assets	-	-	-	3,834	3,834
Cash and cash equivalents	28,088	-	-	-	28,088
	<u>124,174</u>	<u>197</u>	<u>-</u>	<u>5,137</u>	<u>129,508</u>
Liabilities					
Other non-current liabilities	-	-	927	-	927
Borrowings	-	-	13,212	-	13,212
Trade and other payables	-	-	57,101	-	57,101
Derivative financial instruments	-	353	-	-	353
Deferred income and other current liabilities	-	-	22,807	-	22,807
	<u>-</u>	<u>353</u>	<u>94,047</u>	<u>-</u>	<u>94,400</u>
At 31 December 2011					
Assets					
Trade and other receivables	91,501	-	-	1,329	92,830
Accrued income	16,414	-	-	-	16,414
Derivative financial instruments	-	245	-	-	245
Other current assets	-	-	-	5,236	5,236
Cash and cash equivalents	27,157	-	-	-	27,157
	<u>135,072</u>	<u>245</u>	<u>-</u>	<u>6,565</u>	<u>141,882</u>
Liabilities					
Other non-current liabilities	-	-	308	-	308
Borrowings	-	-	17,307	-	17,307
Trade and other payables	-	-	60,935	-	60,935
Derivative financial instruments	-	461	-	-	461
Deferred income and other current liabilities	-	-	22,669	-	22,669
	<u>-</u>	<u>461</u>	<u>101,219</u>	<u>-</u>	<u>101,680</u>

13. Trade and other receivables

	31.12.11	31.12.10
Trade receivables	85,608	80,409
Allowance for impairment of trade receivables	(2,854)	(2,012)
	<u>82,754</u>	<u>78,397</u>
Prepayments to suppliers	546	537
Employees	133	73
Value added tax	650	693
Receivables from related parties (note 39)	597	494
Financial investments disposal	146	150
Receivables from financed projects	3,040	2,113
Capital subscribers of FCR NB Capital Inovação e Internacionalização	3,850	-
Other receivables	4,775	4,270
Allowance for impairment of other receivables	(3,661)	(3,442)
	<u>10,076</u>	<u>4,888</u>
	<u>92,830</u>	<u>83,285</u>

The fair value of 'Trade and other receivables' balance approximates its carrying amount.

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

The ageing analysis of the carrying amounts of trade receivables is as follows:

	31.12.11	31.12.10
Carrying amount of receivables not due	51,533	46,085
Carrying amount of receivables not impaired		
Past due for less than 6 months	23,171	24,931
Past due for more than 6 months	8,052	7,343
Carrying amount of receivables due and not impaired	31,223	32,274
Carrying amount of receivables impaired		
Past due for less than 6 months	958	4
Past due for more than 6 months	1,894	2,046
Carrying amount of receivables due and impaired	2,852	2,050
	85,608	80,409

80% of trade receivables that are neither past due nor impaired is owed by entities with which there is no past experience of default, although might have had some punctual delay in the invoices payment. The remaining 20% are distributed by nearly 300 entities with an average balance of EUR 36 thousand, that the credit department has no information that leads to suppose that there is a high risk of default.

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

	Trade receivables		Other receivables		Total	
	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10
Balance at 1 January	2,012	3,452	3,442	3,755	5,454	7,207
Change in consolidation universe	62	-	-	-	62	-
Impairment (note 29)	988	203	218	29	1,206	232
Impairment reversal (note 29)	(208)	(1,033)	-	(216)	(208)	(1,249)
Transfers	-	79	-	32	-	111
Recovery of bad debts	-	16	1	-	1	16
Write off's	-	(705)	-	(158)	-	(863)
	2,854	2,012	3,661	3,442	6,515	5,454

14. Accrued income

	31.12.11	31.12.10
- Ongoing projects	14,803	12,775
- Other accrued income	1,611	1,260
	16,414	14,035

15. Derivative financial instruments

The fair value of derivative financial instruments can be analysed as follows:

	Assets		Liabilities	
	31.12.11	31.12.10	31.12.11	31.12.10
- Forward foreign exchange contracts	245	197	461	353
	245	197	461	353

The Group is exposed to foreign exchange risk in sales and purchases in various currencies, primarily with respect to the U.S. Dollar. The financial instruments used to manage this exchange risk are the forward foreign exchange contracts, which are used based on the receipt and payment dates agreed with third parties, in order to fix the exchange rate associated with these transactions. The nature of the hedged risk is the exchange variation registered in transactions denominated in foreign currencies.

The fair value is classified as a non-current asset or liability if the remaining maturity is more than 12 months and as a current asset or liability if the maturity is less than 12 months. In 2011, the derivative financial instruments were classified as current assets and liabilities. Gains and losses arising from fair value variations were recognised in profit or loss, since the derivative financial instruments were classified as financial assets at fair value through profit or loss.

At 31 December 2011, the Group had forward foreign exchange contracts of EUR Call / USD Put with the notional amount of USD 22,987,750 and forward foreign exchange contracts of EUR Put / USD Call with the notional amount of USD 10,768,500.

16. Other current assets

The amounts recorded regarding prepayments of contracted services are as follows:

	31.12.11	31.12.10
- Hardware and software maintenance	318	97
- Subcontracts	1,703	1,345
- Rents	255	304
- Software licensing	1	39
- Consulting	438	165
- Other prepayments	2,521	1,884
	<u>5,236</u>	<u>3,834</u>

In order to ensure the proper balancing of the services provided by third parties, costs and income were deferred and will be recognised in profit or loss in the next period.

17. Cash and cash equivalents

With reference to the consolidated statement of cash flows, the detail and description of **Cash, cash equivalents and bank overdrafts** is analysed as follows:

	31.12.11	31.12.10
- Cash	24	7
- Short term bank deposits	27,133	28,081
Cash and cash equivalents	<u>27,157</u>	<u>28,088</u>
- Overdrafts	-	(1,031)
	<u>27,157</u>	<u>27,057</u>

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

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

18. Share Capital, share premium, treasury shares and stock options

The share capital at 31 December 2011, fully subscribed and paid of 15,700,697 Euros, is represented by 31,401,394 shares with a nominal value of 0.5 Euros each.

	Number of shares (thousands)	Share capital	Treasury shares	Share premium	Total
Balance at 1 January 2010	31,401	15,701	(723)	49,213	64,191
Share capital reduction	-	(5,652)	-	-	(5,652)
Share capital increase	-	5,652	-	(5,652)	-
Treasury shares transferred	-	-	120	-	120
Balance at 31 December 2010	<u>31,401</u>	<u>15,701</u>	<u>(603)</u>	<u>43,560</u>	<u>58,658</u>
Treasury shares transferred	-	-	113	-	113
Balance at 31 December 2011	<u>31,401</u>	<u>15,701</u>	<u>(490)</u>	<u>43,560</u>	<u>58,771</u>

'Treasury shares' heading reflects the number of shares held by the Group at its nominal value.

According to legislation in force, by deliberation of the General Meeting of Shareholders held on 12 April 2007, the purchase of treasury shares by Novabase S.G.P.S. is permitted up to a maximum of 10% of its share capital.

At 31 December 2010, Novabase S.G.P.S. held 1,206,643 treasury shares, representing 3.84% of its share capital.

During 2011, the company transferred 226,116 shares at the average price of 3.26 Euros, being those treasury shares used for the settlement of acquisitions to non-controlling interests, and as bonuses to employees.

At 31 December 2011, Novabase S.G.P.S. held 980,527 treasury shares, representing 3.12% of its share capital.

Issuance share premiums resulted from gains obtained with share capital increases. According to the current legislation, the amounts included under this heading can be used only to increase share capital or to absorb losses carried forward (no need for prior use of other reserves), it can not be used for attribution of dividends or purchase of treasury shares.

Stock options

At 31 December 2011, one stock options plan is in force (2009-2011 Plan), approved in Shareholders General Meeting of 28 April 2009, which covers only the shareholders of Novabase S.G.P.S..

This stock options plan is based on granting stock options over Novabase ordinary shares, as a performance bonus for participants of the plan.

The stock options granted have as only condition for its acquisition, the permanency of the employee in the dates defined in the plan, and automatically expire whenever the employee stops working in any of the Group companies.

Under the terms of the plan, exercised options are settled through the attribution of treasury shares held by Novabase (net share settlement).

Movements in the number of share options outstanding are as follows:

	31.12.11		31.12.10	
	Average exercise price per share	Options (thousands)	Average exercise price per share	Options (thousands)
Balance at 1 January		1,960		1,971
Expired		-	4.09	(11)
Balance at 31 December		1,960		1,960

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price	Options (thousands)	
		31.12.11	31.12.10
2012	4.04	1,960	1,960
		1,960	1,960

In the statement of comprehensive income, under 'Employee benefit expense' heading, was booked a cost of EUR 331 thousand (2010: EUR 697 thousand) - see note 27.

19. Reserves and retained earnings

According to legislation in force, portuguese based companies that integrate Novabase Group are required to transfer at least 5% of annual net profit to legal reserves until this balance reaches 20% of the share capital. This reserve can not be distributed to shareholders, though it may be used to absorb losses carried forward or to increase share capital.

In the annual General Meeting of Shareholders held on 5 May 2011, it was approved the payment to shareholders of an amount of EUR 4,082 thousand, corresponding to 0.13 Euros per share. The payment occurred in June, 2011.

	31.12.11	31.12.10
Payment to shareholders	3,955	9,662
Remuneration of the treasury shares held by the Company	127	386
	4,082	10,048

In 2011, the Group performed operations of acquisitions of financial interests to non-controlling interests, with the following impact (see note 39):

	31.12.11			31.12.10		
	Acquisition/ disposal cost	Equity acquired/ (disposed)	Acquisition difference	Acquisition / disposal cost	Equity acquired/ (disposed)	Acquisition difference
(i) Acquisition of 12.73% in Novabase Infraest. SGPS	7	-	7	214	-	214
(i) Acquisition of Digital TV business	-	-	-	(246)	-	(246)
(ii) Acquisition of 10% in Novabase Internat. Solutions	-	-	-	1,093	742	351
	<u>7</u>	<u>-</u>	<u>7</u>	<u>1,061</u>	<u>742</u>	<u>319</u>

- (i) In the sequence of the transactions with non-controlling interests occurred in 2008, the acquisition cost was reviewed based on the achievement of goals by the subsidiary.
- (ii) Acquisition of 10% in Novabase International Solutions B.V. and, consequently, of the remaining financial holding in Novabase Solutions Middle East FZ-LLC and in Novabase E.A., S.A., and of 5.5% in Celfocus S.A..

In the operations described above, as the financial holdings were acquired to non-controlling interests in which the Group already had control, the Economic Entity Model Method was applied, and the difference between the acquisition cost and the net assets value of the subsidiaries acquired was booked in Equity, in the total amount of EUR 7 thousand.

20. Non-controlling interests

	31.12.11	31.12.10
Balance at 1 January	5,724	5,644
Transactions with non-controlling interests (see note 19)	-	(742)
(*) Changes in consolidation universe	5,500	173
Dividends paid by Celfocus to non-controlling interests	(1,800)	-
Foreign currency translation differences for foreign operations	98	10
Profit attributable to non-controlling interests	289	639
Balance at 31 December	<u>9,811</u>	<u>5,724</u>

(*) In 2011, FCR NB Capital Inovação e Internacionalização was incorporated.

21. Borrowings

	31.12.11	31.12.10
Non-current		
Bank borrowings	10,500	6,200
Finance lease liabilities	1,528	1,679
	<u>12,028</u>	<u>7,879</u>
Current		
Bank borrowings	4,053	4,272
Finance lease liabilities	1,226	1,061
	<u>5,279</u>	<u>5,333</u>
Total borrowings	<u>17,307</u>	<u>13,212</u>

The periods in which the current bank borrowings will be paid are as follows:

	31.12.11	31.12.10
6 months or less	2,269	3,097
6 to 12 months	1,784	1,175
	<u>4,053</u>	<u>4,272</u>

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

	31.12.11	31.12.10
Between 1 and 2 years	3,650	2,450
Between 2 and 5 years	6,775	3,600
Over 5 years	75	150
	<u>10,500</u>	<u>6,200</u>

The effective interest rates at the reporting date were as follows:

	31.12.11	31.12.10
Bank borrowings	5.359%	4.299%
Bank overdrafts	N/A	1.568%

Gross finance lease liabilities – minimum lease payments:

	31.12.11	31.12.10
No later than 1 year	1,672	1,526
Between 1 and 5 years	2,004	2,264
	<u>3,676</u>	<u>3,790</u>
Future finance charges on finance leases	(922)	(1,050)
Present value of finance lease liabilities	<u>2,754</u>	<u>2,740</u>

The present value of finance lease liabilities is analysed as follows:

	31.12.11	31.12.10
No later than 1 year	1,226	1,061
Between 1 and 5 years	1,528	1,679
	<u>2,754</u>	<u>2,740</u>

22. Provisions

Movements in provisions are analysed as follows:

	Warranties	Legal Claims	Other Risks and Charges	Total
Balance at 1 January 2010	790	499	956	2,245
Additional provisions (note 29)	178	-	425	603
Reversals (note 29)	(588)	(15)	(612)	(1,215)
Balance at 31 December 2010	380	484	769	1,633
Additional provisions (note 29)	198	-	518	716
Reversals (note 29)	(177)	(244)	(727)	(1,148)
Reclassifications	500	-	-	500
Changes in consolidation universe	-	-	20	20
Balance at 31 December 2011	<u>901</u>	<u>240</u>	<u>580</u>	<u>1,721</u>

Provisions balance includes the following matters:

Warranties - Liabilities related with third parties subcontracts in the supply of hardware for the TV business, to cover the clients' warranty period. Cash outflows relative to such liabilities occurs in the moment the guarantee is exercised.

Legal claims - Responsibility with indemnities to third parties related with the legal processes in progress. The payment of this liability depends on the conclusion of the referred legal actions (see note 41).

Other risks and charges - Refers mainly to responsibilities with costs to be incurred with possible contractual penalties relative to ongoing projects.

23. Other non-current liabilities

	31.12.11	31.12.10
Acquisition of financial interests to related parties (note 39)	243	927
Acquisition of financial interest in Evolvespace Solutions (notes 6 and 24)	65	-
	<u>308</u>	<u>927</u>

This heading refers to the non-current balance related to the acquisition of financial holdings to non-controlling interests in which the Group already had control (note 39) and to the non-current portion of the contingent consideration for the acquisition of Evolvespace Solutions (note 6).

The due date of these liabilities is as follows:

	31.12.11	31.12.10
Between 1 and 2 years	308	683
Between 2 and 5 years	-	244
	<u>308</u>	<u>927</u>

24. Trade and other payables

	31.12.11	31.12.10
Trade payables	24,939	19,122
Remunerations, vacations and vacation subsidy	8,147	8,240
Restructuring costs not yet paid (note 28)	546	-
Bonus	7,442	10,160
Ongoing projects	3,727	3,008
Value added tax	7,263	6,954
Social security contributions	2,026	1,954
Income tax withholding	1,590	1,391
Employees	288	181
Prepayments from trade receivables	-	24
Acquisition of financial interests to related parties (note 39)	714	683
Acquisition of financial interest in Evolvespace Solutions (notes 6 and 23)	86	-
Other accrued expenses	4,027	4,524
Other payables	140	860
	<u>60,935</u>	<u>57,101</u>

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

The maturity of these liabilities is as follows:

	31.12.11	31.12.10
No later than 1 year	60,935	57,101
	<u>60,935</u>	<u>57,101</u>

25. Deferred income and other current liabilities

	31.12.11	31.12.10
Research and development subsidies	4 508	2 974
Consulting projects	18 161	19 833
	<u>22,669</u>	<u>22,807</u>

At 31 December 2011, the Group expect to comply with the relevant conditions to receive the following financial incentives for research and development:

	Contracted amount	Acum. received amount
Subsidies:		
- NSRF - Incentive Scheme for Research and Technological Development (R&D)	3 175	1 442
- Other subsidies	2 423	972
	<u>5,598</u>	<u>2,414</u>

26. External supplies and services

	31.12.11	31.12.10
Subcontracts	25,445	23,310
Supplies and services		
Commissions and consultancy fees	7,765	9,554
Transportation, travel and accommodation expenses	6,600	6,834
Rents	3,742	2,776
Specialized services	2,972	1,862
Freight	447	1,002
Advertising and promotion	1,289	1,715
Water, electricity and fuel	1,048	973
Communications	904	824
Insurance	425	447
Utensils, office supplies and technical documentation	217	221
Other supplies and services	866	860
	<u>26,275</u>	<u>27,068</u>
	<u>51,720</u>	<u>50,378</u>

27. Employee benefit expense

	31.12.11	31.12.10
Board members remuneration	4,775	8,057
Salaries and wages	58,909	55,613
Social security charges	10,420	9,330
Stock options granted (note 18)	331	697
Other personnel expenses	1,775	1,910
	<u>76,210</u>	<u>75,607</u>

Average number of personnel, by business unit, is detailed as follows:

	31.12.11	31.12.10
Business Solutions (*)	1,335	1,263
IMS (*)	345	291
Digital TV	283	306
Venture Capital	47	43
Novabase Shared Services	99	100
	<u>2,109</u>	<u>2,003</u>

(*) The comparatives have been restated, considering the new internal reporting organization (note 5).

28. Restructuring costs

In the end of 2011, Novabase conducted a restructuring process with the objective of improving its competitiveness, by decreasing the average production cost. As a result, restructuring costs relating to indemnities to employees, in the amount of EUR 3,496 thousand (2010: null) were recognised, from which EUR 546 thousand are still to be settled at the reporting date (see note 24).

29. Other gains/(losses) - net

	31.12.11	31.12.10
Impairment and impairment reversal of trade and other receivables (note 13)	(998)	1,017
Impairment and impairment reversal of inventories (note 11)	282	(116)
Warranties provision (note 22)	(21)	410
Legal claims provision (note 22)	244	15
Provisions for other risks and charges (note 22)	209	187
Operating subsidies	122	569
Other operating income and expense	(381)	(135)
	<u>(543)</u>	<u>1,947</u>

30. Depreciation and amortisation

	31.12.11	31.12.10
<i>Property, plant and equipment (note 7):</i>		
Buildings and other constructions	402	523
Basic equipment	1,659	1,475
Transport equipment	1,287	1,097
Tools and utensils	16	7
Furniture, fittings and equipment	178	188
Other tangible assets	1	1
	<u>3,543</u>	<u>3,291</u>
<i>Intangible assets (note 8):</i>		
Internally generated intangible assets	414	266
Industrial property and other rights	2,168	1,921
	<u>2,582</u>	<u>2,187</u>
	<u>6,125</u>	<u>5,478</u>

31. Finance income

	31.12.11	31.12.10
Interest received	562	197
Positive exchange differences	3,198	4,975
Other financial gains	10	84
	<u>3,770</u>	<u>5,256</u>

32. Finance costs

	31.12.11	31.12.10
Interest expenses		
- Borrowings	(478)	(212)
- Finance lease liabilities	(555)	(533)
- Other interest	(61)	(154)
Bank guarantees charges	(131)	(116)
Bank services	(169)	(152)
Negative exchange differences	(3,231)	(4,189)
Other financial costs	(1)	(15)
	<u>(4,626)</u>	<u>(5,371)</u>

33. Share of loss of associates

	Profit / (Loss)	
	31.12.11	31.12.10
Fundo Capital Risco NB Capital (note 9)	(571)	(249)
Novabase Atlântico, SI, S.A. (note 9)	(74)	(6)
	<u>(645)</u>	<u>(255)</u>

34. Income tax expense

Novabase and its subsidiaries with head offices in Portugal are subject to Corporate Income Tax at the nominal rate of 25%, which can be increased by a Municipal Surcharge up to a maximum rate of 1.5% of taxable income, resulting in a total tax rate of 26.5%. Additionally, taxable income exceeding EUR 2,000 thousand is subject to a State Surcharge at the rate of 2.5%.

Since 1 January 2009, Novabase is being taxed in Corporate Income Tax under the Special Taxation Regime for Groups of Companies (Group taxation relief). For taxation purposes, this group includes companies detained in 90% or more by Novabase S.G.P.S. which comply with the further requirements under article 69º and following of the Corporate Income Tax Code.

This heading is analysed as follows:

	31.12.11	31.12.10
Current tax	3,101	3,877
Deferred tax on temporary differences (note 10)	(2,217)	(1,249)
	<u>884</u>	<u>2,628</u>

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:

	31.12.11	31.12.10
Profit before income tax	3,121	16,320
Income tax expense at nominal rate (25%)	780	4,080
Tax benefit on the net creation of employment for young and long term unemployed people	(467)	(522)
Provisions and amortisations not considered for tax purposes	207	155
Recognition of tax on the events of previous years	11	12
Associates' results reported net of tax	161	64
Autonomous taxation	342	2,228
Losses in companies where no deferred tax is recognised	(277)	(221)
Expenses not deductible for tax purposes	(21)	124
Differential tax rate on companies located abroad	30	(7)
Research & Development tax benefit	(385)	(3,886)
Municipal surcharge and State surcharge	94	297
Impairment of Special Payment on Account, tax losses and withholding taxes	420	325
Other	(11)	(21)
Income tax expense	<u>884</u>	<u>2,628</u>

35. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 18).

Diluted

Diluted earnings per share is calculated by adjusting the average weighted number of ordinary shares outstanding to assume the conversion of all dilutive potential ordinary shares. Novabase has just one type of dilutive potential ordinary shares: stock options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares). The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of all the stock options.

Earnings per share are analysed as follows:

	31.12.11	31.12.10
Weighted average number of ordinary shares in issue	30,376,083	30,138,589
Stock options adjustment	-	-
Adjusted weighted average number of ordinary shares in issue	30,376,083	30,138,589
Profit attributable to owners of the parent	2,651	13,053
Basic earnings per share (Euros per share)	0.09 Euros	0.43 Euros
Diluted earnings per share (Euros per share)	0.09 Euros	0.43 Euros
Profit from continuing operations attributable to owners of the parent	1,948	13,053
Basic earnings per share (Euros per share)	0.06 Euros	0.43 Euros
Diluted earnings per share (Euros per share)	0.06 Euros	0.43 Euros
Profit from discontinued operations attributable to owners of the parent	703	-
Basic earnings per share (Euros per share)	0.02 Euros	-
Diluted earnings per share (Euros per share)	0.02 Euros	-

36. Dividends per share

The amounts paid in 2011 and 2010, reached EUR 4,082 thousand (0.13 Euros per share) and EUR 15,700 thousand (0.5 Euros per share, from which 0.32 Euros per share corresponds to dividends and 0.18 Euros per share to the amounts freed as result of the share capital reduction), respectively. These amounts differ from the ones shown in the consolidated statement of cash flows due to the remuneration of the treasury shares held by the Company, that remained in Novabase. In respect to the year 2011, the Board of Directors will propose to the Annual General Meeting of Shareholders of 2012, the payment of 0.03 Euros per share, that is, a total amount of EUR 942 thousand. These financial statements do not reflect this dividend payable.

37. Commitments

The financial commitments not included in the consolidated statement of financial position related with bank guarantees provided to third parties for ongoing projects, are detailed as follows:

	Bank	31.12.11	31.12.10
Novabase S.G.P.S., S.A.	BPI	1,546	1,499
Novabase E.A., S.A.	BES	17	60
Novabase Business Solutions, S.A.	BPI	535	966
Novabase Business Solutions, S.A.	BES	4,473	5,002
NBO Recursos em TI, S.A.	BPI	-	10
Novabase Serviços, S.A.	BPI	-	12
Novabase Serviços, S.A.	BES	390	390
CelFocus, S.A.	BES	406	465
COLLAB – Sol. I. Com. e Colab., S.A.	BES	50	229
Octal - Engenharia de Sistemas, S.A.	BCP	472	472
Octal - Engenharia de Sistemas, S.A.	BES	404	513
Novabase IMS Infr. & Manag. Services, S.A.	BES	6,117	5,727
Novabase IMS Infr. & Manag. Services, S.A.	BCP	287	278
Novabase IMS Infr. & Manag. Services, S.A.	BPI	330	330
Novabase Infr. Integracion S. Inf., S.A.	BESSA	-	34
Novabase Digital TV E.S. Tel. Inter., S.A.	BCP	237	237
Novabase Digital TV E.S. Tel. Inter., S.A.	BES	230	183
Novabase Consulting Espanha, S.A.	BESSA	27	68
		15,521	16,475

Novabase Capital has an option to acquire all the units held by IAPMEI in Fundo Capital de Risco NB Capital, and may exercise this option at any time after 31 December 2008, under the conditions set in Article 21 of Fund by law.

Due to the sale and purchase promise-agreement concluded with Electricidade dos Açores (EDA), and the conditions in shareholders agreement between EDA and Novabase, this company has an option to buy the shareholding held by Novabase in the end of the period of the outsourcing rendered services contract between Novabase and EDA, by the value of the equity of Novabase Atlântico.

Fundo Capital de Risco NB Capital has the following put options until June, 2015:

- 40% of the share capital of Dosapac by the lowest between the acquisition cost discounted at Euribor + 1% and its market value
- 20% of the share capital of Forward by the lowest between the acquisition cost discounted at Euribor + 1% and its market value
- 49.9993% of the share capital of Manchete by its nominal value

FCR NB Capital Inovação e Internacionalização as an option to sell Powergrid to its promoter, in the case of dissolution of the Fund, by the price determined by an independent Chartered Accountant.

In 2011, the Group had the following grouped credit lines contracted:

Group of companies	Plafond
Novabase IMS; Novabase Digital TV	2.5 M USD
Novabase S.G.P.S.; Novabase Digital TV	3.0 M USD

There are commitments resulting from operating leases. At 31 December 2011, these obligations refers mainly to the leases of 'Edifício Caribe', the Company's headquarter (whose contract was amended in 2011), and of the new facilities of the logistics unit. The minimum lease payments under these operating lease liabilities amounts to EUR 10,541 thousand (2010: EUR 4,533 thousand).

38. Net Cash

With reference to the Board of Directors' Report, the detail and description of **Net Cash** is analysed as follows:

	31.12.11	31.12.10
Cash (note 17)	24	7
Short term bank deposits (note 17)	27,133	28,081
Treasury shares held by the Company (*)	2,049	3,499
Non-current bank borrowings (note 21)	(10,500)	(6,200)
Current bank borrowings (note 21)	(4,053)	(4,272)
	<u>14,653</u>	<u>21,115</u>

(*) The share price in the Stock Exchange in the last tradable day of 2011 was 2.09 Euros (2010: 2.90 Euros).

39. Related-party transactions

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

The transactions with related parties below identified were performed at arm's length, and are detailed as follows:

i) Key management compensation

	31.12.11	31.12.10
Salaries and other short-term employee benefits	4,775	8,057
Stock options granted (note 27)	331	697
	<u>5,106</u>	<u>8,754</u>

ii) Acquisition of financial interests to related parties (note 19)

	31.12.11	31.12.10
Acquisitions to former shareholders of Novabase Infraestruturas, SGPS	7	214
Acquisitions to former shareholders of Novabase Digital TV, S.A.	-	(246)
Acquisitions to former shareholders of Novabase International Solutions B.V.	-	1,093
	<u>7</u>	<u>1,061</u>

iii) Balances arising from acquisitions of financial interests to related parties (former shareholders)

	Non-current (note 23)		Current (note 24)		Total	
	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10
Novabase Consulting SGPS	-	306	306	307	306	613
Novabase A.C.D.	78	157	109	78	187	235
SAF	32	65	33	32	65	97
Novabase International Solutions B.V.	133	399	266	266	399	665
	<u>243</u>	<u>927</u>	<u>714</u>	<u>683</u>	<u>957</u>	<u>1,610</u>

iv) Other balances with related parties

	31.12.11	31.12.10
Loan to Forward (associate of Fundo Capital de Risco NB Capital)	-	22
Loan to Novabase Atlântico, SI, S.A. (associate)	550	450
Loans to other shareholders	47	22
Receivables from related parties (note 13)	597	494

40. Discontinued operations

In 14 March 2008, by decision of the Board of Directors, the Group has decided to initiate the legal procedures to the discontinuation of the activity in the 'Mobility Solutions' business. A provision of EUR 8.8 Million was booked in that year, for the closure of this area. In the last quarter of 2011, the company was dissolved, but as there are still legal processes pending resolution, it was booked an accrued expense with lawyers in the amount of EUR 320 thousand. The execution of the closure plan has been carried out below the limits of this provision, therefore it was made a reversal of the provision in the amount of EUR 1,120 thousand.

Additionally, it was recognised a cost of EUR 417 thousand related to the outcome of the tax execution procedure against Novabase Brasil, discontinued in 2004.

The assets and liabilities for discontinued operations are detailed as follows:

	31.12.11		31.12.10
	Brasil	Mobile	Mobile
<i>Assets</i>			
Total Non-Current Assets	-	-	-
Trade receivables	-	-	1
Other receivables, accrued income and other current assets	-	-	48
Total Current Assets	-	-	49
Assets for discontinued operations	-	-	49
<i>Liabilities</i>			
Total Non-Current Liabilities	-	-	-
Provisions	25	-	-
Trade and other payables	-	320	745
Total Current Liabilities	25	320	745
Liabilities for discontinued operations	25	320	745

41. Contingencies

At 31 December 2011, the Group was part intervenient in the following legal processes:

- Court procedure brought by the company Drink In against Novabase E.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 404 thousand concerning unpaid invoices in the same project. The hearing has finished and final ruling has been issued by the Court considering unfounded the Plaintiff's arguments thereby ruling in favour of Novabase and in addition 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 E.A. has claimed credits in the amount of approximately EUR 404 thousand concerning unpaid invoices. Creditors have ruled in favour of the assignment of the plant to Font Salem. The Insolvency Administrator has been granted powers to execute the Agreement with the buyer. The procedure awaits its ulterior terms.
- Novabase E.A. has been served regarding two procedures brought forward by the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions in the years 2004, 2005, 2006 and 2007, in the amount of EUR 42 thousand and EUR 20 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 procedures await decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- Court procedure brought against Novabase S.G.P.S. and Novabase Capital, 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. Final ruling has been issued by the Court which was totally in favour of the defendants. The Plaintiff has filed an appeal on the decision. The procedure awaits decision on this appeal.

- A former employee of Gedotecome has brought forward a claim in the Lisbon Labour Court against Novabase S.G.P.S., Octal, Novabase Serviços and Gedotecome, under which the plaintiff claims the existence of an employment contract with Gedotecome and request the payment of compensation by seniority and the payment of wage credits accrued and to be accrued. Novabase S.G.P.S. and its directly held subsidiaries were called by the plaintiff as solitarily responsible for the payments due by Gedotecome, in case she fails to comply with any court orders against her. It was claimed the illegitimacy of the companies with no direct relation with the employee. The total amount of potential liability under this action is of EUR 154 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) readmission of the employee or the payment of a compensation to be determined by the Judge (between 15 and 45 days of salary for each year of seniority). In the final hearing, the Parties entered into a plea agreement: Gedotecome paid the Plaintiff an amount of EURO 50 Thousand and the plaintiff dropped the claim against all other Defendants.
- Court procedure brought by the company Altitude Software, S.A. against Collab, under which the plaintiff claims (i) the seizure of the software, respective documentation and source-code, (ii) that the defendant be restricted from reproducing and commercialising the same software; as well as claims (iii) the payment of moral damages in the amount of EUR 500 thousand, and (iv) 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. Following the conclusion of experts' analysis of the software, the plaintiff has dropped the claim against Collab, which has been formally determined by a ruling of the judge.
- Collab has been served with a procedure from the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions of some months of the years 2006 to 2010, in the amount of EUR 39 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. Part of the amount allegedly due was cancelled by the competent authorities, the remaining amount was paid, but Collab has requested that the competent authorities still proceed with the analysis of the opposition filed and, should the decision be in favour of of Collab, take the amount into consideration as a credit in the payments of future contributions.
- Court procedure brought by the company CES - Comércio de Equipamentos de Escritório, S.A. against Novabase IMS, under which 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 indenization for de damages it suffered to be determined at the time of enforcement of the decision. Under the same proceedings, Novabase's subsidiary in question filled a reply and a counterclaim in the amount of approximately EUR 176 thousand regarding amounts unlawfully paid to the plaintiff. The preliminary hearing has already taken place. The procedure awaits scheduling of the final hearing.
- A company has filed insolvency procedure against TBZ - Marketing, Acções Promocionais, SA whereby Novabase IMS 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.
- Court procedure brought by the company Digisat – Digital Satélite, Lda., under which Novabase Digital TV 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 renounced his power of attorney. To this effect, court procedure is suspended by Judge's Orders as of June 24, 2008. Should the suspension continue for a period in excess of one year due to negligence of the parties in promoting its continuance the procedure will be deemed interrupted. Within two years of interruption of the procedure it will be considered deserted, thereby terminating without any further action. There is no order of the Judge, yet.
- Novabase Digital TV is a defendant in a proceeding brought against it by Wisi Comunicaciones, S.A., who claims the payment of approximately EUR 24 thousand. The company presented a reply to this action. On the final hearing the parties reached a settlement whereby Novabase Digital TV paid the plaintiff the amount of EUR 20 thousand.
- Novabase IMS has a claim against Arcelomittal – Construção Portugal SA (formerly named Haironville Portugal – Indústria de Perfilhados, S.A.) to recover an amount of EUR 10 thousand plus interest in late payment. The defendant brought forward a counter-claim to recover EUR 15 thousand. Final ruling has been issued by the Court totally in favour of Novabase. The Defendant has filed an appeal on the decision which was entirely denied by the appeal court, hereby the Defendant paid the full amount due to IMS accrued of interest.
- 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. General Creditors Assembly has voted the Recovery Plan for the company and process is in place to start making payments to creditors.
- Novabase Business Solutions S.A. has been served regarding one procedure brought forward by the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions in the years 2004, 2005, 2006 e 2007, in the amount of EUR 131 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 procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa). According to information provided from the IGFSS, part of the amounts allegedly in debt have been dismissed in favour of Novabase's claim still under analysis.
- Celfocus has been served with a claim brought forward by the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions in the amount of EUR 61 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 amount allegedly missing was reassessed almost in total. Celfocus paid the amount of 100 Euros and situation towards Social Security was normalized.

- NBO has been served with two claims brought forward by the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions in the amount of EUR 85 thousand and EUR 438 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, as well as the prescription of amounts allegedly owed. The procedures awaits decision by the competent organism.
- Novabase Serviços has been served regarding a procedure brought forward by the Instituto de Gestão Financeira da Segurança Social which refers to alleged absence of payment of social security contributions in the years 2005, 2006, 2007, 2008 and 2009, in the amount of EUR 103 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 procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- Octal has been served regarding a procedure brought forward by the Instituto de Gestão Financeira da Segurança Social which refers to alleged absence of payment of social security contributions in the years 2006 to 2010, in the amount of EUR 20 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 procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- Fundo Capital Risco NB Capital, which is managed by the subsidiary Novabase Capital, is co-defendant in a procedure brought forward by a shareholder of a Manchete against the other two shareholders, the Fund and another individual shareholder. The Plaintiff is claiming violation of the Shareholders Agreement and requests (i) payment of a compensation in the amount of EUR 446 thousand in lieu of remunerations he would have received for the remaining period that the Shareholders Agreement would remain in force; (ii) an amount equal to 8.5% of company results before tax related to the years 2010 and further until final decision on the proceeding is issued; (iii) that the defendants are ordered to buy the plaintiff's shares for the price of EUR 750 thousand. The Fund has filed opposition and the procedure awaits scheduling for preliminary hearing.
- The company Singer – Produtos Eléctricos S.A. has filed for insolvency, and Octal 2 Mobile has claimed payment of credits in the amount of EUR 52 thousand. The procedure awaits scheduling for the Creditor's Assembly.
- The company ENGTEL LDA has filed for insolvency, whereby IMS has claimed credits in the amount of approximately EUR 24 thousand corresponding to the unpaid invoices. General Creditors Assembly was scheduled for February 6, 2012.
- Corrections project brought by DGCI – Direcção Geral de Contribuições e Impostos (Portuguese Tax Authority) against former Novabase A.C.D. (merged into Novabase Business Solutions S.A. in 2009), 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 thousand 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. In 2011 the Tax Authority reviewed the amount to approximately EUR 140 thousand and the provision was reduced.
- Court procedure brought by Fazenda Nacional do Brazil (Brazilian Tax Authority) against Forward Brasil Tecnologias de Informação Ltda (previously named Novabase Brasil, Ltda), referring to tax liabilities concerning the years of 2002 and 2003. The total amount of the claim is to the date of EUR 350 thousand including interests. After the sale of the company back in 2005, Novabase undertook the liabilities for any past contingencies being therefore liable to defend the present court procedures. Novabase counter claimed the procedure and offered a bank guarantee for the claimed amount. Sufficient reasoning as well as documental evidence of the amounts paid to tax authorities in fiscal years at state were also submitted by Novabase. Procedure is now pending a decision. In November 2009, the company has adhered to the tax amnesty granted by the Federal Law nº 11.941, of May 27, 2009, which provides discounts in cases of tax debts payments under discussion. Following that, the company submitted petitions demanding the withdrawal of the embargo to fiscal execution (defenses) that had been presented. In 2011, the company received the notification of the amount to pay for the most of the processes. The company paid the amount of EUR 392 thousand, including EUR 37 thousand for costs with the lawyer. The remaining contingency of EUR 25 thousand is provisioned.

42. Additional information requested by law

In accordance with article 508-F of the Portuguese Commercial Companies Code, we hereby inform of the following:

- (i) In addition to all operations described in the notes above, as well as in the Management's Report, there are no other operations considered relevant which are not already contained either in the consolidated statement of financial position or its annex;
- (ii) The total remuneration paid to the Chartered Accountant in 2011 was 203,000 Euros (2010: 202,800 Euros), of which 200,000 Euros correspond to legal accounts audit services, while the remaining 3,000 Euros, relate to other reliability assurance services;
- (iii) Note 39 of the Notes to the Consolidated Financial Statements includes all the related parties disclosures, in accordance with the International Accounting Standards.

43. Events after the reporting period

Novabase informs on New Shareholders' Agreement

In order to ensure shareholding stability for the next triennium, a shareholders' agreement (hereafter designated as Shareholders' Agreement) was signed in 30 January 2012 by the shareholders Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Rogério dos Santos Carapuça, José Afonso Oom Ferreira de Sousa, Pedro Miguel Quinteiro Marques de Carvalho and Álvaro José da Silva Ferreira (hereafter designated as Signatories), regarding 10,488,066 shares of Novabase, Sociedade Gestora de Participações Sociais, S.A. held by these Signatories, corresponding to 33.40% of the voting rights of the aforementioned company. The Shareholders' Agreement will immediately come into force and will remain valid until 30 April 2015, and shall replace the former shareholders' agreement signed between the Signatories.

Cabinet press release of 16 February 2012

The Cabinet resolution of 16 February 2012 decided to authorize the Minister of Science and Education to incur an expense related to acquisition of goods and the corresponding compensation payable to Novabase for unilateral cancellation of the contract for acquiring the services and goods necessary for the infrastructure of the Electronic School Card system for public schools grades 5 to 9 of the basic and secondary education system. The total maximum amount shall be 4,500,000 Euros.

44. Note added for translation

These financial statements are a translation of financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

II. SUPERVISORY BOARD AND AUDITORS REPORT IN RESPECT OF THE CONSOLIDATED FINANCIAL INFORMATION

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Audit Committee

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 and nº of Article 508-D of the same code, we now present a brief summary of our supervisory activities, together with our opinion on the Annual Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the year ending 31 December 2011.

Over the course of the period ended December 31, 2011, the Audit Committee held 10 formal meetings and several informal meetings 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 and accounting policies used by the Company, to ensure that these entail an accurate assessment of the Company's financial status and results.



Audit Committee

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

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

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

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

Lisbon, 3rd April 2012

The Audit Committee

Luis Mira Amaral (Chairman)

Manuel Alves Monteiro (Member)

João Luís Duque (Member)



Audit Report for Statutory and Stock Exchange Regulatory Purposes on the Consolidated Financial Information

(Free translation from the original in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the Directors' Report and in the attached consolidated financial statements of Novabase, SGPS, SA., comprising the consolidated statement of financial position as at December, 31, 2011, (which shows total assets of Euros 206.302 thousand and total shareholder's equity of Euros 102.439 thousand including non-controlling interests of Euros 9.811 thousand and a net profit of Euros 2.651 thousand), the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the Directors' Report and the consolidated financial statements which present fairly, in all material respects, the financial position of the Company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code; (iii) to adopt appropriate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any significant matters which have influenced the activity, financial position or results of the Company and its subsidiaries.

3 Our responsibility is to verify the financial information included in the financial statements referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the Portuguese Securities Market Code, for the purpose of issuing an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Accordingly, our audit included: (i) verification that the Company and its subsidiaries' financial statements have been appropriately examined and, for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations and the utilization of the equity method; (iii) assessing the appropriateness of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v)

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Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

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assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

5 Our audit also covered the verification that the information included in the Directors' Report is consistent with the financial statements as well as the verification set forth in paragraphs 4 and 5 of Article 451º of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Novabase, SGPS, SA. as at December, 31, 2011, the consolidated results and the consolidated comprehensive income of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the consolidated financial statements for the year and that the Corporate Governance Report includes the information required under Article 245-A of the Portuguese Securities Market Code.

April 3, 2012

PricewaterhouseCoopers & Associados
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Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

Jorge Manuel Santos Costa, R.O.C.



III. SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS

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DETAIL ON SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS OF NOVABASE S.G.P.S. AND OF OTHER GROUP COMPANIES

	Share Capital	Total Number of Shares	Number of shares held by Board Members at 31.12.10	Transactions	Number of shares held by Board Members at 31.12.11	% of shares held by Board Members at 31.12.11
Novabase S.G.P.S., S.A.	15,700,697 €	31,401,394	11,338,168	458,643	11,796,811	37.6%
José Afonso Oom Ferreira de Sousa			2,514,947	0	2,514,947	8.0%
Pedro Miguel Quinteiro Marques de Carvalho			2,170,679	0	2,170,679	6.9%
Luís Paulo Cardoso Salvado			1,918,040	100,007	2,018,047	6.4%
João Nuno da Silva Bento			1,799,793	100,006	1,899,799	6.1%
Rogério dos Santos Carapuça			1,884,787	0	1,884,787	6.0%
Álvaro José da Silva Ferreira			953,100	236,323	1,189,423	3.8%
Nuno Carlos dos Santos Fórneas			81,017	22,307	103,324	0.3%
Manuel Fernando Macedo Alves Monteiro			9,000	0	9,000	0.0%
Luís Fernando de Mira Amaral			6,305	0	6,305	0.0%
João Luís Correia Duque			500	0	500	0.0%
NBASIT - Sist. Inf. e Telecomunicações, S.A.	47,500,000 AOA	100,000	800	0	800	0.8%
Álvaro José da Silva Ferreira			400	0	400	0.4%
Francisco Paulo Figueiredo Morais Antunes			200	0	200	0.2%
Luís Paulo Cardoso Salvado			200	0	200	0.2%
CelFocus, S.A.	100,000 €	100,000	3	0	2	0.0%
Paulo Jorge Barros Pires Trigo			1	0	1	0.0%
Francisco Manuel Martins Pereira do Valle (*)			1	0	N/A	-
José Afonso Oom Ferreira de Sousa			1	0	1	0.0%
COLLAB – Sol. I. Com. e Colab., S.A.	61,333 €	61,333	3,750	0	3,750	6.1%
Pedro Cabrita Quintas			3,750	0	3,750	6.1%
Forward, S.A.	250,000 €	250,000	200,000	0	100,000	40.0%
Bernardo Gomes Pinto (*)			50,000	0	N/A	-
Carlos Costa Brito (*)			50,000	0	N/A	-
Miguel Leite Fragoso			50,000	0	50,000	20.0%
Nuno Baião dos Santos			50,000	0	50,000	20.0%
Manchete, S.A.	150,000 €	150,000	37,501	0	37,501	25.0%
Mª de Fátima da Silva Rebelo			37,501	0	37,501	25.0%
FeedZai, S.A.	73,500 €	7,350,000	0	5,359,615	5,359,615	72.9%
Nuno Jorge da Cruz Sebastião			0	1,700,000	1,700,000	23.1%
Paulo Jorge Pimenta Marques			0	1,700,000	1,700,000	23.1%
Pedro Gustavo Santos Rodrigues Bizarro			0	1,700,000	1,700,000	23.1%
Pedro Miguel Quinteiro Marques de Carvalho			0	259,615	259,615	3.5%
PowerGrid, Lda	450,000 €	450,000	0	50,000	50,000	11.1%
Nelson David Ferreira Teodoro			0	50,000	50,000	11.1%

(*) Ceases to belong to the Corporate Boards.

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STATEMENT OF COMPLIANCE

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

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Statement of the Board of Directors

(Free translation from the original version in Portuguese)

Under the terms of sub-paragraph c) paragraph 1 of article 245 of the Portuguese Securities Code, the undersigned, as members of the Board of Directors of Novabase S.G.P.S., S.A., below identified declare that to the best of their knowledge:

(i) the information contained in the management report, the annual accounts, the Auditors' Report and all other accounting documentation required by law or regulation, regarding the year ended 31 December 2011, was prepared in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, financial position and results of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter; and

(ii) the management report faithfully states the evolution of the businesses, of the performance and of the position of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter, containing namely an accurate description of the main risks and uncertainties which they face.

Lisbon, March 29, 2012

Rogério dos Santos Carapuça
(Non-Executive Member, Chairman of the Board of Directors)

Luís Paulo Cardoso Salvado
(Executive Member, Chairman of the Executive Committee - CEO)

José Afonso Oom Ferreira de Sousa
(Non-Executive Member)

Pedro Miguel Quinteiro Marques de Carvalho
(Non-Executive Member)

João Nuno da Silva Bento
(Executive Member, Member of the Executive Committee)

Álvaro José da Silva Ferreira
(Executive Member, Member of the Executive Committee)

Nuno Carlos Dias dos Santos Fórneas
(Executive Member, Member of the Executive Committee)

Francisco Paulo Figueiredo Morais Antunes
(Executive Member, Member of the Executive Committee - CFO)

Joaquim Manuel Jordão Sérvulo Rodrigues
(Non-Executive Member)

Luís Fernando de Mira Amaral
(Non-Executive Member, Independent, Chairman of the Audit Committee)

Manuel Fernando Macedo Alves Monteiro
(Non-Executive Member, Independent, Member of the Audit Committee)

João Luís Correia Duque
(Non-Executive Member, Independent, Member of the Audit Committee)



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