



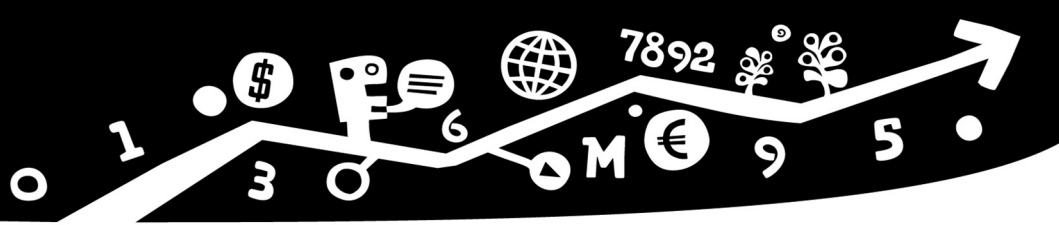
# **REPORT AND ACCOUNTS - 1<sup>ST</sup> QUARTER 2012**

## **I - Consolidated Board of Directors' Report**

- 1. Key Indicators Evolution**
- 2. Short Summary of the Activity**
- 3. Stock Performance**
- 4. Outlook 2012**

## **II - Consolidated Financial Statements**

## **III - Condensed Consolidated Accounts**



## Consolidated Results 3M12

### Privileged Information

May 9, 2012

### Highlights:

**Turnover: 53.7 M€**

(59.3 M€ in 3M11)

**EBITDA: 5.3 M€**

(4.9 M€ in 3M11)

**Net Profit: 2.5 M€**

(2.2 M€ in 3M11)

**Net Cash: 20.8 M€**

(14.7 M€ in 12M11)

### Message from the CEO - Luís Paulo Salvado

"The results of the first quarter are positive, reflecting a recovery in the domestic profitability and the continuation of the internationalization effort.

However, due to the contraction of business in Portugal, in the product component, Turnover decreased 10% compared to the same period of last year. Noteworthy is the growth in services, above 5% and now accounting for nearly 2/3 of the total business. International business represented almost 24%, in line with the targets set for this year.

Despite the intense competitive pressure which affected mainly the profitability in product sales, EBITDA increased by 8%. This improvement is the result of the measures implemented in the end of 2011, which have proven effective.

Net Profit reached 2.5 M€, a 12% increase, in line with the operating profitability growth. Also positive was the evolution of cash, with a generation above 6 M€, primarily due to a reduction in working capital.

As expected, 2012 is proving to be a particularly challenging year for the domestic business. These results confirm that the changes we operated in late 2011 were necessary and important.

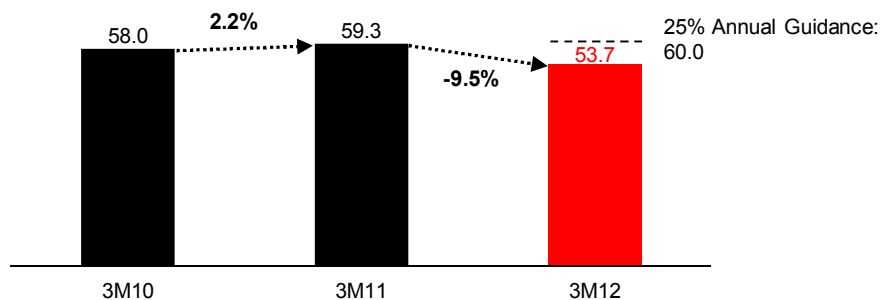
They also show a company capable of addressing great adversities, driven and engaged to swiftly adapt to a new market context. This can only be possible when one has the privilege of working with professionals of enormous talent and dedication. To them, all of Novabase employees, I want to thank for the excellent work they have performed.

Despite the economic environment that remains highly unfavorable and uncertain, we are committed to compliance with the Guidance for 2012, reaffirming as priorities the international growth and the preservation of our position in the domestic market."

## 1. Key Indicators Evolution

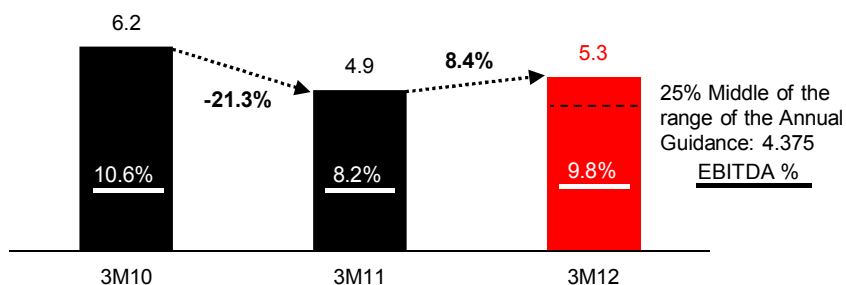
### Turnover (M€)

Turnover below the annual Guidance linearized (-10.6%), due to the contraction of business in Portugal in the product component.



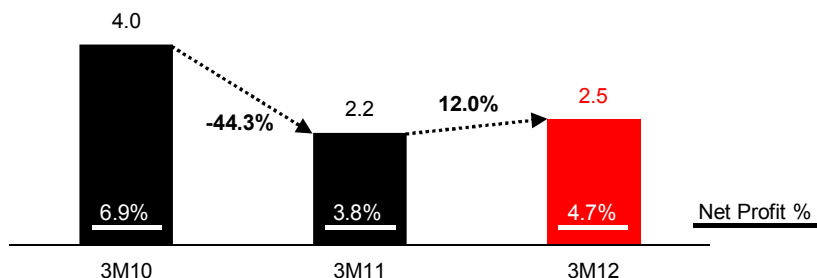
### EBITDA (M€)

EBITDA above the annual Guidance linearized of 16-19 M€ and 7.3%: +20.2% above the middle of the range (+2.5 points %).



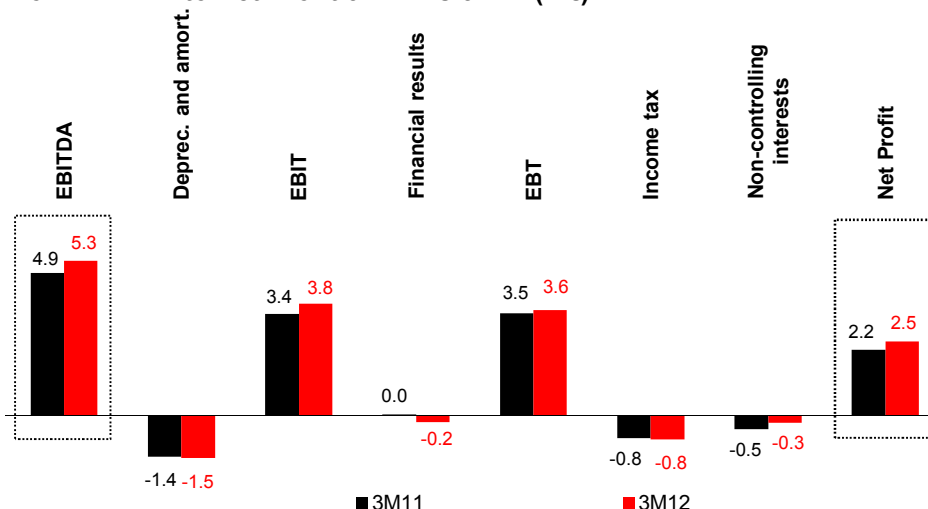
### Net Profit (M€)

Profitability improved as a result of the measures adopted in the end of 2011.



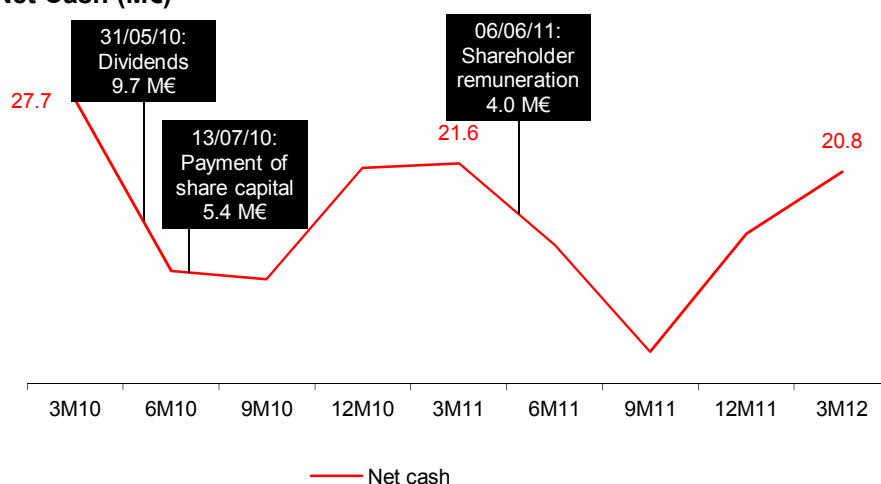
Earnings per share (EPS) in 3M12 reached 0.08 euros per share, registering an increase of 11.4% towards the EPS from the previous year of 0.07 euros per share.

### From EBITDA to Net Profit 3M12 Vs 3M11 (M€)



Non-controlling interests in 3M12 amounted to -0.3 M€, which compares to -0.5 M€ in 3M11. This variation is mainly due to the less positive evolution of the results of subsidiary Celfocus compared to the same period of the prior year.

### Net Cash (M€)



Cash generation of 6.1 M€ in the first quarter of 2012, with reduction of the investment in working capital.

In the 3M12, Novabase shows a positive performance in cash generation. Novabase ended the 3M12 with 20.8 M€ in net cash, which compares to 14.7 M€ in the 12M11.

## 2. Short Summary of the Activity

The first quarter of 2012 was marked by strong pressure on prices in the product component in Portugal, but also by significant improvement of the operating performance, which already reflects the measures adopted in the end of 2011 (restructuring process with the double objective of decreasing the average production cost and enabling the company to increase international growth).

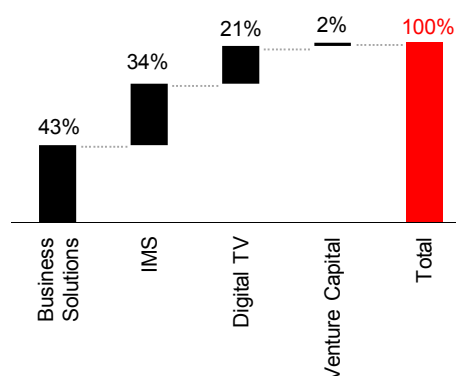
Thus, the results of the first quarter of 2012 are below the Turnover Guidance (-10.6%), but remained above the middle of the range of the EBITDA Guidance (+20.2%). Compared to 2011, Turnover decreased 9.5%, however, services grew 5.2% and international business represented 23.8% of the total business. EBITDA raised 8.4% and Net Profit reached 2.5 M€.

Novabase's management was focused on strengthening internationalization, the great challenge of the company for 2012, continuing the effort to maintain the position in the domestic market, which is proving extremely challenging.

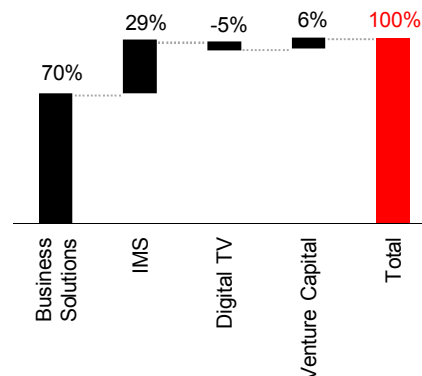
Noteworthy is the inauguration of Parque Oriente Operations Centre in the first quarter of 2012. The new space, which occupies more than 3,000 m<sup>2</sup> and is designed to operate 24 hours a day, 7 days a week, incorporates all of the expertise needed to design and deploy large-scale technology infrastructure projects. This new Operations Centre at Parque Oriente will allow us to reinforce outsourcing and managed services in Portugal and the rest of the world.

The percentage breakdown of Turnover and EBITDA by the different businesses, in the 3M12, is as follows:

#### Turnover 3M12



#### EBITDA 3M12



5.2% rise in services, in line with Novabase strategic orientation to increase the added value of its offers.

Of the overall Turnover generated in 3M12, the services rendered represent 65.7%, which compares to 56.5% in 3M11.

Of the 53.7 M€ Turnover, 23.8% is generated outside Portugal, that is 12.8 M€, which compares to the 12.9 M€ registered in 3M11.

#### Turnover by geography 3M11



#### Turnover by geography 3M12

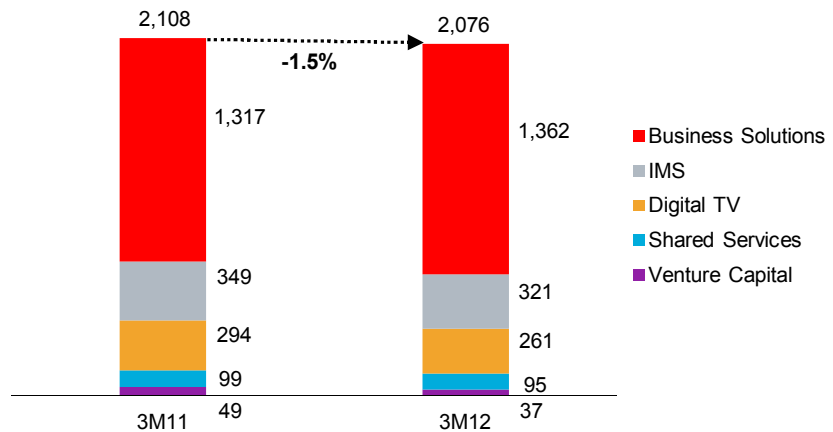


Business outside Portugal generated in the Business Solutions area increased to 18.5% of the respective invoicing (18.0% in 3M11). In the IMS business area, the international business in 3M12 decreased to 26.4% (29.9% in 3M11) and in the Digital TV area increased to 26.5% (13.4% in 3M11).

Novabase had on average, in the 3M12, 2,076 employees, which represents a decrease of 1.5% compared to the 3M11 (2,108) and of 1.6% compared to FY11 (2,109).

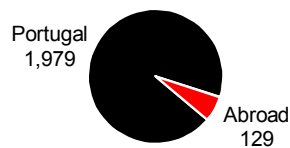
Employee breakdown by business area, in 3M12, is as follows:

### Average Number of Employees



The average number of employees decreased for the third consecutive quarter, but shows an increase in the international team, in line with the focus of Novabase on markets outside Portugal.

### Average Number of Employees by geography 3M11

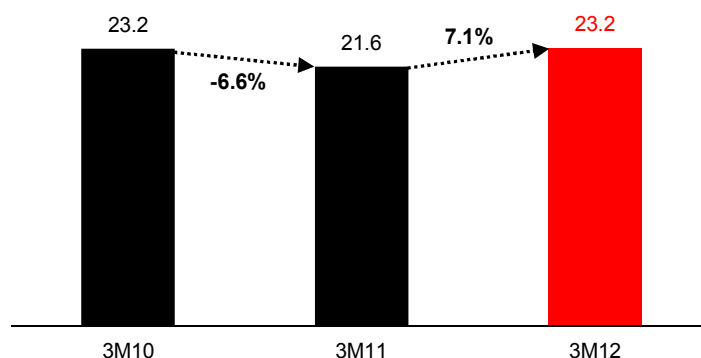


### Average Number of Employees by geography 3M12



## 2.1. Business Solutions

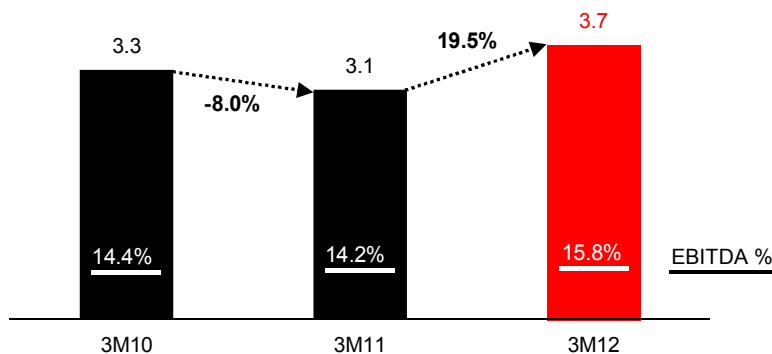
### Turnover Business Solutions (M€)



International growth of +10.2% and of +6.4% in the domestic market.

## EBITDA Business Solutions (M€)

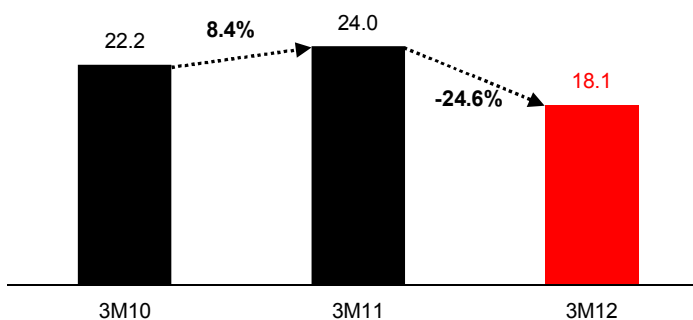
BS positive evolution reflects the measures adopted in 2011 for the improvement of operating competitiveness.



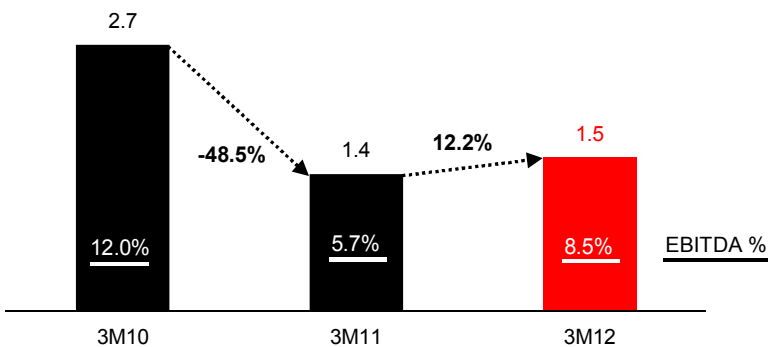
## 2.2. Infrastructures & Managed Services

### Turnover IMS (M€)

IMS evolution is mainly due to the pressure on prices in the product sales component, despite the growth in services (+5.5%). However, this area should be analysed for time periods longer than a quarter.



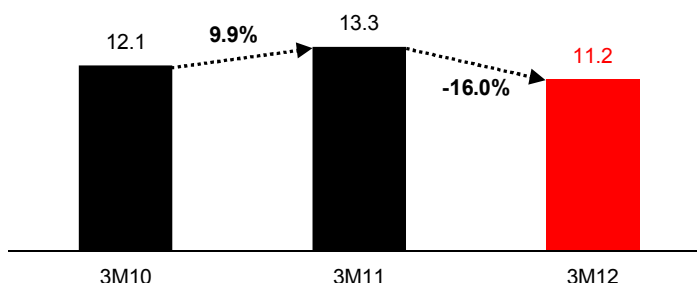
### EBITDA IMS (M€)





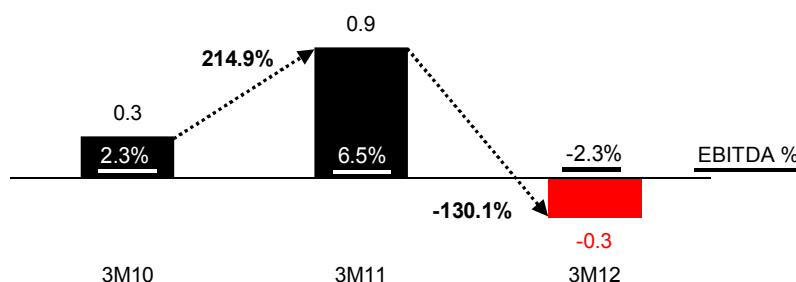
## 2.3. Digital TV

### Turnover Digital TV (M€)



The negative evolution of DTV area is explained by the strong contraction of business in Portugal, despite the international business growth (+66.3%). However, this area should be analysed for time periods longer than a quarter.

### EBITDA Digital TV (M€)



VC results are primarily due to improvement of the performance of the subsidiary Collab.

## 2.4. Venture Capital

Global Turnover in this area reached 1.2 M€, which represents an increase of 272.8% compared to 3M11.

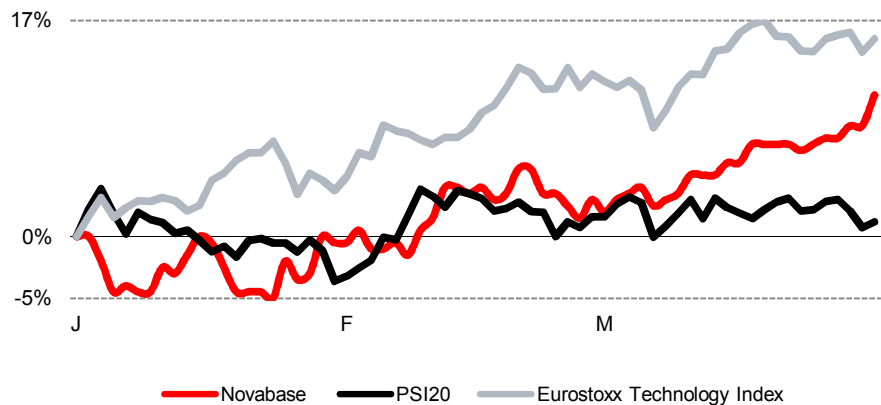
Venture Capital EBITDA in 3M12 increased, year on year, from -0.5 M€ to 0.3 M€, reaching an EBITDA margin of 26.5%.

## 3. Stock Performance

Novabase share price in 2012 gained 11.0%, comparing to a 1.1% gain in the PSI20 Index and a 15.4% gain in the EuroStoxx Technology Index.

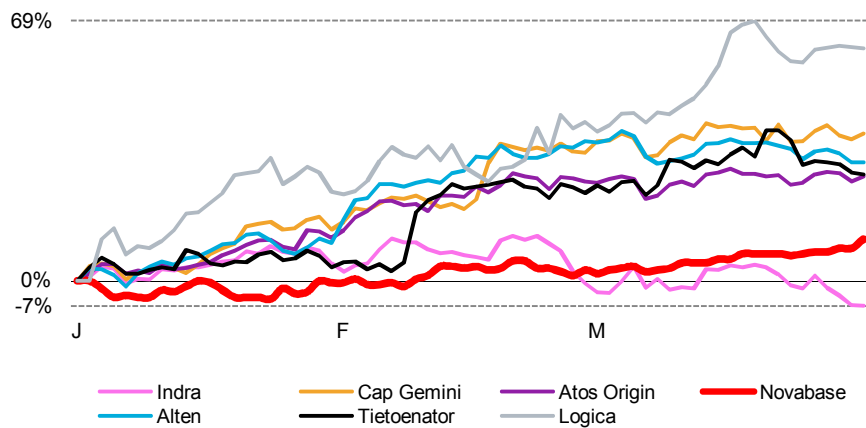
Up to the date of issue of this report, it was approved in the General Meeting of Shareholders of May 3, 2012, the distribution of dividends to the shareholders in the amount of 0.9 M€, corresponding to 0.03€ per share. The payment of these dividends will occur in the second quarter of 2012.

## Novabase and the Market



When comparing Novabase share prices with other companies in the IT sector in Europe, we verify that Novabase share performance in 3M12 was lower than the performance of other IT.

## Novabase and other TMT



Average upside of 58.0%, according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 3.67 euros.

Rotation in 3M12 represented 2.3% of the capital and 0.7 million shares were traded, below the values in 3M11 (rotation of 6.0% of the capital and 1.9 million shares traded).



Summary	1Q12	4Q11	3Q11	2Q11	1Q11
Minimum price (€)	1.99	1.70	2.26	2.58	2.66
Maximum price (€)	2.32	2.38	2.75	3.10	3.21
Volume weighted average price (€)	1.92	1.99	2.55	2.80	2.96
Closing price at the end of the Quarter (€)	2.32	2.09	2.45	2.75	3.10
Nr. of shares traded	717,461	833,186	1,284,390	1,491,268	1,883,117
Market cap in the last day (M€)	72.9	65.6	76.9	86.4	97.3

## 4. Outlook 2012

The results of the first quarter of 2012 are positive, 20.2% above the middle of the range of the EBITDA Guidance, as a result of the measures implemented in the end of 2011 for the improvement of operating competitiveness. However, we experienced a strong pressure in the product component in Portugal, which explains the negative evolution of Turnover in this quarter. International business now accounts for 23.8% of total business, close to the annual goal of 25%, and the weight of services increased to 65.7%.

Despite the macroeconomic context, that remains difficult and uncertain, Novabase is committed to compliance with the Guidance for 2012, reaffirming as its priorities the international focus and the preservation of the position in the domestic market.

**Consolidated Statement of Financial Position  
as at 31 March 2012**

	31.03.12	31.12.11
	(Thousands of Euros)	
<b>Assets</b>		
Tangible assets	8,334	9,000
Intangible assets	30,526	31,127
Financial investments	1,691	1,786
Deferred income tax assets	12,117	12,387
Other non-current assets	45	-
<b>Total Non-Current Assets</b>	<b>52,713</b>	<b>54,300</b>
Inventories	5,436	6,909
Trade debtors and accrued income	91,477	99,168
Other debtors and prepaid expenses	19,556	18,523
Derivative financial instruments	109	245
Cash and cash equivalents	32,032	27,157
<b>Total Current Assets</b>	<b>148,610</b>	<b>152,002</b>
<b>Assets for continuing operations</b>	<b>201,323</b>	<b>206,302</b>
<b>Assets for discontinued operations</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>201,323</b>	<b>206,302</b>
<b>Shareholders' Equity</b>		
Share capital	15,701	15,701
Treasury shares	(490)	(490)
Share premium	43,560	43,560
Reserves and retained earnings	33,840	31,206
Net profit	2,512	2,651
<b>Total Shareholders' Equity</b>	<b>95,123</b>	<b>92,628</b>
<b>Non-controlling interests</b>	<b>10,005</b>	<b>9,811</b>
<b>Total Equity</b>	<b>105,128</b>	<b>102,439</b>
<b>Liabilities</b>		
Non-current borrowings	9,713	10,500
Finance lease liabilities	1,362	1,528
Provisions	1,629	1,721
Deferred income tax liabilities	100	100
Other non-current liabilities	65	308
<b>Total Non-Current Liabilities</b>	<b>12,869</b>	<b>14,157</b>
Current borrowings	3,826	4,053
Trade payables	21,303	26,165
Other creditors and accruals	34,467	36,013
Derivative financial instruments	44	461
Deferred income	23,341	22,669
<b>Total Current Liabilities</b>	<b>82,981</b>	<b>89,361</b>
<b>Total Liabilities for cont. operations</b>	<b>95,850</b>	<b>103,518</b>
<b>Total Liabilities for discount. operations</b>	<b>345</b>	<b>345</b>
<b>Total Liabilities</b>	<b>96,195</b>	<b>103,863</b>
<b>Total Equity and Liabilities</b>	<b>201,323</b>	<b>206,302</b>
<b>Net Cash</b>	<b>20,768</b>	<b>14,653</b>

**Consolidated Income Statement  
for the period of 3 months ended 31 March 2012**

	31.03.12	31.03.11	Var. %
	(Thousands of Euros)		
Sale of goods	18,423	25,811	
Cost of goods sold	(17,210)	(23,226)	
<b>Gross margin</b>	<b>1,213</b>	<b>2,585</b>	<b>-53.1 %</b>
<b>Other income</b>			
Services rendered	35,247	33,490	
Supplementary income	8	31	
Other operating income	129	47	
	<b>35,384</b>	<b>33,568</b>	
	<b>36,597</b>	<b>36,153</b>	
<b>Other expenses</b>			
External supplies and services	(11,713)	(11,402)	
Employee benefit expense	(19,648)	(19,642)	
(Provisions) / Provisions reversal	145	(3)	
Other operating expenses	(122)	(255)	
	<b>(31,338)</b>	<b>(31,302)</b>	
<b>Gross Net Profit (EBITDA)</b>	<b>5,259</b>	<b>4,851</b>	<b>8.4 %</b>
Depreciation and amortization	(1,451)	(1,409)	
<b>Operating Profit (EBIT)</b>	<b>3,808</b>	<b>3,442</b>	<b>10.6 %</b>
Financial Gains / (Losses)	(224)	23	
<b>Net Profit before taxes (EBT)</b>	<b>3,584</b>	<b>3,465</b>	<b>3.4 %</b>
Income tax expense	(821)	(763)	
<b>Non-controlling interests</b>	<b>(251)</b>	<b>(460)</b>	
<b>Attributable Net Profit</b>	<b>2,512</b>	<b>2,242</b>	<b>12.0 %</b>
<b>Other information:</b>			
Turnover	53,670	59,301	<b>-9.5 %</b>
Gross margin from sales %	6.6 %	10.0 %	
EBITDA margin	9.8 %	8.2 %	
EBT % on Turnover	6.7 %	5.8 %	
Net profit % on Turnover	4.7 %	3.8 %	

**Consolidated Income Statement by SEGMENTS**  
**for the period of 3 months ended 31 March 2012**

(Thousands of Euros)

	<b>Business Solutions</b>	<b>IMS</b>	<b>Digital TV</b>	<b>Venture Capital</b>	<b>NOVABASE</b>
Sale of goods	129	10,419	7,875	-	18,423
Cost of goods sold	(81)	(9,658)	(7,471)	-	(17,210)
<b>Gross margin</b>	<b>48</b>	<b>761</b>	<b>404</b>	<b>-</b>	<b>1,213</b>
<b>Other income</b>					
Services rendered	23,061	7,723	3,296	1,167	35,247
Supplementary income and subsidies	7	-	-	1	8
Other operating income	87	36	6	-	129
	<b>23,155</b>	<b>7,759</b>	<b>3,302</b>	<b>1,168</b>	<b>35,384</b>
	<b>23,203</b>	<b>8,520</b>	<b>3,706</b>	<b>1,168</b>	<b>36,597</b>
<b>Other expenses</b>					
External supplies and services	(5,762)	(3,453)	(2,167)	(331)	(11,713)
Employee benefit expense	(13,761)	(3,528)	(1,838)	(521)	(19,648)
(Provisions) / Provisions reversal	61	41	43	-	145
Other operating expenses	(70)	(39)	(6)	(7)	(122)
	<b>(19,532)</b>	<b>(6,979)</b>	<b>(3,968)</b>	<b>(859)</b>	<b>(31,338)</b>
<b>Gross Net Profit (EBITDA)</b>	<b>3,671</b>	<b>1,541</b>	<b>(262)</b>	<b>309</b>	<b>5,259</b>
Depreciation and amortization	(897)	(343)	(168)	(43)	(1,451)
<b>Operating Profit (EBIT)</b>	<b>2,774</b>	<b>1,198</b>	<b>(430)</b>	<b>266</b>	<b>3,808</b>
Financial Gains / (Losses)	(120)	(23)	(94)	13	(224)
<b>Net Profit / (Loss) before Taxes (EBT)</b>	<b>2,654</b>	<b>1,175</b>	<b>(524)</b>	<b>279</b>	<b>3,584</b>
Income tax expense	(629)	(371)	252	(73)	(821)
Non-controlling interests	(69)	(115)	-	(67)	(251)
<b>Attributable Net Profit / (Loss)</b>	<b>1,956</b>	<b>689</b>	<b>(272)</b>	<b>139</b>	<b>2,512</b>
<b>Other information :</b>					
Turnover	23,190	18,142	11,171	1,167	53,670
EBITDA	3,671	1,541	(262)	309	5,259
EBITDA % on Turnover	15.8%	8.5%	-2.3%	26.5%	9.8%
EBT % on Turnover	11.4%	6.5%	-4.7%	23.9%	6.7%

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**Condensed Consolidated Accounts**  
**1st quarter 2012**  
(Unaudited)

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

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

## Condensed Consolidated Interim Statement of Financial Position as at 31 March 2012

(Amounts expressed in thousands of Euros)

	Note	31.03.12	31.12.11
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	8,334	9,000
Intangible assets	6	30,526	31,127
Investments in associates		1,526	1,621
Available-for-sale financial assets		165	165
Deferred income tax assets	7	12,117	12,387
Other non-current assets		45	-
<b>Total Non-Current Assets</b>		<b>52,713</b>	<b>54,300</b>
<b>Current Assets</b>			
Inventories		5,436	6,909
Trade and other receivables	8	82,056	92,830
Accrued income		19,681	16,414
Income tax receivable		2,837	3,211
Derivative financial instruments		109	245
Other current assets		6,459	5,236
Cash and cash equivalents	9	32,032	27,157
<b>Total Current Assets</b>		<b>148,610</b>	<b>152,002</b>
Assets for discontinued operations		-	-
<b>Total Assets</b>		<b>201,323</b>	<b>206,302</b>
<b>Equity</b>			
Share capital		15,701	15,701
Treasury shares		(490)	(490)
Share premium		43,560	43,560
Reserves and retained earnings		33,840	31,206
Profit for the period		2,512	2,651
Total Equity attributable to owners of the parent		95,123	92,628
Non-controlling interests	10	10,005	9,811
<b>Total Equity</b>		<b>105,128</b>	<b>102,439</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	11	11,075	12,028
Provisions	12	1,629	1,721
Deferred income tax liabilities	7	100	100
Other non-current liabilities		65	308
<b>Total Non-Current Liabilities</b>		<b>12,869</b>	<b>14,157</b>
<b>Current Liabilities</b>			
Borrowings	11	4,984	5,279
Trade and other payables	13	54,573	60,935
Income tax payable		39	17
Derivative financial instruments		44	461
Deferred income and other current liabilities		23,341	22,669
<b>Total Current Liabilities</b>		<b>82,981</b>	<b>89,361</b>
Liabilities for discontinued operations		345	345
<b>Total Liabilities</b>		<b>96,195</b>	<b>103,863</b>
<b>Total Equity and Liabilities</b>		<b>201,323</b>	<b>206,302</b>

THE ACCOUNTANT

THE BOARD OF DIRECTORS

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

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

## Condensed Consolidated Interim Statement of Comprehensive Income for the period of 3 months ended 31 March 2012

(Amounts expressed in thousands of Euros)

	Note	3 M *	
		31.03.12	31.03.11
Sales	5	18,423	25,811
Services rendered	5	35,247	33,490
Cost of sales		(17,210)	(23,226)
External supplies and services		(11,713)	(11,402)
Employee benefit expense		(19,648)	(19,642)
Other gains/(losses) - net	14	160	(180)
Depreciation and amortisation		(1,451)	(1,409)
<b>Operating Profit</b>		<b>3,808</b>	<b>3,442</b>
Finance income		931	1,052
Finance costs		(1,059)	(983)
Share of loss of associates		(96)	(46)
<b>Profit Before Income Tax</b>		<b>3,584</b>	<b>3,465</b>
Income tax expense	15	(821)	(763)
<b>Profit for the period</b>		<b>2,763</b>	<b>2,702</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>2,763</b>	<b>2,702</b>
<b>Profit attributable to:</b>			
Owners of the parent		2,512	2,242
Non-controlling interests	10	251	460
		<b>2,763</b>	<b>2,702</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		2,512	2,242
Non-controlling interests	10	251	460
		<b>2,763</b>	<b>2,702</b>
<b>Earnings per share</b>			
<b>attributable to owners of the parent (Euros per share)</b>			
Basic earnings per share	16	<b>0.08 Euros</b>	<b>0.07 Euros</b>
Diluted earnings per share	16	<b>0.08 Euros</b>	<b>0.07 Euros</b>

3 M \* - period of 3 months ended

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

## Condensed Consolidated Interim Statement of Changes in Equity for the period of 3 months ended 31 March 2012

(Amounts expressed in thousands of Euros)

Note	Attributable to owners of the parent						Non-controlling interests	Total Equity
	Share capital	Treasury shares	Share premium	Legal reserves	Stock options reserves	Reserves and retained earnings		
<b>Balance at 1 January, 2011</b>	<b>15,701</b>	<b>(603)</b>	<b>43,560</b>	<b>2,365</b>	<b>1,076</b>	<b>30,675</b>	<b>5,724</b>	<b>98,498</b>
Total comprehensive income for the period	-	-	-	-	-	2,242	460	2,702
<b>Transactions with owners</b>								
Treasury shares movements	-	85	-	-	-	479	-	564
Share-based payments	-	-	-	-	83	-	-	83
Foreign currency translation reserve	-	-	-	-	-	(105)	(108)	(213)
Transactions with owners	-	85	-	-	83	374	(108)	434
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>								
Transactions with non-controlling interests	-	-	-	-	-	(7)	-	(7)
<b>Balance at 31 March, 2011</b>	<b>15,701</b>	<b>(518)</b>	<b>43,560</b>	<b>2,365</b>	<b>1,159</b>	<b>33,284</b>	<b>6,076</b>	<b>101,627</b>
<b>Balance at 1 January, 2012</b>	<b>15,701</b>	<b>(490)</b>	<b>43,560</b>	<b>2,505</b>	<b>1,407</b>	<b>29,945</b>	<b>9,811</b>	<b>102,439</b>
Total comprehensive income for the period	-	-	-	-	-	2,512	251	2,763
<b>Transactions with owners</b>								
Share-based payments	-	-	-	-	39	-	-	39
Foreign currency translation reserve	-	-	-	-	-	(56)	(57)	(113)
Transactions with owners	-	-	-	-	39	(56)	(57)	(74)
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>								
Transactions with non-controlling interests	-	-	-	-	-	-	-	-
<b>Balance at 31 March, 2012</b>	<b>15,701</b>	<b>(490)</b>	<b>43,560</b>	<b>2,505</b>	<b>1,446</b>	<b>32,401</b>	<b>10,005</b>	<b>105,128</b>

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

## Condensed Consolidated Interim Statement of Cash Flows for the period of 3 months ended 31 March 2012

(Amounts expressed in thousands of Euros)

	Note	3 M *	
		31.03.12	31.03.11
<b>Cash flows from operating activities</b>			
<b>Net Cash generated from operating activities</b>		<b>6,904</b>	<b>2,021</b>
<b>Cash flows from investing activities</b>			
Receipts:			
Loan repayments received from associates		15	-
Interest received		204	213
		219	213
Payments:			
Acquisition of subsidiaries and associates		-	(74)
Loans granted to associates		(377)	(94)
Purchases of property, plant and equipment		(72)	(555)
Purchases of intangible assets		(51)	(83)
		(500)	(806)
<b>Net Cash used in investing activities</b>		<b>(281)</b>	<b>(593)</b>
<b>Cash flows from financing activities</b>			
Receipts:			
Proceeds from borrowings		-	312
		-	312
Payments:			
Repayments of borrowings		(1,015)	(505)
Payment of finance lease liabilities		(418)	(403)
Interest paid		(293)	(249)
		(1,726)	(1,157)
<b>Net Cash used in financing activities</b>		<b>(1,726)</b>	<b>(845)</b>
<b>Cash, cash equivalents and bank overdrafts at beginning of period</b>		<b>27,157</b>	<b>27,057</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>		<b>4,897</b>	<b>583</b>
<b>Effect from exchange rate fluctuations on cash held</b>		<b>(22)</b>	<b>(22)</b>
<b>Cash, cash equivalents and bank overdrafts at end of period</b>	9	<b>32,032</b>	<b>27,618</b>
<b>3 M * - period of 3 months ended</b>			

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**NOVABASE S.G.P.S., S.A.**  
**Selected Notes to the Condensed Consolidated Interim Financial Statements**  
**for the period of 3 months ended 31 March 2012**

**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 is listed on the Euronext Lisbon.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on May 3, 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.

**2. Significant accounting policies**

These condensed consolidated interim financial statements for the period of three months ended 31 March 2012 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with IFRSs, as adopted by the European Union (EU).

These financial statements are presented in thousands of euros (EUR thousand).

These financial statements have not been audited.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those financial statements.

Taxes on income in this interim period were accrued using the tax rate that would be applicable to expected total annual earnings for the year 2012.

### 3. Critical accounting estimates and judgements

The preparation of interim financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant estimates and judgments made are the same as those that applied to the consolidated financial statements for the year ended 31 December 2011.

### 4. Seasonality

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

### 5. Segment information

	Business Solutions	IMS	Digital TV	Venture Capital	NOVABASE
<b>At 31 March 2011</b>					
Total segment Sales and services rendered	36,292	28,141	14,237	570	79,240
Inter-segment Sales and services rendered	14,644	4,094	944	257	19,939
Sales and services rendered	21,648	24,047	13,293	313	59,301
Depreciation and amortisation	(874)	(327)	(162)	(46)	(1,409)
Operating profit/(loss)	2,197	1,047	707	(509)	3,442
Finance costs – net	74	(58)	52	1	69
Share of loss of associates	(34)	-	-	(12)	(46)
Income tax expense	(467)	(1,333)	909	128	(763)
Profit/(Loss) from operations	1,770	(344)	1,668	(392)	2,702
<b>Other information:</b>					
(Provisions) / Provisions reversal	(38)	19	261	(245)	(3)
<b>At 31 March 2012</b>					
Total segment Sales and services rendered	40,013	20,826	12,108	1,404	74,351
Inter-segment Sales and services rendered	16,823	2,684	937	237	20,681
Sales and services rendered	23,190	18,142	11,171	1,167	53,670
Depreciation and amortisation	(897)	(343)	(168)	(43)	(1,451)
Operating profit/(loss)	2,774	1,198	(430)	266	3,808
Finance costs – net	(35)	(23)	(94)	24	(128)
Share of loss of associates	(85)	-	-	(11)	(96)
Income tax expense	(629)	(371)	252	(73)	(821)
Profit/(Loss) from operations	2,025	804	(272)	206	2,763
<b>Other information:</b>					
(Provisions) / Provisions reversal	61	41	43	-	145



## 6. Property, plant and equipment and intangible assets

During the periods ended at 31 March 2012 and 31 March 2011, the movements in the net book value of property, plant and equipment and intangible assets, were as follows:

	Property, plant and equipment	Intangible assets
<b>Net book value at 1 January 2011</b>	9,836	31,229
Acquisitions / increases	835	83
Write off's / disposals	(10)	-
Exchange differences	(11)	-
Depreciation and amortisation	(801)	(608)
<b>Net book value at 31 March 2011</b>	<b>9,849</b>	<b>30,704</b>
<b>Net book value at 1 January 2012</b>	9,000	31,127
Acquisitions / increases	175	51
Write off's / disposals	(31)	-
Exchange differences	(11)	-
Depreciation and amortisation	(799)	(652)
<b>Net book value at 31 March 2012</b>	<b>8,334</b>	<b>30,526</b>

## 7. Deferred income tax assets and liabilities

The movement in the deferred income tax assets was as follows:

	31.03.12	31.12.11
<b>Balance at 1 January</b>	12,387	10,396
Change in consolidation universe	-	19
Reclassifications	-	(30)
Exchange differences	(13)	2
Discontinued operations	-	592
Profit or loss charge	(257)	1,408
<b>Balance at the end of the period</b>	<b>12,117</b>	<b>12,387</b>

The movement in the deferred income tax liabilities was as follows:

	31.03.12	31.12.11
<b>Balance at 1 January</b>	100	909
Profit or loss charge	-	(809)
<b>Balance at the end of the period</b>	<b>100</b>	<b>100</b>

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

	Tax Losses	Tax Incentives	Provisions / Adjustments	Total
<b>Balance at 1 January 2011</b>	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
<b>Balance at 31 December 2011</b>	2,904	7,690	1,793	12,387
Profit or loss charge	(238)	70	(89)	(257)
Exchange differences	(13)	-	-	(13)
<b>Balance at 31 March 2012</b>	<b>2,653</b>	<b>7,760</b>	<b>1,704</b>	<b>12,117</b>

**8. Trade and other receivables**

	31.03.12	31.12.11
Trade receivables	74,639	85,608
Allowance for impairment of trade receivables	(2,843)	(2,854)
	<u>71,796</u>	<u>82,754</u>
Prepayments to suppliers	439	546
Employees	181	133
Value added tax	430	650
Receivables from related parties (note 17)	974	597
Financial investments disposal	148	146
Receivables from financed projects	3,004	3,040
Capital subscribers of FCR NB Capital Inovação e Internacionalização	3,850	3,850
Other receivables	4,839	4,775
Allowance for impairment of other receivables	(3,605)	(3,661)
	<u>10,260</u>	<u>10,076</u>
	<u>82,056</u>	<u>92,830</u>

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

	Trade receivables		Other receivables		Total	
	31.03.12	31.12.11	31.03.12	31.12.11	31.03.12	31.12.11
Balance at 1 January	2,854	2,012	3,661	3,442	6,515	5,454
Change in consolidation universe	-	62	-	-	-	62
Impairment	38	988	-	218	38	1,206
Impairment reversal	(4)	(208)	(55)	-	(59)	(208)
Recovery of bad debts	-	-	-	1	-	1
Exchange differences	-	-	(1)	-	(1)	-
Write off's	(45)	-	-	-	(45)	-
	<u>2,843</u>	<u>2,854</u>	<u>3,605</u>	<u>3,661</u>	<u>6,448</u>	<u>6,515</u>

**9. 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:

	31.03.12	31.12.11
- Cash	59	24
- Short term bank deposits	31,973	27,133
Cash and cash equivalents	<u>32,032</u>	<u>27,157</u>
- Overdrafts	-	-
	<u>32,032</u>	<u>27,157</u>

**10. Non-controlling interests**

	31.03.12	31.12.11
<b>Balance at 1 January</b>	9,811	5,724
(*) Changes in consolidation universe	-	5,500
Dividends paid by Celfocus to non-controlling interests	-	(1,800)
Foreign currency translation differences for foreign operations	(57)	98
Profit attributable to non-controlling interests	251	289
<b>Balance at the end of the period</b>	<u>10,005</u>	<u>9,811</u>

(\*) In 2011, FCR NB Capital Inovação e Internacionalização was incorporated.

**11. Borrowings**

	<b>31.03.12</b>	<b>31.12.11</b>
<b>Non-current</b>		
Bank borrowings	9,713	10,500
Finance lease liabilities	1,362	1,528
	<u>11,075</u>	<u>12,028</u>
<b>Current</b>		
Bank borrowings	3,826	4,053
Finance lease liabilities	1,158	1,226
	<u>4,984</u>	<u>5,279</u>
<b>Total borrowings</b>	<u><u>16,059</u></u>	<u><u>17,307</u></u>

The periods in which the current bank borrowings will be paid are as follows:

	<b>31.03.12</b>	<b>31.12.11</b>
6 months or less	1,895	2,269
6 to 12 months	1,931	1,784
	<u>3,826</u>	<u>4,053</u>

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

	<b>31.03.12</b>	<b>31.12.11</b>
Between 1 and 2 years	3,650	3,650
Between 2 and 5 years	6,025	6,775
Over 5 years	38	75
	<u>9,713</u>	<u>10,500</u>

The effective interest rates at the reporting date were as follows:

	<b>31.03.12</b>	<b>31.12.11</b>
Bank borrowings	5.235%	5.359%
Bank overdrafts	N/A	N/A

Gross finance lease liabilities – minimum lease payments:

	<b>31.03.12</b>	<b>31.12.11</b>
No later than 1 year	1,567	1,672
Between 1 and 5 years	1,774	2,004
	<u>3,341</u>	<u>3,676</u>
Future finance charges on finance leases	(821)	(922)
Present value of finance lease liabilities	<u>2,520</u>	<u>2,754</u>

The present value of finance lease liabilities is analysed as follows:

	<b>31.03.12</b>	<b>31.12.11</b>
No later than 1 year	1,158	1,226
Between 1 and 5 years	1,362	1,528
	<u>2,520</u>	<u>2,754</u>

## 12. Provisions

Movements in provisions are analysed as follows:

	Warranties	Legal Claims	Other Risks and Charges	Total
<b>Balance at 1 January 2011</b>	380	484	769	1,633
Additional provisions	198	-	518	716
Reversals	(177)	(244)	(727)	(1,148)
Reclassifications	500	-	-	500
Changes in consolidation universe	-	-	20	20
<b>Balance at 31 December 2011</b>	901	240	580	1,721
Additional provisions	16	-	72	88
Reversals	(76)	-	(104)	(180)
<b>Balance at 31 March 2012</b>	841	240	548	1,629

## 13. Trade and other payables

	31.03.12	31.12.11
Trade payables	20,145	24,939
Remunerations, vacations and vacation and Christmas subsidies	9,964	8,147
Restructuring costs not yet paid	483	546
Bonus	9,127	7,442
Ongoing projects	3,734	3,727
Value added tax	3,983	7,263
Social security contributions	1,115	2,026
Income tax withholding	1,268	1,590
Employees	57	288
Prepayments from trade receivables	6	-
Acquisition of financial interests to related parties (note 17)	957	714
Acquisition of financial interest in Evolvespace Solutions	86	86
Other accrued expenses	3,540	4,027
Other payables	108	140
	54,573	60,935

## 14. Other gains/(losses) - net

	31.03.12	31.03.11
Impairment and impairment reversal of trade and other receivables	21	(230)
Impairment and impairment reversal of inventories	32	57
Warranties provision	60	30
Provisions for other risks and charges	32	140
Operating subsidies	-	4
Other operating income and expense	15	(181)
	160	(180)

**15. Income tax expense**

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

	<b>31.03.12</b>	<b>31.03.11</b>
Profit before income tax	3,584	3,465
<b>Income tax expense at nominal rate (25%)</b>	<b>896</b>	<b>866</b>
Tax benefit on the net creation of employment for young and long term unemployed people	(117)	(125)
Provisions and amortisations not considered for tax purposes	51	51
Associates' results reported net of tax	24	11
Autonomous taxation	160	146
Losses in companies where no deferred tax is recognised	(61)	(63)
Expenses not deductible for tax purposes	11	71
Differential tax rate on companies located abroad	26	50
Research & Development tax benefit	(221)	(300)
Municipal surcharge and State surcharge	52	35
Impairment of Special Payment on Account, tax losses and withholding taxes	-	25
Other	-	(4)
<b>Income tax expense</b>	<b>821</b>	<b>763</b>

**16. Earnings per share**

	<b>31.03.12</b>	<b>31.03.11</b>
Weighted average number of ordinary shares in issue	30,420,867	30,251,524
Stock options adjustment	-	-
Adjusted weighted average number of ordinary shares in issue	30,420,867	30,251,524
Profit attributable to owners of the parent	2,512	2,242
Basic earnings per share (Euros per share)	0.08 Euros	0.07 Euros
Diluted earnings per share (Euros per share)	0.08 Euros	0.07 Euros

**17. Related-party transactions**

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

## i) Key management compensation

	<b>31.03.12</b>	<b>31.03.11</b>
Salaries and other short-term employee benefits	1,597	1,414
Stock options granted	39	83
	<b>1,636</b>	<b>1,497</b>

## ii) Acquisition of financial interests to related parties

	<b>31.03.12</b>	<b>31.12.11</b>
Acquisitions to former shareholders of Novabase Infraestruturas, SGPS	-	7
	<b>-</b>	<b>7</b>

## iii) Balances arising from acquisitions of financial interests to related parties (former shareholders)

	Non-current		Current (note 13)		Total	
	31.03.12	31.12.11	31.03.12	31.12.11	31.03.12	31.12.11
Novabase Consulting SGPS	-	-	306	306	306	306
Novabase A.C.D.	-	78	187	109	187	187
SAF	-	32	65	33	65	65
Novabase International Solutions B.V.	-	133	399	266	399	399
	-	243	957	714	957	957

## iv) Other balances with related parties

	31.03.12	31.12.11
Loan to Novabase Atlântico, SI, S.A. (associate)	662	550
Loan to Powergrid, Lda (associate)	265	-
Loans to other shareholders	47	47
Receivables from related parties (note 8)	974	597

## 18. Contingencies

Given the disclosed in the annual financial statements for the year 2011, the significant changes in the judicial processes are the following:

- It was canceled the procedure brought forward by the Instituto de Gestão Financeira da Segurança Social to Novabase Business Solutions S.A. 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 claims brought forward by the Instituto de Gestão Financeira da Segurança Social to NBO regarding the alleged absence of payment of social security contributions (in the amount of EUR 85 thousand and EUR 438 thousand) were canceled.
- It was canceled the procedure brought forward by the Instituto de Gestão Financeira da Segurança Social to Octal regarding to alleged absence of payment of social security contributions in the years 2006 to 2010, in the amount of EUR 20 thousand.
- The judge issued final ruling in the procedure brought forward by a shareholder of a Manchete where Fundo Capital Risco NB Capital (which is managed by the subsidiary Novabase Capital) is co-defendant in which the Plaintiff was claiming violation of the Shareholders Agreement and requested (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 were ordered to buy the plaintiff's shares for the price of EUR 750 thousand. The judge issued final ruling in favour of the Defendants, considering that the Plaintiff had not observed certain essential contractual formalities before bringing the issue to Court.

## 19. Events after the reporting period

In the annual General Meeting of Shareholders held on May 2012, it was approved the payment of dividends in the amount of EUR 942 thousand corresponding to 0,03 Euros per share.

## 20. 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.