



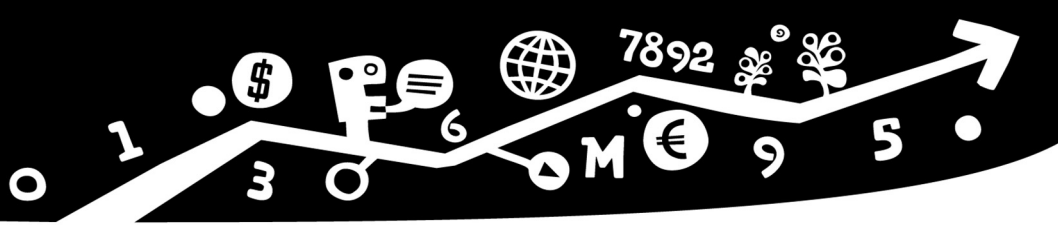
# **REPORT AND ACCOUNTS - 3<sup>RD</sup> QUARTER 2012**

## **I - Management Report**

- 1. Key Indicators Evolution**
- 2. Short Summary of the Activity**
- 3. Stock Performance**
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## Consolidated Results 9M12

### Privileged Information

October 30, 2012

### Highlights:

**Turnover: 155.6 M€**

(172.6 M€ in 9M11)

**EBITDA: 14.2 M€**

(11.7 M€ in 9M11)

**Net Profit: 6.0 M€**

(4.7 M€ in 9M11)

**Net Cash: 28.4 M€**

(14.7 M€ in 12M11)

### Message from the CEO - Luís Paulo Salvado

"The accumulated results as of September confirm the trends we had already observed in the first half of the year and show a good execution of the strategy we set for this year.

International business grew 43%, representing 30% of the total business. The services maintain a growth trend, contributing to the net creation of over two hundred highly-skilled jobs. EBITDA and Net Profit increased by 22% and 29%, respectively. Also positive was the evolution of cash, with a generation near 14 M€ since the beginning of the year.

These results reflect that our stakes on international expansion and offerings with higher added value have succeeded. However, the domestic context has remained adverse, negatively impacting the components where we have less strategic control, therefore the business of third party products declined by 28%, leading to a decrease of 10% in total Turnover.

We are quite comfortable in the compliance of the Guidance for 2012 regarding profitability and international market share, but the goal that we have drawn for Turnover proves far more challenging. The coming months reveal themselves as very difficult and uncertain in the domestic market. Nevertheless, the results now released renew our confidence in the strategy outlined and in the ability to execute it. We will maintain focus on internationalization and growth of our more distinctive offerings."

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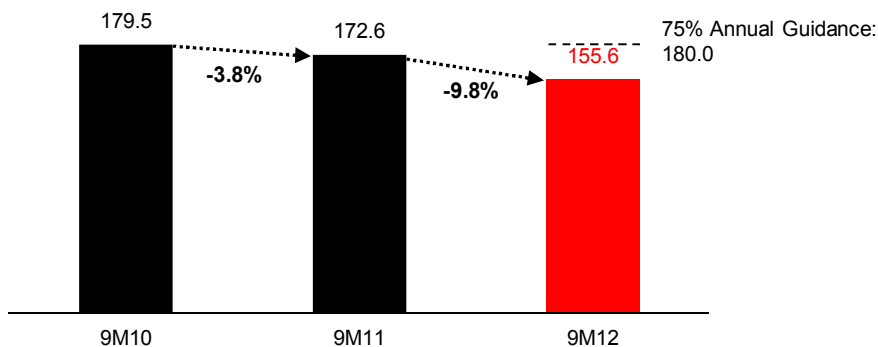
Report available on website :  
[www.novabase.pt](http://www.novabase.pt)

Novabase SGPS, S.A.  
Public Company . Euronext code: NBA.AM .  
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 . Share Capital: 15,700,697.00 € .  
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## 1. Key Indicators Evolution

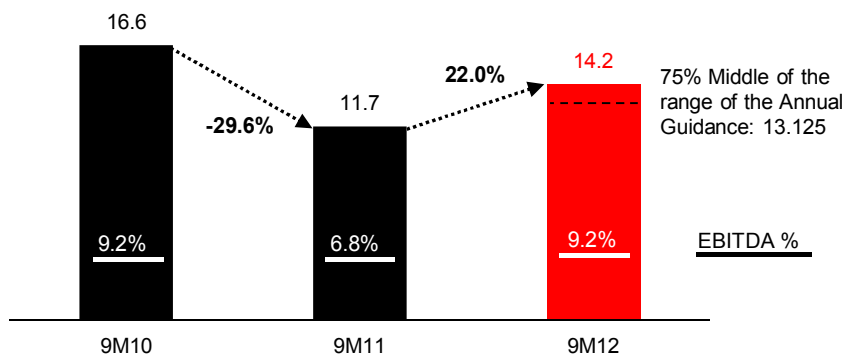
### Turnover (M€)

Turnover below the annual Guidance linearized (-13.6%), due to the contraction of business in Portugal in the product component.



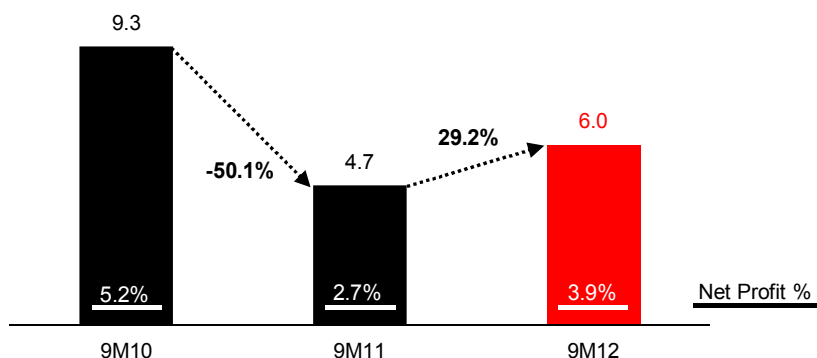
### EBITDA (M€)

EBITDA above the annual Guidance linearized of 16-19 M€ and 7.3%: +8.5% above the middle of the range (+1.9 points %).



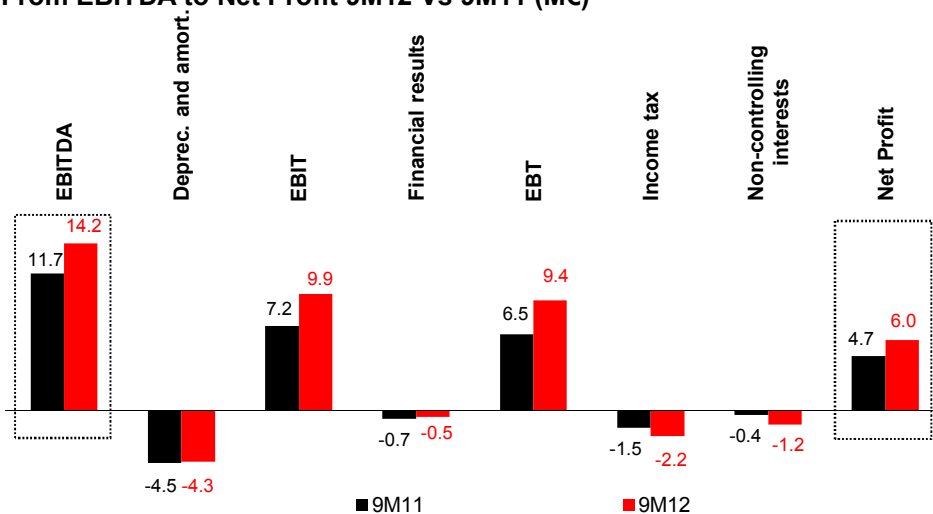
### Net Profit (M€)

Significant improvement of profitability as a result of the measures adopted in the end of 2011.



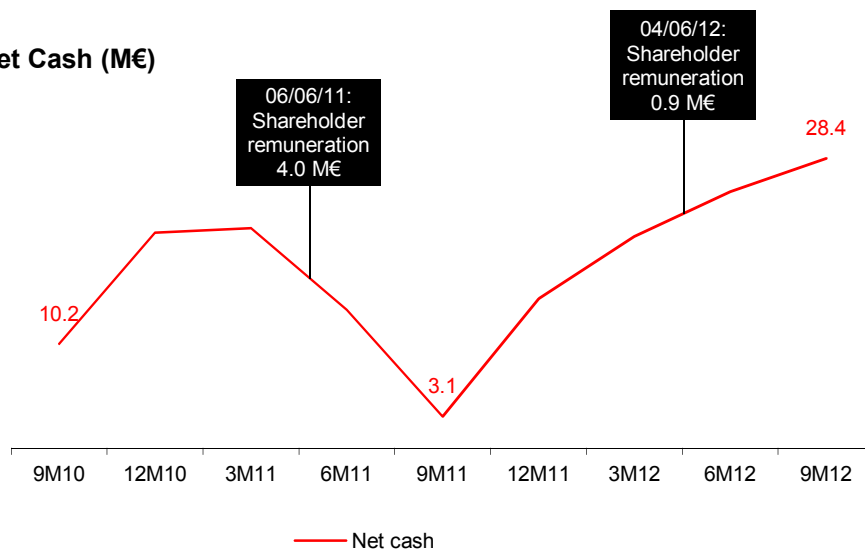
Earnings per share (EPS) in 9M12 reached 0.20 euros per share, registering an increase of 28.3% towards the EPS from the previous year of 0.15 euros per share.

### From EBITDA to Net Profit 9M12 Vs 9M11 (M€)



Non-controlling interests in 9M12 amounted to -1.2 M€, which compares to -0.4 M€ in 9M11. This variation is mainly due to the positive evolution of the results of subsidiaries Celfocus, Collab and NBASIT, in Angola, compared to the same period of the prior year.

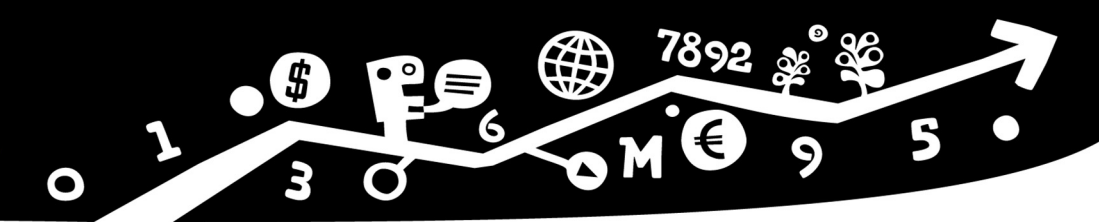
### Net Cash (M€)



Cash generation of 13.8 M€ in the first nine months of 2012.

In the 9M12, Novabase shows a positive performance in cash generation. Novabase ended the 9M12 with 28.4 M€ in net cash, which compares to 14.7 M€ in the 12M11.

On June 4th 2012, Novabase paid its shareholders a total amount of 0.9 M€ (0.03€/share).



## 2. Short Summary of the Activity

The first nine months of 2012 were marked by strong pressure on prices in the third party 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 nine months of 2012 are below the Turnover Guidance (-13.6%), but remained above the middle of the range of the EBITDA Guidance (+8.5%). Compared to 2011, Turnover decreased 9.8%, however, services grew 4.1% and international business represented 29.7% of the total business. EBITDA raised 22.0% and Net Profit reached 6.0 M€.

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

With the aim of maximizing synergies between all of its businesses, Novabase has decided to reorganize its Digital TV operations with effect from the second half of the year. Solutions geared toward TV operators were included in the Infrastructures & Managed Services (IMS) business. On the other hand, the System-in-Package (SIP) solutions, strongly supported by R&D and intellectual property investments, were transferred to the Venture Capital business.

The table below shows the Turnover and EBITDA for 9M10 and 9M11 related to each of the offerings, which were included in Digital TV area, and that were incorporated in 2012 into the IMS and VC segments:

|               | TV operators Solutions |        | SIP Solutions |        |
|---------------|------------------------|--------|---------------|--------|
|               | 9M10                   | 9M11   | 9M10          | 9M11   |
| Turnover (M€) | 38.367                 | 34.634 | 2.327         | 6.805  |
| EBITDA (M€)   | 3.817                  | 2.878  | -2.159        | -1.165 |

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.

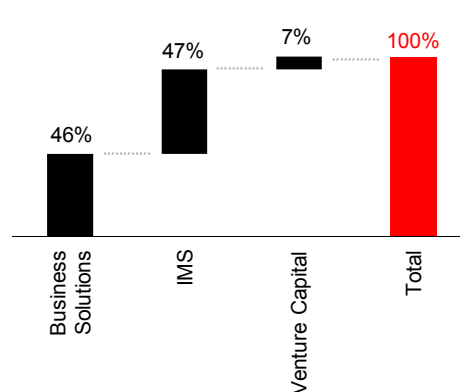
In the second quarter of the year, Novabase strengthened its focus on the Financial sector with the acquisition of 100% stake in Binómio, a company specialising in financial assets management solutions, who holds a paramount position in Portugal with insurance and pension management companies and also has customers in the PALOPs (African Portuguese Speaking Countries), namely in Angola.

Also worthy of note in these first nine months of 2012, is the distinction of Novabase as Best System Integrator in 2011, in the National Conference of IBM Business Partners. Collab has received three awards at the Conference Beyond 2013, attributed by the Portuguese Association of Contact Centers (APCC) to the organizations that stood out most in their Centres Customer Relationship in 2012: Best IVR Platform 2012, Best Workforce Management Platform 2012 and Best Agent Front End (CRM) 2012. Additionally, Microsoft Portugal distinguished Novabase as the best partner for Cloud Services.

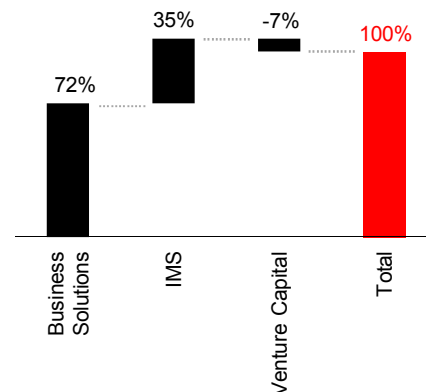
This investment is part of Novabase's growth and internationalization strategy for the Financial Services sector.

The percentage breakdown of Turnover and EBITDA by the different businesses, in the 9M12, is as follows:

#### Turnover 9M12



#### EBITDA 9M12



4.1% rise in services, in line with Novabase strategic orientation to increase the added value of its offers.

Of the overall Turnover generated in 9M12, the services rendered represents 65.5%, which compares to 56.7% in 9M11.

Of the 155.6 M€ Turnover, 29.7% is generated outside Portugal, that is 46.2 M€, which compares to the 32.3 M€ registered in 9M11.

#### Turnover by geography 9M11



#### Turnover by geography 9M12



International business increased 43.0%, reflecting a strong focus on markets outside Portugal.

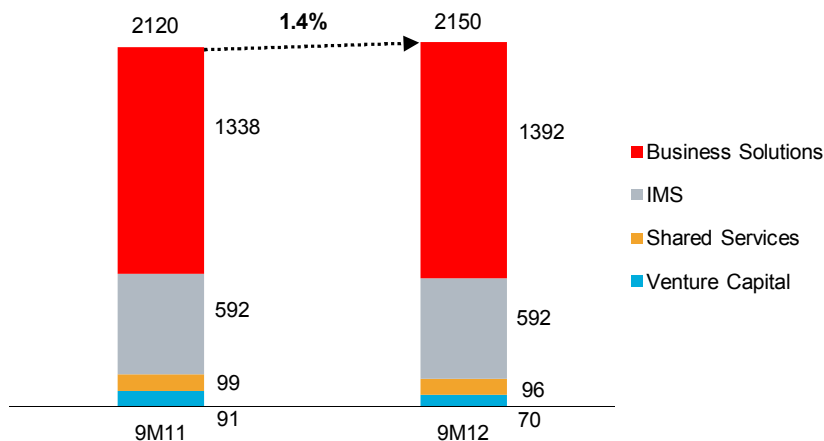
Business outside Portugal generated in the Business Solutions area increased to 26.7% of the respective invoicing (16.6% in 9M11). In the IMS business area, the international business in 9M12 increased to 24.6% (14.7% in 9M11) and in the Venture Capital area decreased to 85.2% (87.8% in 9M11).

Novabase had on average, in the 9M12, 2150 employees, which represents an increase of 1.4% compared to the 9M11 (2120) and of 1.9% compared to FY11 (2109).

Employee breakdown by business area, in 9M12, is as follows:

### Average Number of Employees

Average number of employees evolution includes the talent renovation by the recruitment of 192 university graduates through Novabase Academy program.



### Average Number of Employees by geography 9M11



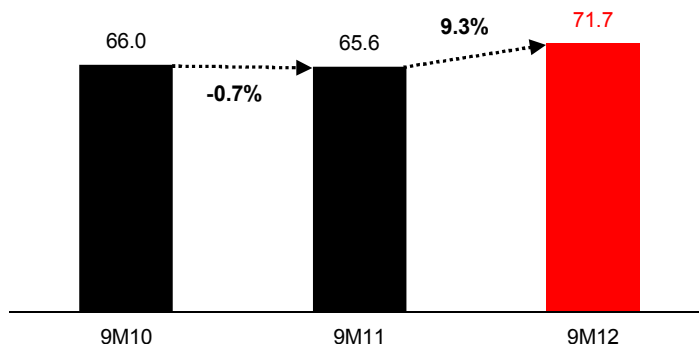
### Average Number of Employees by geography 9M12



## 2.1. Business Solutions

### Turnover Business Solutions (M€)

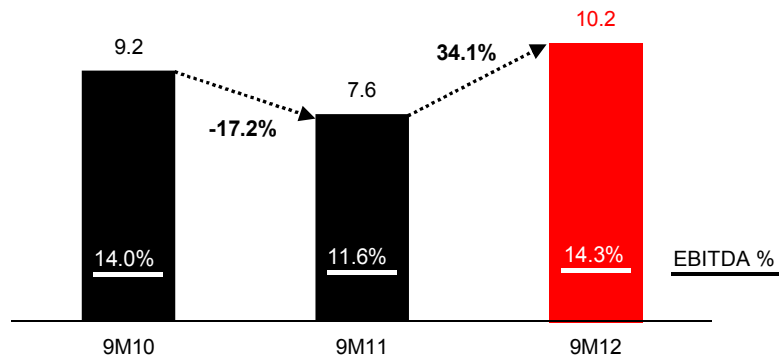
BS Turnover evolution reflects the significant growth of the international component (76.1% vs. 9M11).





## EBITDA Business Solutions (M€)

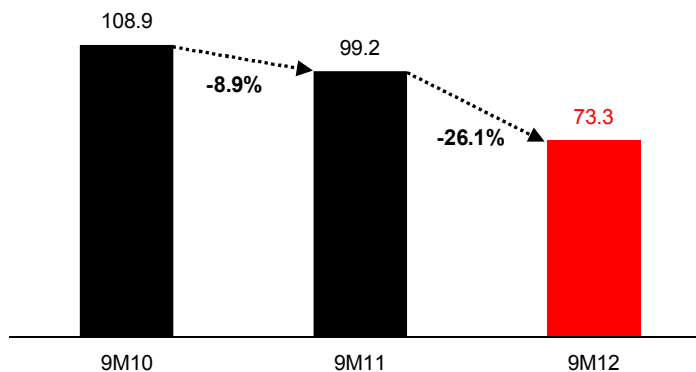
BS positive evolution reflects the measures adopted for the improvement of operating competitiveness.



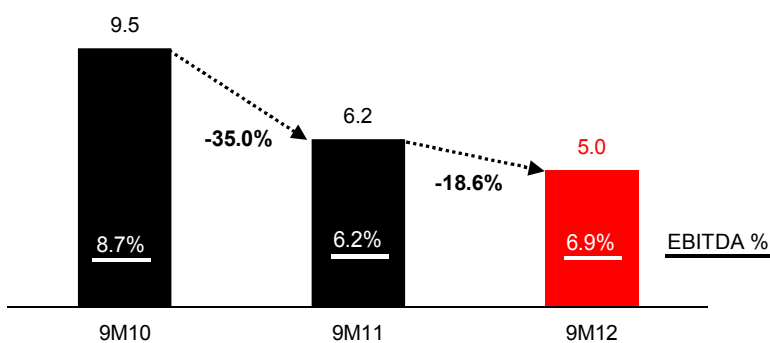
## 2.2. Infrastructures & Managed Services

### Turnover IMS (M€)

IMS evolution reflects the strong pressure in the product component in Portugal, despite the international growth (+23.5%).



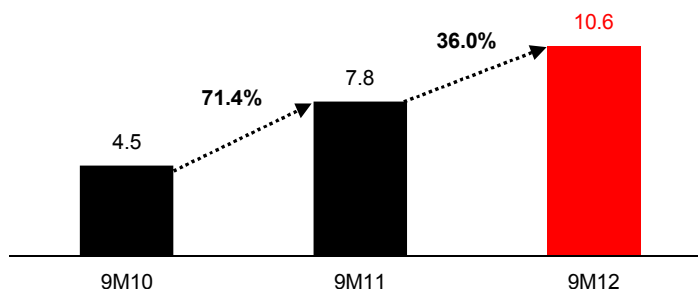
### EBITDA IMS (M€)



## 2.3. Venture Capital

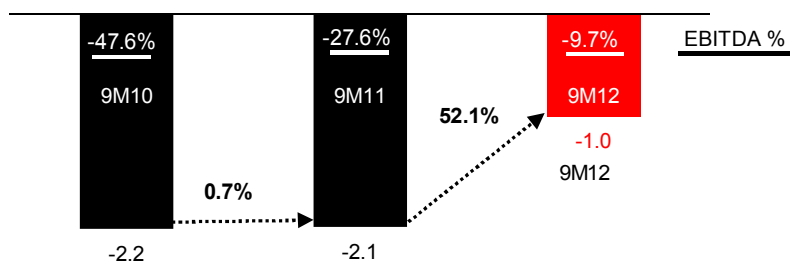
### Turnover Venture Capital (M€)

VC Turnover positive evolution primarily reflects the growth of the international component (+32.1%).



### EBITDA Venture Capital (M€)

VC EBITDA reflects the development stadium, strongly supported by R&D investments. However, remarkable improvement of profitability, primarily due to subsidiary Collab.



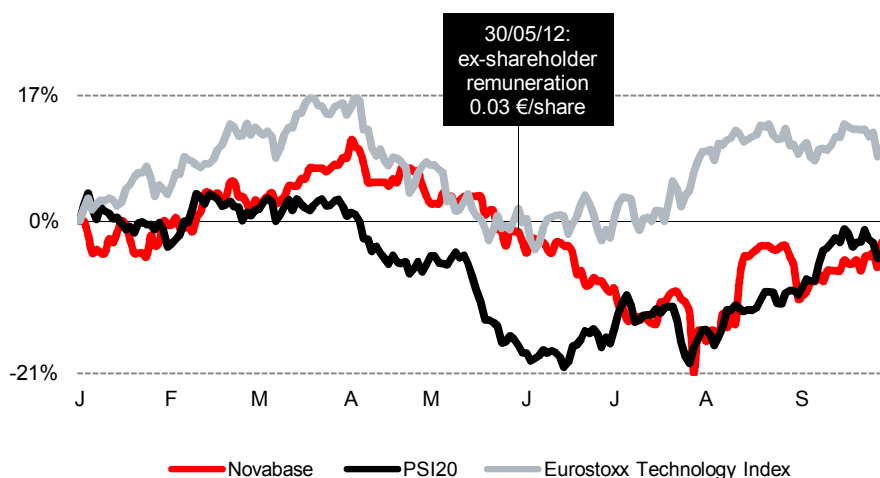
## 3. Stock Performance

Excluding the shareholder remuneration, the depreciation of Novabase share price would be 1.5%.

Novabase share price in 9M12 lost 2.9%, comparing to a 5.3% loss in the PSI20 Index and a 9.4% gain in the EuroStoxx Technology Index.

In this period, a dividend of 0.03€/share was distributed.

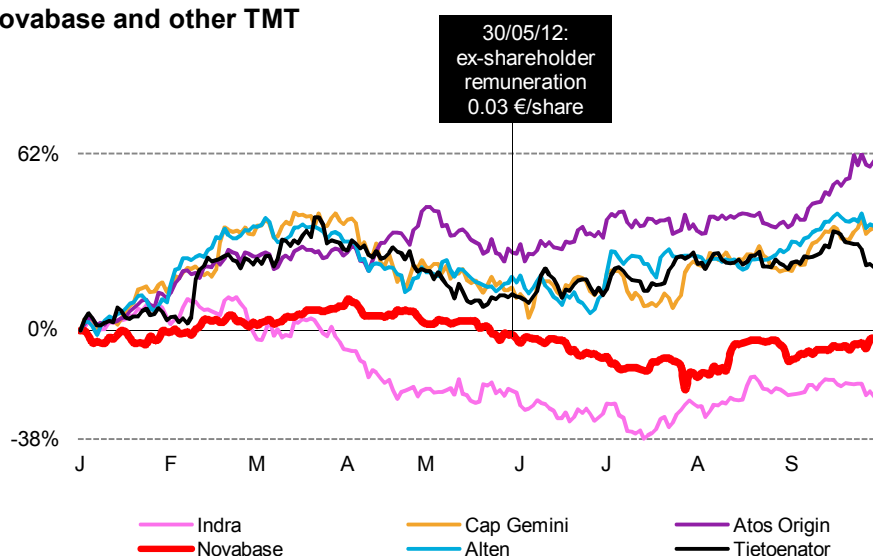
## Novabase and the Market



When comparing Novabase share prices with other companies in the IT sector in Europe, we verify that Novabase share performance in 9M12 was below the average.

## Novabase and other TMT

Novabase shows an EV/EBITDA multiple of 3.85x and an EV/Revenue multiple of 0.29x, which represents a discount of 36% and 51%, respectively, compared to the average of other companies in the IT sector in Europe.



Average upside of 92.9%, according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 3.92 euros, with unanimous recommendation to buy.

Rotation in 9M12 represented 11.6% of the capital and 3.7 million shares were traded, below the values in 9M11 (rotation of 14.8% of the capital and 4.7 million shares traded).



| Summary                                     | 3Q12      | 2Q12      | 1Q12    | 4Q11    | 3Q11      |
|---------------------------------------------|-----------|-----------|---------|---------|-----------|
| Minimum price (€)                           | 1.66      | 1.89      | 1.99    | 1.70    | 2.26      |
| Maximum price (€)                           | 2.03      | 2.30      | 2.32    | 2.38    | 2.75      |
| Volume weighted average price (€)           | 1.92      | 2.03      | 2.15    | 1.99    | 2.55      |
| Closing price at the end of the Quarter (€) | 2.03      | 1.90      | 2.32    | 2.09    | 2.45      |
| Nr. of shares traded                        | 1,113,951 | 1,826,016 | 717,461 | 833,186 | 1,284,390 |
| Market cap in the last day (M€)             | 63.7      | 59.7      | 72.9    | 65.6    | 76.9      |

## 4. Outlook 2012

The results of the 9M12 are positive, 8.5% above the middle of the range of the EBITDA Guidance, as a result of the measures implemented for the improvement of operating competitiveness. International business now accounts for 29.7% of total business and the weight of services increased to 65.5%. However, we experienced a strong pressure in the product component in Portugal, which explains the negative evolution of Turnover in this period.

We maintain our confidence in the compliance of the Guidance for 2012 regarding profitability and international market share. However, in light of the economic difficulties in Portugal, the target set initially for 2012 Turnover seems to us overly ambitious.

We believe that the results of this period are encouraging and motivate us to reaffirm the commitment to the strategic priorities defined: international growth and focus on the most distinctive added value offerings.

**Consolidated Statement of Financial Position  
as at 30 September 2012**

|                                                  | 30.09.12             | 31.12.11       |
|--------------------------------------------------|----------------------|----------------|
|                                                  | (Thousands of Euros) |                |
| <b>Assets</b>                                    |                      |                |
| Tangible assets                                  | 7,275                | 9,000          |
| Intangible assets                                | 29,786               | 31,127         |
| Financial investments                            | 1,960                | 1,786          |
| Deferred income tax assets                       | 11,878               | 12,387         |
| Other non-current assets                         | 15                   | -              |
| <b>Total Non-Current Assets</b>                  | <b>50,914</b>        | <b>54,300</b>  |
| Inventories                                      | 6,505                | 6,909          |
| Trade debtors and accrued income                 | 87,522               | 99,168         |
| Other debtors and prepaid expenses               | 20,941               | 18,523         |
| Derivative financial instruments                 | 104                  | 245            |
| Available-for-sale financial assets              | 9,788                | -              |
| Cash and cash equivalents                        | 28,844               | 27,157         |
| <b>Total Current Assets</b>                      | <b>153,704</b>       | <b>152,002</b> |
| <b>Assets for continuing operations</b>          | <b>204,618</b>       | <b>206,302</b> |
| <b>Assets for discontinued operations</b>        | <b>-</b>             | <b>-</b>       |
| <b>Total Assets</b>                              | <b>204,618</b>       | <b>206,302</b> |
| <b>Shareholders' Equity</b>                      |                      |                |
| Share capital                                    | 15,701               | 15,701         |
| Treasury shares                                  | (371)                | (490)          |
| Share premium                                    | 43,560               | 43,560         |
| Reserves and retained earnings                   | 33,724               | 31,206         |
| Net profit                                       | 6,019                | 2,651          |
| <b>Total Shareholders' Equity</b>                | <b>98,633</b>        | <b>92,628</b>  |
| <b>Non-controlling interests</b>                 | <b>10,966</b>        | <b>9,811</b>   |
| <b>Total Equity</b>                              | <b>109,599</b>       | <b>102,439</b> |
| <b>Liabilities</b>                               |                      |                |
| Bank borrowings                                  | 7,638                | 10,500         |
| Finance lease liabilities                        | 1,065                | 1,528          |
| Provisions                                       | 2,122                | 1,721          |
| Deferred income tax liabilities                  | 100                  | 100            |
| Other non-current liabilities                    | 70                   | 308            |
| <b>Total Non-Current Liabilities</b>             | <b>10,995</b>        | <b>14,157</b>  |
| Bank borrowings                                  | 4,097                | 4,053          |
| Trade payables                                   | 20,918               | 26,165         |
| Other creditors and accruals                     | 37,249               | 36,013         |
| Derivative financial instruments                 | 70                   | 461            |
| Deferred income                                  | 21,370               | 22,669         |
| <b>Total Current Liabilities</b>                 | <b>83,704</b>        | <b>89,361</b>  |
| <b>Total Liabilities for cont. operations</b>    | <b>94,699</b>        | <b>103,518</b> |
| <b>Total Liabilities for discont. operations</b> | <b>320</b>           | <b>345</b>     |
| <b>Total Liabilities</b>                         | <b>95,019</b>        | <b>103,863</b> |
| <b>Total Equity and Liabilities</b>              | <b>204,618</b>       | <b>206,302</b> |
| <b>Net Cash</b>                                  | <b>28,404</b>        | <b>14,653</b>  |

**Consolidated Income Statement  
for the period of 9 months ended 30 September 2012**

|                                      | 30.09.12             | 30.09.11        | Var. %         |
|--------------------------------------|----------------------|-----------------|----------------|
|                                      | (Thousands of Euros) |                 |                |
| Sale of goods                        | 53,677               | 74,634          |                |
| Cost of goods sold                   | (47,503)             | (67,588)        |                |
| <b>Gross margin</b>                  | <b>6,174</b>         | <b>7,046</b>    | <b>-12.4 %</b> |
| <b>Other income</b>                  |                      |                 |                |
| Services rendered                    | 101,921              | 97,916          |                |
| Supplementary income                 | 62                   | 187             |                |
| Other operating income               | 3,155                | 233             |                |
|                                      | <b>105,138</b>       | <b>98,336</b>   |                |
|                                      | <b>111,312</b>       | <b>105,382</b>  |                |
| <b>Other expenses</b>                |                      |                 |                |
| External supplies and services       | (38,467)             | (36,111)        |                |
| Employee benefit expense             | (57,868)             | (57,760)        |                |
| (Provisions) / Provisions reversal   | (409)                | 819             |                |
| Other operating expenses             | (322)                | (650)           |                |
|                                      | <b>(97,066)</b>      | <b>(93,702)</b> |                |
| <b>Gross Net Profit (EBITDA)</b>     | <b>14,246</b>        | <b>11,680</b>   | <b>22.0 %</b>  |
| Depreciation and amortization        | (4,325)              | (4,459)         |                |
| <b>Operating Profit (EBIT)</b>       | <b>9,921</b>         | <b>7,221</b>    | <b>37.4 %</b>  |
| Financial Gains / (Losses)           | (515)                | (706)           |                |
| <b>Net Profit before taxes (EBT)</b> | <b>9,406</b>         | <b>6,515</b>    | <b>44.4 %</b>  |
| Income tax expense                   | (2,181)              | (1,473)         |                |
| <b>Non-controlling interests</b>     | <b>(1,206)</b>       | <b>(385)</b>    |                |
| <b>Attributable Net Profit</b>       | <b>6,019</b>         | <b>4,657</b>    | <b>29.2 %</b>  |
| <b>Other information:</b>            |                      |                 |                |
| Turnover                             | 155,598              | 172,550         | <b>-9.8 %</b>  |
| Gross margin from sales %            | 11.5 %               | 9.4 %           |                |
| EBITDA margin                        | 9.2 %                | 6.8 %           |                |
| EBT % on Turnover                    | 6.0 %                | 3.8 %           |                |
| Net profit % on Turnover             | 3.9 %                | 2.7 %           |                |

## Consolidated Income Statement by SEGMENTS for the period of 9 months ended 30 September 2012

(Thousands of Euros)

|                                               | Business<br>Solutions | IMS             | Venture<br>Capital | NOVABASE        |
|-----------------------------------------------|-----------------------|-----------------|--------------------|-----------------|
| Sale of goods                                 | 1,624                 | 44,317          | 7,736              | 53,677          |
| Cost of goods sold                            | (1,192)               | (40,400)        | (5,911)            | (47,503)        |
| <b>Gross margin</b>                           | <b>432</b>            | <b>3,917</b>    | <b>1,825</b>       | <b>6,174</b>    |
| <b>Other income</b>                           |                       |                 |                    |                 |
| Services rendered                             | 70,066                | 29,010          | 2,845              | 101,921         |
| Supplementary income and subsidies            | 60                    | -               | 2                  | 62              |
| Other operating income                        | 3,086                 | 55              | 14                 | 3,155           |
|                                               | <b>73,212</b>         | <b>29,065</b>   | <b>2,861</b>       | <b>105,138</b>  |
|                                               | <b>73,644</b>         | <b>32,982</b>   | <b>4,686</b>       | <b>111,312</b>  |
| <b>Other expenses</b>                         |                       |                 |                    |                 |
| External supplies and services                | (21,998)              | (14,048)        | (2,421)            | (38,467)        |
| Employee benefit expense                      | (41,384)              | (13,419)        | (3,065)            | (57,868)        |
| (Provisions) / Provisions reversal            | 147                   | (352)           | (204)              | (409)           |
| Other operating expenses                      | (174)                 | (125)           | (23)               | (322)           |
|                                               | <b>(63,409)</b>       | <b>(27,944)</b> | <b>(5,713)</b>     | <b>(97,066)</b> |
| <b>Gross Net Profit (EBITDA)</b>              | <b>10,235</b>         | <b>5,038</b>    | <b>(1,027)</b>     | <b>14,246</b>   |
| Depreciation and amortization                 | (2,702)               | (1,209)         | (414)              | (4,325)         |
| <b>Operating Profit (EBIT)</b>                | <b>7,533</b>          | <b>3,829</b>    | <b>(1,441)</b>     | <b>9,921</b>    |
| Financial Gains / (Losses)                    | 116                   | (437)           | (194)              | (515)           |
| <b>Net Profit / (Loss) before Taxes (EBT)</b> | <b>7,649</b>          | <b>3,392</b>    | <b>(1,635)</b>     | <b>9,406</b>    |
| Income tax expense                            | (1,603)               | (494)           | (84)               | (2,181)         |
| Non-controlling interests                     | (816)                 | (276)           | (114)              | (1,206)         |
| <b>Attributable Net Profit / (Loss)</b>       | <b>5,230</b>          | <b>2,622</b>    | <b>(1,833)</b>     | <b>6,019</b>    |
| Other information :                           |                       |                 |                    |                 |
| <b>Turnover</b>                               | 71,690                | 73,327          | 10,581             | 155,598         |
| <b>EBITDA</b>                                 | 10,235                | 5,038           | (1,027)            | 14,246          |
| <b>EBITDA % on Turnover</b>                   | 14.3%                 | 6.9%            | -9.7%              | 9.2%            |
| <b>EBT % on Turnover</b>                      | 10.7%                 | 4.6%            | -15.5%             | 6.0%            |

**Condensed Consolidated Accounts**  
**3rd quarter 2012**  
(Unaudited)

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

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|                                                                                                                                |          |
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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**for the period of 9 months ended 30 September 2012**

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

## Condensed Consolidated Interim Statement of Financial Position as at 30 September 2012

(Amounts expressed in thousands of Euros)

|                                                   | Note | 30.09.12       | 31.12.11       |
|---------------------------------------------------|------|----------------|----------------|
| <b>Assets</b>                                     |      |                |                |
| <b>Non-Current Assets</b>                         |      |                |                |
| Property, plant and equipment                     | 7    | 7,275          | 9,000          |
| Intangible assets                                 | 7    | 29,786         | 31,127         |
| Investments in associates                         |      | 1,795          | 1,621          |
| Available-for-sale financial assets               |      | 165            | 165            |
| Deferred income tax assets                        | 8    | 11,878         | 12,387         |
| Other non-current assets                          |      | 15             | -              |
| <b>Total Non-Current Assets</b>                   |      | <b>50,914</b>  | <b>54,300</b>  |
| <b>Current Assets</b>                             |      |                |                |
| Inventories                                       |      | 6,505          | 6,909          |
| Trade and other receivables                       | 9    | 83,208         | 92,830         |
| Accrued income                                    |      | 17,388         | 16,414         |
| Income tax receivable                             |      | 1,577          | 3,211          |
| Derivative financial instruments                  |      | 104            | 245            |
| Other current assets                              |      | 6,290          | 5,236          |
| Available-for-sale financial assets               |      | 9,788          | -              |
| Cash and cash equivalents                         | 10   | 28,844         | 27,157         |
| <b>Total Current Assets</b>                       |      | <b>153,704</b> | <b>152,002</b> |
| Assets for discontinued operations                |      | -              | -              |
| <b>Total Assets</b>                               |      | <b>204,618</b> | <b>206,302</b> |
| <b>Equity</b>                                     |      |                |                |
| Share capital                                     |      | 15,701         | 15,701         |
| Treasury shares                                   |      | (371)          | (490)          |
| Share premium                                     |      | 43,560         | 43,560         |
| Reserves and retained earnings                    | 11   | 33,724         | 31,206         |
| Profit for the period                             |      | 6,019          | 2,651          |
| Total Equity attributable to owners of the parent |      | 98,633         | 92,628         |
| Non-controlling interests                         | 12   | 10,966         | 9,811          |
| <b>Total Equity</b>                               |      | <b>109,599</b> | <b>102,439</b> |
| <b>Liabilities</b>                                |      |                |                |
| <b>Non-Current Liabilities</b>                    |      |                |                |
| Borrowings                                        | 13   | 8,703          | 12,028         |
| Provisions                                        | 14   | 2,122          | 1,721          |
| Deferred income tax liabilities                   | 8    | 100            | 100            |
| Other non-current liabilities                     |      | 70             | 308            |
| <b>Total Non-Current Liabilities</b>              |      | <b>10,995</b>  | <b>14,157</b>  |
| <b>Current Liabilities</b>                        |      |                |                |
| Borrowings                                        | 13   | 5,127          | 5,279          |
| Trade and other payables                          | 15   | 56,554         | 60,935         |
| Income tax payable                                |      | 583            | 17             |
| Derivative financial instruments                  |      | 70             | 461            |
| Deferred income and other current liabilities     |      | 21,370         | 22,669         |
| <b>Total Current Liabilities</b>                  |      | <b>83,704</b>  | <b>89,361</b>  |
| Liabilities for discontinued operations           |      | 320            | 345            |
| <b>Total Liabilities</b>                          |      | <b>95,019</b>  | <b>103,863</b> |
| <b>Total Equity and Liabilities</b>               |      | <b>204,618</b> | <b>206,302</b> |

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

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

## Condensed Consolidated Interim Statement of Comprehensive Income for the period of 9 months ended 30 September 2012

(Amounts expressed in thousands of Euros)

|                                                               |      | 9 M *             |                   | 3 M *             |                   |
|---------------------------------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
|                                                               | Note | 30.09.12          | 30.09.11          | 30.09.12          | 30.09.11          |
| Sales                                                         | 5    | 53,677            | 74,634            | 18,308            | 22,083            |
| Services rendered                                             | 5    | 101,921           | 97,916            | 28,737            | 31,339            |
| Cost of sales                                                 |      | (47,503)          | (67,588)          | (16,806)          | (19,898)          |
| External supplies and services                                |      | (38,467)          | (36,111)          | (9,895)           | (11,213)          |
| Employee benefit expense                                      |      | (57,868)          | (57,760)          | (19,366)          | (19,074)          |
| Other gains/(losses) - net                                    | 16   | 2,486             | 589               | 3,002             | 245               |
| Depreciation and amortisation                                 |      | (4,325)           | (4,459)           | (1,455)           | (1,549)           |
| <b>Operating Profit</b>                                       |      | <b>9,921</b>      | <b>7,221</b>      | <b>2,525</b>      | <b>1,933</b>      |
| Finance income                                                |      | 3,400             | 2,454             | 760               | 267               |
| Finance costs                                                 |      | (3,675)           | (3,080)           | (787)             | (586)             |
| Share of loss of associates                                   |      | (240)             | (80)              | (98)              | (46)              |
| <b>Profit Before Income Tax</b>                               |      | <b>9,406</b>      | <b>6,515</b>      | <b>2,400</b>      | <b>1,568</b>      |
| Income tax expense                                            | 17   | (2,181)           | (1,473)           | (603)             | (386)             |
| <b>Profit for the period</b>                                  |      | <b>7,225</b>      | <b>5,042</b>      | <b>1,797</b>      | <b>1,182</b>      |
| <b>Other comprehensive income for the period</b>              |      | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Total comprehensive income for the period</b>              |      | <b>7,225</b>      | <b>5,042</b>      | <b>1,797</b>      | <b>1,182</b>      |
| <b>Profit attributable to:</b>                                |      |                   |                   |                   |                   |
| Owners of the parent                                          |      | 6,019             | 4,657             | 1,505             | 1,177             |
| Non-controlling interests                                     | 12   | 1,206             | 385               | 292               | 5                 |
|                                                               |      | <u>7,225</u>      | <u>5,042</u>      | <u>1,797</u>      | <u>1,182</u>      |
| <b>Total comprehensive income attributable to:</b>            |      |                   |                   |                   |                   |
| Owners of the parent                                          |      | 6,019             | 4,657             | 1,505             | 1,177             |
| Non-controlling interests                                     | 12   | 1,206             | 385               | 292               | 5                 |
|                                                               |      | <u>7,225</u>      | <u>5,042</u>      | <u>1,797</u>      | <u>1,182</u>      |
| <b>Earnings per share</b>                                     |      |                   |                   |                   |                   |
| <b>attributable to owners of the parent (Euros per share)</b> |      |                   |                   |                   |                   |
| <b>Basic earnings per share</b>                               | 18   | <u>0.20 Euros</u> | <u>0.15 Euros</u> | <u>0.05 Euros</u> | <u>0.04 Euros</u> |
| <b>Diluted earnings per share</b>                             | 18   | <u>0.20 Euros</u> | <u>0.15 Euros</u> | <u>0.05 Euros</u> | <u>0.04 Euros</u> |

9 M \* - period of 9 months ended

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 9 months ended 30 September 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                                                     | -                                    | -               | -             | -              | -                      | 4,657                          | 385                       | 5,042          |
| <b>Transactions with owners</b>                                                               |                                      |                 |               |                |                        |                                |                           |                |
| Dividends                                                                                     | 11, 12                               | -               | -             | -              | -                      | (3,955)                        | (1,800)                   | (5,755)        |
| Legal reserve                                                                                 |                                      | -               | -             | 140            | -                      | (140)                          | -                         | -              |
| Treasury shares movements                                                                     |                                      | -               | 113           | -              | -                      | 625                            | -                         | 738            |
| Share-based payments                                                                          |                                      | -               | -             | -              | 249                    | -                              | -                         | 249            |
| Foreign currency translation reserve                                                          |                                      | -               | -             | -              | -                      | 83                             | 85                        | 168            |
| Transactions with owners                                                                      |                                      | -               | 113           | -              | 140                    | (3,387)                        | (1,715)                   | (4,600)        |
| <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 30 September, 2011</b>                                                          | <b>15,701</b>                        | <b>(490)</b>    | <b>43,560</b> | <b>2,505</b>   | <b>1,325</b>           | <b>31,938</b>                  | <b>4,394</b>              | <b>98,933</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                                                     | -                                    | -               | -             | -              | -                      | 6,019                          | 1,206                     | 7,225          |
| <b>Transactions with owners</b>                                                               |                                      |                 |               |                |                        |                                |                           |                |
| Dividends                                                                                     | 11                                   | -               | -             | -              | -                      | (920)                          | -                         | (920)          |
| Legal reserve                                                                                 |                                      | -               | -             | 537            | -                      | (537)                          | -                         | -              |
| Treasury shares movements                                                                     |                                      | -               | 119           | -              | -                      | 584                            | -                         | 703            |
| Share-based payments (a)                                                                      |                                      | -               | -             | -              | (1,459)                | 1,459                          | -                         | -              |
| Share-based payments                                                                          |                                      | -               | -             | -              | 256                    | -                              | -                         | 256            |
| Foreign currency translation reserve                                                          |                                      | -               | -             | -              | -                      | (53)                           | (51)                      | (104)          |
| Transactions with owners                                                                      |                                      | -               | 119           | -              | 537                    | (1,203)                        | (51)                      | (65)           |
| <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 30 September, 2012</b>                                                          | <b>15,701</b>                        | <b>(371)</b>    | <b>43,560</b> | <b>3,042</b>   | <b>204</b>             | <b>36,497</b>                  | <b>10,966</b>             | <b>109,599</b> |

(a) Transfer of the balance of share options fully vested.

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

## Condensed Consolidated Interim Statement of Cash Flows for the period of 9 months ended 30 September 2012

(Amounts expressed in thousands of Euros)

|                                                                         |        | 9 M *    |          | 3 M *    |          |
|-------------------------------------------------------------------------|--------|----------|----------|----------|----------|
|                                                                         | Note   | 30.09.12 | 30.09.11 | 30.09.12 | 30.09.11 |
| <b>Cash flows from operating activities</b>                             |        |          |          |          |          |
| Net Cash generated / (used) in operating activities                     |        | 20,215   | (6,065)  | 4,370    | (6,461)  |
| <b>Cash flows from investing activities</b>                             |        |          |          |          |          |
| Receipts:                                                               |        |          |          |          |          |
| Proceeds on disposal of subsidiaries and associates                     |        | 81       | 81       | 81       | 78       |
| Capital contribution by non-controlling interests of FCR II             |        | 1,500    | -        | 1,500    | -        |
| Loan repayments received from associates                                |        | 277      | 414      | 34       | -        |
| Proceeds on disposal of property, plant and equipment                   |        | 1        | 4        | -        | 4        |
| Interest received                                                       |        | 617      | 482      | 209      | 89       |
|                                                                         |        | 2,476    | 981      | 1,824    | 171      |
| Payments:                                                               |        |          |          |          |          |
| Acquisition of subsidiaries and associates                              |        | (543)    | (738)    | (83)     | (400)    |
| Loans granted to associates                                             |        | (3,642)  | (330)    | (1,670)  | (236)    |
| Purchases of available-for-sale financial assets                        |        | (10,000) | -        | -        | -        |
| Purchases of property, plant and equipment                              |        | (605)    | (1,147)  | (251)    | (207)    |
| Purchases of intangible assets                                          |        | (356)    | (1,808)  | (123)    | (518)    |
|                                                                         |        | (15,146) | (4,023)  | (2,127)  | (1,361)  |
| Net Cash used in investing activities                                   |        | (12,670) | (3,042)  | (303)    | (1,190)  |
| <b>Cash flows from financing activities</b>                             |        |          |          |          |          |
| Receipts:                                                               |        |          |          |          |          |
| Proceeds from borrowings                                                |        | -        | 2,489    | -        | 96       |
|                                                                         |        | -        | 2,489    | -        | 96       |
| Payments:                                                               |        |          |          |          |          |
| Repayments of borrowings                                                |        | (2,822)  | (3,092)  | (603)    | (1,772)  |
| Dividends paid                                                          | 11, 12 | (920)    | (5,755)  | -        | (1,800)  |
| Payment of finance lease liabilities                                    |        | (1,287)  | (1,365)  | (450)    | (479)    |
| Interest paid                                                           |        | (823)    | (636)    | (270)    | (206)    |
|                                                                         |        | (5,852)  | (10,848) | (1,323)  | (4,257)  |
| Net Cash used in financing activities                                   |        | (5,852)  | (8,359)  | (1,323)  | (4,161)  |
| Cash, cash equivalents and bank overdrafts at beginning of period       |        | 27,157   | 27,057   | 26,105   | 21,374   |
| Net increase / (decrease) of cash, cash equivalents and bank overdrafts |        | 1,693    | (17,466) | 2,744    | (11,812) |
| Effect from exchange rate fluctuations on cash held                     |        | (10)     | (7)      | (9)      | 22       |
| Cash, cash equivalents and bank overdrafts at end of period             | 10     | 28,840   | 9,584    | 28,840   | 9,584    |

9 M \* - period of 9 months ended

3 M \* - period of 3 months ended

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

In the second half of 2012, Novabase reorganized its Digital TV operations. Solutions geared toward TV operators were included in the Infrastructures & Managed Services business. These businesses have similar operations and maturity levels and therefore their integration will lead to an increase in overall efficiency. On the other hand, the System-in-Package (SIP) solutions were transferred to the Venture Capital business. These offers, strongly supported by R&D and intellectual property investments, will find the appropriate platform for their future development in Novabase Capital, including creation of strategic partnerships and international distribution channels. These changes came into force at the start of the second half of 2012. Accordingly, Novabase will disclose its results in the following business areas: i) Business Solutions (BS), ii) Infrastructures & Managed Services (IMS) and iii) Venture Capital (VC).

Novabase is listed on the Euronext Lisbon.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on October 25, 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 nine months ended 30 September 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

In the second half of 2012, Novabase reorganized its Digital TV (DTV) operations. Solutions geared toward TV operators were included in the IMS business. The System-in-Package (SIP) solutions were transferred to the VC business.

The table below shows the amounts of each of the offerings that have been disclosed in DTV segment, in 2011, and were transferred to IMS and VC segments in 2012.

|                                           | IMS (*) | Units of<br>former DTV | IMS     | VC (*)  | Units of<br>former DTV | VC      |
|-------------------------------------------|---------|------------------------|---------|---------|------------------------|---------|
| <b>At 30 September 2011</b>               |         |                        |         |         |                        |         |
| Total segment Sales and services rendered | 75,013  | 35,867                 | 110,880 | 1,896   | 7,640                  | 9,536   |
| Inter-segment Sales and services rendered | 10,441  | 1,233                  | 11,674  | 919     | 835                    | 1,754   |
| Sales and services rendered               | 64,572  | 34,634                 | 99,206  | 977     | 6,805                  | 7,782   |
| Depreciation and amortisation             | (1,029) | (431)                  | (1,460) | (139)   | (124)                  | (263)   |
| Operating profit/(loss)                   | 2,283   | 1,897                  | 4,180   | (1,119) | (739)                  | (1,858) |
| Finance costs – net                       | (564)   | (102)                  | (666)   | (22)    | (22)                   | (44)    |
| Share of loss of associates               | -       | -                      | -       | (31)    | -                      | (31)    |
| Income tax expense                        | (1,876) | 832                    | (1,044) | 175     | -                      | 175     |
| Profit/(Loss) from operations             | (157)   | 2,627                  | 2,470   | (997)   | (761)                  | (1,758) |

**Other information:**

|                                    |     |     |     |   |    |    |
|------------------------------------|-----|-----|-----|---|----|----|
| (Provisions) / Provisions reversal | 531 | 132 | 663 | - | 29 | 29 |
|------------------------------------|-----|-----|-----|---|----|----|

(\*) Amounts disclosed in the Report and Accounts for the 3<sup>rd</sup> quarter of 2011.

The segment results presented below consider the new internal reporting organization, with the comparatives restated.

|                                           | Business<br>Solutions | IMS     | Venture<br>Capital | NOVABASE |
|-------------------------------------------|-----------------------|---------|--------------------|----------|
| <b>At 30 September 2011</b>               |                       |         |                    |          |
| Total segment Sales and services rendered | 111,031               | 110,880 | 9,536              | 231,447  |
| Inter-segment Sales and services rendered | 45,469                | 11,674  | 1,754              | 58,897   |
| Sales and services rendered               | 65,562                | 99,206  | 7,782              | 172,550  |
| Depreciation and amortisation             | (2,736)               | (1,460) | (263)              | (4,459)  |
| Operating profit/(loss)                   | 4,899                 | 4,180   | (1,858)            | 7,221    |
| Finance costs – net                       | 84                    | (666)   | (44)               | (626)    |
| Share of loss of associates               | (49)                  | -       | (31)               | (80)     |
| Income tax expense                        | (604)                 | (1,044) | 175                | (1,473)  |
| Profit/(Loss) from operations             | 4,330                 | 2,470   | (1,758)            | 5,042    |
| <b>Other information:</b>                 |                       |         |                    |          |
| (Provisions) / Provisions reversal        | 127                   | 663     | 29                 | 819      |

|                                           | Business<br>Solutions | IMS     | Venture<br>Capital | NOVABASE |
|-------------------------------------------|-----------------------|---------|--------------------|----------|
| <b>At 30 September 2012</b>               |                       |         |                    |          |
| Total segment Sales and services rendered | 119,730               | 85,102  | 12,898             | 217,730  |
| Inter-segment Sales and services rendered | 48,040                | 11,775  | 2,317              | 62,132   |
| Sales and services rendered               | 71,690                | 73,327  | 10,581             | 155,598  |
| Depreciation and amortisation             | (2,702)               | (1,209) | (414)              | (4,325)  |
| Operating profit/(loss)                   | 7,533                 | 3,829   | (1,441)            | 9,921    |
| Finance costs – net                       | 251                   | (437)   | (89)               | (275)    |
| Share of loss of associates               | (135)                 | -       | (105)              | (240)    |
| Income tax expense                        | (1,603)               | (494)   | (84)               | (2,181)  |
| Profit/(Loss) from operations             | 6,046                 | 2,898   | (1,719)            | 7,225    |
| <b>Other information:</b>                 |                       |         |                    |          |
| (Provisions) / Provisions reversal        | 147                   | (352)   | (204)              | (409)    |

## 6. Business combinations

In the end of the 1st half of 2012, the Group acquired 100% of the share capital of Binómio, a company specialising in financial assets management solutions, for an amount indexed to its future performance. This investment is part of Novabase's growth strategy for the Financial Services sector. Binómio holds a paramount position in Portugal with insurance and pension management companies. It also has customers in the PALOPs (African Portuguese Speaking Countries), namely in Angola. This company was included in consolidation by full method, and affecting Business Solutions segment.

The total consideration of EUR 206 thousand corresponds to a contingent consideration, with an initial advanced payment of EUR 136 thousand, paid in cash, and an amount of EUR 70 thousand to be paid until 2017, depending on future goals to be achieved by the subsidiary in terms of Free Cash Flow.

The Goodwill arising from this acquisition, of EUR 249 thousand, is attributable mainly to access to the highly skilled workforce of Binómio in that market.

The consideration paid for Binómio, and the amounts of assets acquired and liabilities assumed recognised at the acquisition date, are detailed as follows:

|                                                                                   | Jun-12            |
|-----------------------------------------------------------------------------------|-------------------|
| <b>Consideration</b>                                                              |                   |
| Advanced payment in cash                                                          | 136               |
| Remaining contingent consideration                                                | 70                |
| <b>Total consideration</b>                                                        | <b>206</b>        |
|                                                                                   | <b>Fair value</b> |
| <b>Recognised amounts of identifiable assets acquired and liabilities assumed</b> |                   |
| Property, plant and equipment and intangible assets                               | 30                |
| Deferred income tax assets                                                        | 15                |
| Trade and other receivables                                                       | 84                |
| Accrued income                                                                    | 7                 |
| Cash and cash equivalents                                                         | 6                 |
| Trade and other payables                                                          | (153)             |
| Deferred income                                                                   | (32)              |
| <b>Total identifiable net assets</b>                                              | <b>(43)</b>       |
| Goodwill                                                                          | 249               |
|                                                                                   | <b>206</b>        |

**7. Property, plant and equipment and intangible assets**

During the periods ended at 30 September 2012 and 30 September 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                   | 2,426                         | 1,900             |
| Write off's / disposals                    | (115)                         | -                 |
| Change in consolidation universe           | 7                             | -                 |
| Exchange differences                       | (2)                           | -                 |
| Depreciation and amortisation              | (2,609)                       | (1,850)           |
| <b>Net book value at 30 September 2011</b> | <b>9,543</b>                  | <b>31,279</b>     |
| <b>Net book value at 1 January 2012</b>    | 9,000                         | 31,127            |
| Acquisitions / increases                   | 966                           | 606               |
| Write off's / disposals                    | (337)                         | -                 |
| Change in consolidation universe           | 27                            | 3                 |
| Exchange differences                       | (6)                           | -                 |
| Depreciation and amortisation              | (2,375)                       | (1,950)           |
| <b>Net book value at 30 September 2012</b> | <b>7,275</b>                  | <b>29,786</b>     |

**8. Deferred income tax assets and liabilities**

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

|                                         | 30.09.12      | 31.12.11      |
|-----------------------------------------|---------------|---------------|
| <b>Balance at 1 January</b>             | 12,387        | 10,396        |
| Change in consolidation universe        | 15            | 19            |
| Reclassifications                       | -             | (30)          |
| Exchange differences                    | (7)           | 2             |
| Discontinued operations                 | -             | 592           |
| Profit or loss charge                   | (517)         | 1,408         |
| <b>Balance at the end of the period</b> | <b>11,878</b> | <b>12,387</b> |

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

|                                         | 30.09.12   | 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               | (597)        | 227            | (147)                    | (517)         |
| Change in consolidation universe    | 15           | -              | -                        | 15            |
| Exchange differences                | (7)          | -              | -                        | (7)           |
| <b>Balance at 30 September 2012</b> | <b>2,315</b> | <b>7,917</b>   | <b>1,646</b>             | <b>11,878</b> |

**9. Trade and other receivables**

|                                                                      | <b>30.09.12</b> | <b>31.12.11</b> |
|----------------------------------------------------------------------|-----------------|-----------------|
| Trade receivables                                                    | 73,002          | 85,608          |
| Allowance for impairment of trade receivables                        | (2,868)         | (2,854)         |
|                                                                      | <u>70,134</u>   | <u>82,754</u>   |
| Prepayments to suppliers                                             | 1,334           | 546             |
| Employees                                                            | 163             | 133             |
| Value added tax                                                      | 812             | 650             |
| Receivables from related parties (note 19)                           | 4,026           | 597             |
| Financial investments disposal                                       | 68              | 146             |
| Receivables from financed projects                                   | 2,990           | 3,040           |
| Capital subscribers of FCR NB Capital Inovação e Internacionalização | 2,350           | 3,850           |
| Other receivables                                                    | 4,936           | 4,775           |
| Allowance for impairment of other receivables                        | (3,605)         | (3,661)         |
|                                                                      | <u>13,074</u>   | <u>10,076</u>   |
|                                                                      | <u>83,208</u>   | <u>92,830</u>   |

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

|                                  | <b>Trade receivables</b> |                 | <b>Other receivables</b> |                 | <b>Total</b>    |                 |
|----------------------------------|--------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
|                                  | <b>30.09.12</b>          | <b>31.12.11</b> | <b>30.09.12</b>          | <b>31.12.11</b> | <b>30.09.12</b> | <b>31.12.11</b> |
| Balance at 1 January             | 2,854                    | 2,012           | 3,661                    | 3,442           | 6,515           | 5,454           |
| Change in consolidation universe | 7                        | 62              | -                        | -               | 7               | 62              |
| Impairment                       | 207                      | 988             | -                        | 218             | 207             | 1,206           |
| Impairment reversal              | (125)                    | (208)           | (55)                     | -               | (180)           | (208)           |
| Recovery of bad debts            | -                        | -               | -                        | 1               | -               | 1               |
| Exchange differences             | -                        | -               | (1)                      | -               | (1)             | -               |
| Write off's                      | (75)                     | -               | -                        | -               | (75)            | -               |
|                                  | <u>2,868</u>             | <u>2,854</u>    | <u>3,605</u>             | <u>3,661</u>    | <u>6,473</u>    | <u>6,515</u>    |

**10. 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:

|                            | <b>30.09.12</b> | <b>31.12.11</b> |
|----------------------------|-----------------|-----------------|
| - Cash                     | 45              | 24              |
| - Short term bank deposits | 28,799          | 27,133          |
| Cash and cash equivalents  | <u>28,844</u>   | <u>27,157</u>   |
| - Overdrafts               | (4)             | -               |
|                            | <u>28,840</u>   | <u>27,157</u>   |

**11. Reserves and retained earnings**

In the annual General Meeting of Shareholders held on 3 May 2012, it was approved the payment to shareholders of an amount of EUR 942 thousand, corresponding to 0.03 Euros per share. The payment occurred in June, 2012.

|                                                         | <b>30.09.12</b> | <b>30.09.11</b> |
|---------------------------------------------------------|-----------------|-----------------|
| Payment to shareholders                                 | 920             | 3,955           |
| Remuneration of the treasury shares held by the Company | 22              | 127             |
|                                                         | <u>942</u>      | <u>4,082</u>    |

## 12. Non-controlling interests

|                                                                 | 30.09.12      | 31.12.11     |
|-----------------------------------------------------------------|---------------|--------------|
| <b>Balance at 1 January</b>                                     | 9,811         | 5,724        |
| (*) Change in consolidation universe                            | -             | 5,500        |
| Dividends paid by Celfocus to non-controlling interests         | -             | (1,800)      |
| Foreign currency translation differences for foreign operations | (51)          | 98           |
| Profit attributable to non-controlling interests                | 1,206         | 289          |
| <b>Balance at the end of the period</b>                         | <u>10,966</u> | <u>9,811</u> |

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

## 13. Borrowings

|                           | 30.09.12      | 31.12.11      |
|---------------------------|---------------|---------------|
| <b>Non-current</b>        |               |               |
| Bank borrowings           | 7,638         | 10,500        |
| Finance lease liabilities | 1,065         | 1,528         |
|                           | <u>8,703</u>  | <u>12,028</u> |
| <b>Current</b>            |               |               |
| Bank borrowings           | 4,097         | 4,053         |
| Finance lease liabilities | 1,030         | 1,226         |
|                           | <u>5,127</u>  | <u>5,279</u>  |
| <b>Total borrowings</b>   | <u>13,830</u> | <u>17,307</u> |

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

|                  | 30.09.12     | 31.12.11     |
|------------------|--------------|--------------|
| 6 months or less | 2,022        | 2,269        |
| 6 to 12 months   | 2,075        | 1,784        |
|                  | <u>4,097</u> | <u>4,053</u> |

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

|                       | 30.09.12     | 31.12.11      |
|-----------------------|--------------|---------------|
| Between 1 and 2 years | 3,150        | 3,650         |
| Between 2 and 5 years | 4,488        | 6,775         |
| Over 5 years          | -            | 75            |
|                       | <u>7,638</u> | <u>10,500</u> |

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

|                 | 30.09.12 | 31.12.11 |
|-----------------|----------|----------|
| Bank borrowings | 5.260%   | 5.359%   |
| Bank overdrafts | 1.474%   | N/A      |

Gross finance lease liabilities – minimum lease payments:

|                                            | 30.09.12     | 31.12.11     |
|--------------------------------------------|--------------|--------------|
| No later than 1 year                       | 1,370        | 1,672        |
| Between 1 and 5 years                      | 1,381        | 2,004        |
|                                            | <u>2,751</u> | <u>3,676</u> |
| Future finance charges on finance leases   | (656)        | (922)        |
| Present value of finance lease liabilities | <u>2,095</u> | <u>2,754</u> |

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

|                       | 30.09.12     | 31.12.11     |
|-----------------------|--------------|--------------|
| No later than 1 year  | 1,030        | 1,226        |
| Between 1 and 5 years | 1,065        | 1,528        |
|                       | <u>2,095</u> | <u>2,754</u> |

#### 14. 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          |
| Change in consolidation universe    | -          | -            | 20                      | 20           |
| <b>Balance at 31 December 2011</b>  | 901        | 240          | 580                     | 1,721        |
| Additional provisions               | 145        | -            | 1,386                   | 1,531        |
| Reversals                           | (283)      | -            | (834)                   | (1,117)      |
| Exchange differences                | -          | -            | (13)                    | (13)         |
| <b>Balance at 30 September 2012</b> | <u>763</u> | <u>240</u>   | <u>1,119</u>            | <u>2,122</u> |

#### 15. Trade and other payables

|                                                                 | 30.09.12      | 31.12.11      |
|-----------------------------------------------------------------|---------------|---------------|
| Trade payables                                                  | 19,888        | 24,939        |
| Remunerations, vacations and vacation and Christmas subsidies   | 10,066        | 8,147         |
| Restructuring costs not yet paid                                | 335           | 546           |
| Bonus                                                           | 7,763         | 7,442         |
| Ongoing projects                                                | 4,079         | 3,727         |
| Value added tax                                                 | 4,838         | 7,263         |
| Social security contributions                                   | 1,126         | 2,026         |
| Income tax withholding                                          | 959           | 1,590         |
| Employees                                                       | 292           | 288           |
| Prepayments from trade receivables                              | 1,287         | -             |
| Acquisition of financial interests to related parties (note 19) | 205           | 714           |
| Acquisition of financial interest in Evolvespace Solutions      | 151           | 86            |
| Other accrued expenses                                          | 5,348         | 4,027         |
| Other payables                                                  | 217           | 140           |
|                                                                 | <u>56,554</u> | <u>60,935</u> |

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

|                                                                   | 30.09.12     | 30.09.11   |
|-------------------------------------------------------------------|--------------|------------|
| Impairment and impairment reversal of trade and other receivables | (27)         | (14)       |
| Impairment and impairment reversal of inventories                 | 32           | 379        |
| Warranties provision                                              | 138          | 19         |
| Provisions for other risks and charges                            | (552)        | 435        |
| Operating subsidies                                               | (4)          | 113        |
| Compensation paid to Novabase - Electronic School Card            | 2,697        | -          |
| Other operating income and expense                                | 202          | (343)      |
|                                                                   | <u>2,486</u> | <u>589</u> |

**17. 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>30.09.12</b> | <b>30.09.11</b> |
|-----------------------------------------------------------------------------------------|-----------------|-----------------|
| Profit before income tax                                                                | 9,406           | 6,515           |
| <b>Income tax expense at nominal rate (25%)</b>                                         | <b>2,352</b>    | <b>1,629</b>    |
| Tax benefit on the net creation of employment for young and long term unemployed people | (350)           | (391)           |
| Provisions and amortisations not considered for tax purposes                            | 155             | 226             |
| Associates' results reported net of tax                                                 | 60              | 20              |
| Autonomous taxation                                                                     | 487             | 7               |
| Losses in companies where no deferred tax is recognised                                 | (119)           | 42              |
| Expenses not deductible for tax purposes                                                | (121)           | 21              |
| Differential tax rate on companies located abroad                                       | 115             | (84)            |
| Research & Development tax benefit                                                      | (864)           | (335)           |
| Municipal surcharge and State surcharge                                                 | 136             | 137             |
| Impairment of Special Payment on Account, tax losses and withholding taxes              | 179             | 208             |
| Other                                                                                   | 151             | (7)             |
| <b>Income tax expense</b>                                                               | <b>2,181</b>    | <b>1,473</b>    |

**18. Earnings per share**

|                                                              | <b>30.09.12</b> | <b>30.09.11</b> |
|--------------------------------------------------------------|-----------------|-----------------|
| Weighted average number of ordinary shares in issue          | 30,579,175      | 30,361,154      |
| Stock options adjustment                                     | -               | -               |
| Adjusted weighted average number of ordinary shares in issue | 30,579,175      | 30,361,154      |
| Profit attributable to owners of the parent                  | 6,019           | 4,657           |
| Basic earnings per share (Euros per share)                   | 0.20 Euros      | 0.15 Euros      |
| Diluted earnings per share (Euros per share)                 | 0.20 Euros      | 0.15 Euros      |

**19. 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>30.09.12</b> | <b>30.09.11</b> |
|-------------------------------------------------|-----------------|-----------------|
| Salaries and other short-term employee benefits | 4,208           | 3,694           |
| Stock options granted                           | 256             | 249             |
|                                                 | <b>4,464</b>    | <b>3,943</b>    |

## ii) Acquisition of financial interests to related parties

|                                                                       | <b>30.09.12</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)

|                                       | <b>Non-current</b> |                 | <b>Current (note 15)</b> |                 | <b>Total</b>    |                 |
|---------------------------------------|--------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
|                                       | <b>30.09.12</b>    | <b>31.12.11</b> | <b>30.09.12</b>          | <b>31.12.11</b> | <b>30.09.12</b> | <b>31.12.11</b> |
| Novabase Consulting SGPS              | -                  | -               | -                        | 306             | -               | 306             |
| Novabase A.C.D.                       | -                  | 78              | 40                       | 109             | 40              | 187             |
| SAF                                   | -                  | 32              | 32                       | 33              | 32              | 65              |
| Novabase International Solutions B.V. | -                  | 133             | 133                      | 266             | 133             | 399             |
|                                       | <b>-</b>           | <b>243</b>      | <b>205</b>               | <b>714</b>      | <b>205</b>      | <b>957</b>      |

## iv) Other balances with related parties

|                                                  | 30.09.12 | 31.12.11 |
|--------------------------------------------------|----------|----------|
| Loan to Novabase Atlântico, SI, S.A. (associate) | 642      | 550      |
| Loan to Powergrid, Lda (associate)               | 550      | -        |
| (*) Loan to DTV Research, Lda (associate)        | 1,310    | -        |
| (*) Loan to Bright Innovation, Lda (associate)   | 1,477    | -        |
| Loans to other shareholders                      | 47       | 47       |
| Receivables from related parties (note 9)        | 4,026    | 597      |

(\*) New investment from FCR NB Capital Inovação e Internacionalização.

## 20. 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 cancelled the procedures brought forward by the Instituto de Gestão Financeira da Segurança Social to Novabase E.A. 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.
- 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 Appeals Court decided in favour of Novabase, wherein the plaintiff filed an appeal to the Supreme Court of Justice. The procedure awaits decision on this appeal.
- It was cancelled 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 and 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 cancelled.
- It was cancelled 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 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.
- IMS has filed insolvency procedure against Alfasom, claiming credits in the amount of approximately EUR 88 thousand. After creditor's Assembly, the Judge issued a ruling determining the dissolution and sale of assets to pay the Creditor's.
- It was closed the 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.

## 21. Events after the reporting period

No events worthy of note happened until the date of conclusion of this report.

## 22. 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.