Accounts

Novabase XXV anos years

NOVABASE
like life

Consolidated Financial Statements
for the year ended 31 December 2013

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

(Page left intentionally blank)

INDEX

(Page left intentionally blank)

I. CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2013

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

Consolidated Statement of Financial Position as at 31 December 2013

(Amounts expressed in thousands of Euros)

	Note	31.12.13	31.12.12
Assets			
Non-Current Assets			
Property, plant and equipment	7	6,120	7,101
Intangible assets	8	32,095	31,660
Investments in associates	9	961	855
Financial assets at fair value through profit or loss	10	1,256	1,731
Deferred income tax assets	11	14,901	12,249
Other non-current assets	40	4,868	-
Total Non-Current Assets		**60,201**	**53,596**
Current Assets			
Inventories	12	8,925	4,474
Trade and other receivables	14	87,975	92,489
Accrued income	15	12,421	10,035
Income tax receivable		2,236	2,057
Derivative financial instruments	16	514	216
Other current assets	17	4,470	5,782
Financial assets held for trading	18	5,015	9,855
Cash and cash equivalents	19	32,942	40,452
Total Current Assets		**154,498**	**165,360**
Assets for discontinued operations		-	-
Total Assets		**214,699**	**218,956**
Equity			
Share capital	20	15,701	15,701
Treasury shares	20	(295)	(371)
Share premium	20	43,560	43,560
Reserves and retained earnings	21	23,756	33,481
Profit for the year		7,510	7,906
Total Equity attributable to owners of the parent		90,232	100,277
Non-controlling interests	22	11,522	10,613
Total Equity		**101,754**	**110,890**
Liabilities			
Non-Current Liabilities			
Borrowings	23	14,031	11,287
Provisions	24	4,386	2,436
Deferred income tax liabilities	11	100	100
Other non-current liabilities	25	70	70
Total Non-Current Liabilities		**18,587**	**13,893**
Current Liabilities			
Borrowings	23	7,353	5,246
Trade and other payables	26	61,764	59,755
Income tax payable		89	916
Derivative financial instruments	16	77	34
Deferred income and other current liabilities	27	24,755	27,902
Total Current Liabilities		**94,038**	**93,853**
Liabilities for discontinued operations		320	320
Total Liabilities		**112,945**	**108,066**
Total Equity and Liabilities		**214,699**	**218,956**

THE ACOUNTANT THE BOARD OF DIRECTORS

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

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

Consolidated Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2013

(Amounts expressed in thousands of Euros)

		12 M *	
	Note	**31.12.13**	**31.12.12**
Sales	5	78,282	74,280
Services rendered	5	138,548	137,795
Cost of sales	12	(67,165)	(65,126)
External supplies and services	28	(54,441)	(52,228)
Employee benefit expense	29	(79,808)	(75,936)
Other gains/(losses) - net	30	(556)	(725)
Depreciation and amortisation	31	(5,731)	(5,757)
Operating Profit		**9,129**	**12,303**
Finance income	32	3,253	4,731
Finance costs	33	(3,900)	(4,721)
Share of (loss)/profit of associates	34	73	(176)
Profit Before Income Tax		**8,555**	**12,137**
Income tax expense	35	693	(2,376)
Profit for the Year		**9,248**	**9,761**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**9,248**	**9,761**
Profit attributable to:			
Owners of the parent		7,510	7,906
Non-controlling interests	22	1,738	1,855
		9,248	9,761
Total comprehensive income attributable to:			
Owners of the parent		7,510	7,906
Non-controlling interests	22	1,738	1,855
		9,248	9,761
Earnings per share			
attributable to owners of the parent (Euros per share)			
Basic earnings per share	36	**0.24 Euros**	**0.26 Euros**
Diluted earnings per share	36	**0.24 Euros**	**0.26 Euros**

12 M * - period of 12 months ended

THE ACOUNTANT

THE BOARD OF DIRECTORS

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

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

Consolidated Statement of Changes in Equity
for the year ended 31 December 2013

(Amounts expressed in thousands of Euros)

		Attributable to owners of the parent							
	Note	Share capital	Treasury shares	Share premium	Legal reserves	Stock options reserves	Reserves and retained earnings	Non-controlling interests	Total Equity
Balance at 1 January, 2012		**15,701**	**(490)**	**43,560**	**2,505**	**1,407**	**29,945**	**9,811**	**102,439**
Total comprehensive income for the year		-	-	-	-	-	7,906	1,855	9,761
Transactions with owners									
Dividends	21, 22	-	-	-	-	-	(920)	(900)	(1,820)
Legal reserve	21	-	-	-	537	-	(537)	-	-
Treasury shares movements	20	-	119	-	-	-	584	-	703
Share-based payments (a)	20	-	-	-	-	(1,459)	1,459	-	-
Share-based payments	20, 29	-	-	-	-	182	-	-	182
Change in consolidation universe	22	-	-	-	-	-	-	66	66
Foreign currency translation reserve		-	-	-	-	-	(222)	(219)	(441)
Transactions with owners		-	119	-	537	(1,277)	364	(1,053)	(1,310)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests		-	-	-	-	-	-	-	-
Balance at 31 December, 2012		**15,701**	**(371)**	**43,560**	**3,042**	**130**	**38,215**	**10,613**	**110,890**

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

Balance at 1 January, 2013		**15,701**	**(371)**	**43,560**	**3,042**	**130**	**38,215**	**10,613**	**110,890**
Total comprehensive income for the year		-	-	-	-	-	7,510	1,738	9,248
Transactions with owners									
Dividends	21, 22	-	-	-	-	-	(18,483)	-	(18,483)
Legal reserve	21	-	-	-	98	-	(98)	-	-
Treasury shares movements	20	-	76	-	-	-	387	-	463
Share-based payments	20, 29	-	-	-	-	196	-	-	196
Foreign currency translation reserve		-	-	-	-	-	(433)	(398)	(831)
Transactions with owners		-	76	-	98	196	(18,627)	(398)	(18,655)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests		-	-	-	-	-	702	(431)	271
Balance at 31 December, 2013		**15,701**	**(295)**	**43,560**	**3,140**	**326**	**27,800**	**11,522**	**101,754**

THE ACOUNTANT

THE BOARD OF DIRECTORS

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

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

Consolidated Statement of Cash Flows
for the year ended 31 December 2013

(Amounts expressed in thousands of Euros)

	Note	12 M * 31.12.13	12 M * 31.12.12
Cash flows from operating activities			
Cash receipts from customers		215,143	222,111
Cash paid to suppliers and employees		(204,138)	(192,143)
Cash generated from operations		11,005	29,968
Income taxes received / (paid)		(1,469)	855
Other operating proceeds / (payments)		(2,189)	3,000
		(3,658)	3,855
Net Cash generated from operating activities		**7,347**	**33,823**
Cash flows from investing activities			
Receipts:			
Proceeds on disposal of subsidiaries and associates		2,283	82
Loan repayments received from associates		498	295
Transactions with non-controlling interests	21	251	-
Proceeds on disposal of financial assets held for trading	18	15,000	-
Proceeds on disposal of property, plant and equipment		46	1
Interest received		820	1,023
		18,898	1,401
Payments:			
Acquisition of subsidiaries and associates		(224)	(782)
Loans granted to associates		(4,009)	(4,024)
Transactions with non-controlling interests	21	(151)	-
Purchases of financial assets held for trading	18	(10,015)	(10,000)
Purchases of property, plant and equipment		(1,755)	(985)
Purchases of intangible assets		(3,406)	(2,821)
		(19,560)	(18,612)
Net Cash used in investing activities		**(662)**	**(17,211)**
Cash flows from financing activities			
Receipts:			
Proceeds from borrowings		9,568	4,000
Capital contribution by non-controlling interests (i)		2,350	1,521
		11,918	5,521
Payments:			
Repayments of borrowings		(4,806)	(4,088)
Dividends paid	21, 22	(18,483)	(1,820)
Payment of finance lease liabilities		(1,551)	(1,731)
Interest paid		(1,249)	(1,132)
		(26,089)	(8,771)
Net Cash used in financing activities		**(14,171)**	**(3,250)**
Cash, cash equivalents and bank overdrafts at beg. of year	19	**40,452**	**27,157**
Net increase / (decrease) of cash, cash equivalents and bank overdrafts		**(7,486)**	**13,362**
Effect from exchange rate fluctuations on cash held		**(24)**	**(67)**
Cash, cash equivalents and bank overdrafts at end of year	19	**32,942**	**40,452**

12 M * - period of 12 months ended

(i) In 2013: FCR NB Capital Inovação e Internacionalização. In 2012: FCR NB Capital Inovação e Internacionalização (EUR 1,500 thousand) and NBMSIT (EUR 21 thousand).

THE ACOUNTANT THE BOARD OF DIRECTORS

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

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

Notes to the Consolidated Financial Statements

for the year ended 31 December 2013

1. General information

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

Novabase's activity is structured around six industries - Telecoms & Media, Financial Services, Government & Healthcare, Energy & Utilities, Aerospace & Transportation and Manufacturing & Services.

Novabase's activity is aggregated into 3 business areas:

(i) **Business Solutions (BS)** - This area of Novabase incorporates a number of competencies with technology, management, design and business expertise.

(ii) **Infrastructures & Managed Services (IMS)** - This area of Novabase focuses its engineering and consulting expertise in Information and Communication Technologies (ICT) to design, plan and deploy complex infrastructures as well as transform, manage, operate and optimize these assets through comprehensive projects such as outsourcing services. During 2011, and for the purpose of developing and focusing its growth on services and expanding internationally, IMS restructured its offer by consolidating its areas of Intelligent Infrastructures and IT Management solutions. Now with just one IMS Solutions portfolio, it still specializes in engineering solutions and IT management, but focusing on ongoing services for operations, maintenance and management, in particular areas involving infrastructure outsourcing.

(iii) **Venture Capital (VC)** - This area develops a corporate venture capital activity throughout Novabase Capital, Sociedade de Capital de Risco, S.A., which has as main purpose to identify and support Portuguese ICT business projects, in early development or expanding, with high value potential and synergies with Novabase. Novabase Capital has ownership in three venture capital funds: FCR Novabase Capital, FCR Novabase Capital Inovação e Internacionalização and FCR IStart I (the first two managed by Novabase Capital).

Novabase is listed on the Euronext Lisbon.

The share capital is represented by 31,401,394 shares (2012: 31,401,394 shares), and all shares have a nominal value of 0.5 Euros each.

These consolidated financial statements were approved for issue by the Board of Directors on March 27, 2014. In the opinion of the Board of Directors these financial statements fairly present the Group operations, as well as its financial position, financial performance and cash flows.

These financial statements will be approved in the General Meeting of Shareholders.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1. Basis of preparation

The consolidated financial statements of Novabase have been prepared in accordance with International Financial Reporting Standards - IFRS, as adopted by the European Union (EU) as at 31 December 2013.

Standards and interpretations that became effective at 1 January 2013:

• **IAS 1 (amendment)**, ‘Presentation of financial statements’. This amendment changes the disclosure of items presented in other comprehensive income (OCI), requiring entities to separate items in OCI on whether or not they may be recycled to profit or loss in the future and the related tax amount if OCI items presented before tax. This amendment had only as impact on the Group financial statements the change of name of the Statement of comprehensive income to Statement of profit and loss and other comprehensive income.

• **IAS 12 (amendment)**, ‘Income taxes’. This amendment requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendments also incorporate into IAS 12 the guidance previously contained in SIC 21, which is accordingly withdrawn. This amendment had no impact on the Group's financial statements.

• **IAS 19 (revised 2011)**, ‘Employee benefits’. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to the disclosures for all employee benefits. Actuarial gains and losses are recognised immediately, and only in OCI (no corridor approach allowed). Finance cost for funded benefit plans are calculated on a net funding basis. Termination benefits qualify for recognition only when the employee has no future-service obligation. This amendment had no impact on the Group's financial statements.

• **Annual improvements to IFRSs 2009 – 2011**. The 2009-2011 annual improvements affects: IFRS 1 (second adoption of IFRS 1 and exemptions), IAS 1 (presentation of additional financial statements when a change of accounting policy is mandatory or voluntary), IAS16 (classification of spare parts and servicing equipment when the definition of PP&E is met), IAS 32 (tax impact classification when related to transactions involving equity or dividends) and IAS 34 (exemption of total assets and liabilities disclosure by segment). These improvements have been applied by the Group, as applicable.

• **IFRS 1 (amendment)**, 'First time adoption of IFRS'. This amendment creates an additional exemption when an entity that has been subject to severe hyperinflation presents financial statements in accordance with IFRSs for the first time. The other change refers to the replacement of references to a fixed date with "the date of transition to IFRS" for retrospective adoption exemptions. This amendment had no impact on the Group's financial statements.

• **IFRS 1 (amendment)**, 'First time adoption of IFRS – government loans'. This amendment clarifies how a first-time-adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, giving the same relief that was granted to existing preparers in 2009. This amendment had no impact on the Group's financial statements.

• **IFRS 7 (amendment)**, 'Disclosures - offsetting financial assets and liabilities'. This amendment is part of the IASB offsetting project which introduces new disclosure requirements about entity's right of set-off (assets and liabilities), amounts offset, and the effects of these in the credit exposure. This amendment had no impact on the Group's financial statements.

• **IFRS 13 (new)**, 'Fair value measurement and disclosure'. IFRS 13 aims to improve consistency by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. This amendment had no impact on the Group's financial statements.

• **IFRIC 20 (new)**, 'Stripping costs in the production phase of a surface mine'. This interpretation refers to the accounting of overburden waste removal costs in the production phase of a surface mine, as an asset, considering that the waste removal generates two potential benefits: immediate extraction of mineral resources and improved access to further quantities of mineral resources to be extracted in the future. This interpretation had no impact on the Group's financial statements.

The Group's consolidated financial statements have been prepared in the assumption of the continuity of operations, based on the historical cost convention except for 'Financial assets at fair value through profit or loss', 'Derivative financial instruments' and 'Financial assets held for trading', which are measured at its fair value (notes 10, 16 and 18).

The preparation of financial statements in conformity with the accounting policies referred above requires the use of certain critical estimates and assumptions which impact on the reported values for assets and liabilities, and for income and expenses presented for the year. Nevertheless the Management usage of its best judgement at the time of the decision, the final results can differ from the estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The Board of Directors believes that the estimates and assumptions adopted do not bear significant risks from which can result material adjustments to assets and liabilities value.

2.2. Consolidation

The consolidated financial statements, as of 31 December 2013, include assets, liabilities and results of the Group companies, understood as Novabase and its subsidiaries and associates, which are presented in note 6.

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group, and the fair value of the acquirer's previously held equity interest in the acquiree before control is transferred to the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the acquisition cost, the fair value of the acquirer's previously held equity interest in the acquiree before control is transferred to the Group and the fair value of non-controlling interest, over the net identifiable assets acquired and liabilities assumed is recorded as goodwill. If the acquisition cost, the fair value of the acquirer's previously held equity interest in the acquiree before control is transferred to the Group and the fair value of non-controlling interest, is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date, regardless of the probability of occurring. Subsequent changes to the fair value of the contingent consideration do not affect goodwill (except those made up to 12 months from the date of acquisition).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions with non-controlling interests

Non-controlling interests corresponds to the proportionate share of the recognised amounts of acquiree's identifiable assets acquired and liabilities and contingent liabilities assumed, which are not directly or indirectly attributable to Novabase. Transactions with non-controlling interests are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

In any transaction with non-controlling interests, the difference between any consideration paid and the carrying amount of the relevant share acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset.

(3) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed when necessary to ensure consistency with the policies adopted by the Group.

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is the responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee, delegated by the Board of Directors.

An operating segment is a component or set of components of the Group that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Executive Committee and for which discrete financial information is available.

The Group's activity is monitored in 3 distinct segments, Business Solutions, IMS and Venture Capital. For the purpose of preparing this information, Novabase S.G.P.S. (company that includes the top management of the Group) and Novabase Serviços (company that includes the Group's shared services) are considered as part of the Business Solutions operating segment.

2.4. Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in thousands of euros (EUR thousand). Euro is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation differences on non-monetary financial assets such as equities held at fair value through profit or loss are recognised in the consolidated statement of profit and loss and other comprehensive income as part of the fair value gain or loss. Translation differences on monetary items, such as equities classified as available-for-sale financial assets, are included in reserves in equity.

The main exchange rates applied on the reporting date are those listed below:

Euro foreign exchange reference rates	**Rate on**		**Average rate**	
(x foreign exchange units per 1 Euro)	**31.12.13**	**31.12.12**	**2013**	**2012**
• Angolan Kwanza (AOA)	138.6644	131.2330	133.3224	125.9079
• Mozambican Metical (MZN)	41.3041	40.4226	38.5227	38.3279
• US Dollar (USD)	1.3791	1.3262	1.3252	1.2870
• Emirati Dirham (AED)	-	-	4.8657	4.7372
• British Pound (GBP)	0.8337	0.8140	0.8472	0.8120

(3) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities at the reporting date are translated at the closing exchange rate in force at the reporting date;

(ii) income and expenses in results are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of profit and loss and other comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5. Property, plant and equipment

Property, plant and equipment comprise mainly buildings and other constructions (construction works done in 'Edifício Caribe', the Company's headquarter, and in the facilities of the logistics unit), basic and transport equipment. Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items (purchase price and all the expenses supported direct or indirectly to bring the asset to its current condition).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method, over their estimated useful lives, as follows:

	N.º of years
• Buildings and other constructions	3 to 50
• Basic equipment	3 to 4
• Transport equipment	4
• Tools and utensils	4
• Furniture, fittings and equipment	3 to 10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are included in profit or loss.

2.6. Intangible assets

(1) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'Intangible assets'. Goodwill on acquisitions of associates is included in 'Investments in associates'.

Goodwill (that has an undetermined useful life), is carried at cost less accumulated impairment losses, being tested annually for impairment, in the second half of the year. Impairment losses on Goodwill are recognised whenever its carrying amount exceeds its recoverable amount, and are not reversed. Gains and losses on the disposal of an entity include the carrying amount of Goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment in each operating segment in which Novabase operates: Business Solutions, IMS and Venture Capital. Additionally, for the purpose of impairment tests of Goodwill not allocated to those cash-generating units, the Group identified cash generating units at the level of each subsidiary/associate acquired.

(2) Internally generated intangible assets

Investigation expenses in the search of new technical and scientific knowledge are recorded in the statement of profit and loss and other comprehensive income as and when incurred. Development expenses are accounted as intangible fixed assets when: i) it is technically feasible to complete the asset or process; ii) Group is able to complete its development and intends to do so; iii) market viability is assured and iv) its cost can be reliably measured.

These assets are recorded at its production or acquisition cost, which include the acquisition cost of the assets plus employee costs directly involved in the production or outsourcing costs incurred for the same purpose, as well as an appropriate portion of relevant overheads.

Amortisation is calculated using the straight-line method, for periods between 3 to 10 years. Impairment of internally generated assets in progress is tested at the reporting date.

(3) Industrial property and other rights

Industrial property and other rights are shown at historical cost. These assets have a finite useful life and are recognised at cost less accumulated amortisation for a period of 10 years. Amortisation is calculated using the straight-line method to allocate the cost of the industrial property and other rights over their estimated useful lives.

(4) Work in progress

Intangible assets in progress refer to, mainly, the ongoing internal development of software products.

2.7. Financial assets and liabilities

The financial assets and liabilities are recognised in the date of the negotiation or contract, except if there is a contractual or legal stipulation in contrary, saying that the rights and obligations related with the amounts transacted are transferred to a different date. In this case, the relevant date is the last.

In the initial moment, the financial assets and liabilities are recognised by their fair value. The fair value is the amount that a determined asset or liability can be transferred or paid between entities both knowing and interested in doing the transaction. In the contracted date, the fair value is usually the amount of the transaction.

These assets are derecognised when i) contractual rights to receive cash flows have expired, ii) the Group has transferred substantially all risks and rewards of ownership or iii) nevertheless, maintains a part but not substantially all the risks and rewards of ownership, the Group has transferred the control of the assets.

The fair value is based in current bid prices, or in valuation methods and techniques (if the market for the financial asset is not active). A market is considered active if regular transactions occur.

The Group classifies its financial assets in the following categories: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) available-for-sale financial assets and (iv) financial assets held for trading. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and reassesses that classification at each reporting date.

(1) Financial assets and liabilities at fair value through profit or loss

A financial asset or financial liability at fair value through profit or loss is a financial asset that, at the time of initial recognition, is managed and its performance evaluated on a fair value basis, in accordance with a documented risk or investment management. Information about the group is provided internally to key elements in the Group management on that basis. The fair value is calculated using the method of discounted cash flows, with the changes in fair value recognised in profit or loss in the period in which they occur.

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are subsequently measured at amortised cost accordingly to the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables are included in the current assets in 'Trade and other receivables' and 'Accrued income' headings and in non-current assets in 'Other non-current assets' heading.

(3) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that: (i) the Group intends to maintain for undetermined period of time, (ii) are designated in this category in the moment of initial recognition or (iii) are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of it within 12 months of the end of the reporting period.

Investments are initially recognised at fair value. When the medium term expectations point to a significant decline in the fair value of the security below its cost, an impairment loss is recognised in the statement of profit and loss and other comprehensive income.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses from investment securities. Dividends on available-for-sale equity instruments are recognised in the statement of profit and loss and other comprehensive income under 'Finance income' heading, when the Group's right to receive payments is established.

The fair values of listed investments are based on current market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the fair value by using valuation techniques. These techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances.

(4) Financial assets held for trading

A financial asset held for trading is an asset that is acquired with the purpose of being sold in the short term. Gains and losses arising from changes in the fair value are included in profit or loss in the period in which they occur.

2.8. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and depreciation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are allocated by segment, given that it is at this level that management monitors its return on investment.

2.9. Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial or a group of financial assets is impaired.

(1) Available-for-sale financial assets

In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the instruments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit and loss and other comprehensive income. Impairment losses on equity instruments recognised in profit or loss are not reversed through profit or loss, unless if, in a subsequent period, the amount of the impairment loss decreases by any event occurred after the date in which it was recognised.

(2) Trade receivables, other debtors and other financial assets

In the case of other financial assets that show objective impairment evidence, their present value is determined, and an impairment loss (which is considered the difference between the asset's present value of estimated future cash flows and the carrying amount) is recognised in the statement of profit and loss and other comprehensive income. Several indicators are used to identify if there is objective evidence of impairment, such as:

(i) the Group is not able to collect amounts according to the original terms of the receivables;
(ii) the Group is not able to collect amounts due over 6 months;
(iii) significant financial difficulties of the debtor;
(iv) it becomes probable that the debtor will enter bankruptcy or other financial reorganization.

The amount of the impairment allowance is measured as the difference between the asset's present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, and its carrying amount and is recognised in the statement of profit and loss and other comprehensive income within 'Other gains/(losses) - net'. The carrying amount of the asset is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the same allowance account. Subsequent recoveries of amounts previously written off are credited against 'Other gains/(losses) - net' in the statement of profit and loss and other comprehensive income.

2.10. Inventories

Inventories include merchandise, raw materials and subsidiary goods and are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11. Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

2.12. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.13. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or stock options of the Company and its subsidiaries are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or stock options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Where the Company or any Group companies acquire treasury shares of parent company, they are recorded at cost and the consideration paid is deducted from the equity attributable to owners of the parent until the shares are cancelled, reissued or sold. When such shares are subsequently sold or reissued, any consideration received is included in equity attributable to owners of the parent.

2.14. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Interest costs on borrowings are included in the statement of profit and loss and other comprehensive income under 'Finance costs' heading.

2.15. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit and loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity. The current income tax charge is calculated on the basis of profit before income tax, adjusted according to the tax laws enacted at the reporting date.

Deferred income tax is recognised, using the liability method at the reporting date, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from the recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16. Employee benefits

Bonus

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's employees after certain adjustments.

Obligations for vacation, vacation subsidy and Christmas subsidy

In accordance with Portuguese legislation, employees have, annually, the right to receive two months of salary, for a vacation period and a vacation subsidy, right earned in the previous year to its settlement. The employees also have, annually, the right to a Christmas subsidy, which is earned over the year and paid each December. These obligations are recorded in the respective period in which the right is earned, regardless its payment date.

Stock options

The Group rewards the services rendered by some employees through an equity-settled stock option plan. The fair value of the services received is recognised as cost in the statement of profit and loss and other comprehensive income against an increase in equity, over the vesting period. The amount registered as cost represents the fair value of the stock option attributed, estimated based only on market conditions. Acquisition conditions, different from market conditions, were used to estimate the number of options vested at the end of acquisition period. At each reporting date, the entity revises its estimates of the number of options expected to become exercisable, and recognises the impact of the revision to original estimates in profit or loss, with a corresponding adjustment to equity.

2.17. Provisions

Provisions are recognised at the reporting date when: i) the Group has a present legal or constructive obligation as a result of past events; ii) it is probable that an outflow of resources will be required to settle the obligation and; iii) the amount has been reliably estimated. Provisions for restructuring include all liabilities to be paid, namely employee termination payments. These provisions do not include any estimated future operating losses or estimated profits from the disposal of assets.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Note 24 gives information about the type of provisions.

2.18. Trade and other payables

Trade and other payables balances are obligations to pay goods or services that have been acquired in the ordinary course of the business. They are initially recognised at fair value and subsequently at amortised cost accordingly with the effective interest rate method.

2.19. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of Value Added Tax (V.A.T.), rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Software products are usually sold without a right of return. However, if there is any chance of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

(b) Sales of services

Revenue from consulting projects, classified as "time and materials" is recognised in the accounting period in which the services are rendered.

Revenue from consulting projects, classified as "fixed contract" ("turn key") is recognised under the percentage-of-completion method based on total costs already incurred as a percentage of total estimated costs to be incurred until the end of the project, prepared by each project manager. According to this method, 'Accrued income' and 'Deferred income and other current liabilities' headings are adjusted in order to reflect the accurate result of each project at the end of each reporting period.

Revenue from outsourcing and maintenance projects is recognised linearly over the period of the contract, where there are no significant and specific activities foreseen.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.20. Subsidies

Government subsidies are recognised at fair value, when there is high likelihood that the subsidy will be received and the Group fulfils all the requirements to receive it.

Non-refundable subsidies to finance development projects are recorded as a liability at the reporting date, in 'Deferred income and other current liabilities' heading and are recognised in profit or loss of each period by the useful life of the financed assets.

Operating subsidies are aimed to recovering the costs, incurred and recorded, with training initiatives and projects of research of new technological and scientific knowledge, and are recognised in the statement of profit and loss and other comprehensive income as the related expenses are incurred, regardless of when the subsidy is received.

2.21. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the period of the lease.

Lease contracts for tangible assets where the Group has substantially all the risks and benefits of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are recorded under liabilities (current and non-current). The interest element of the finance cost is expensed over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period. Tangible assets acquired under finance leases are depreciated over the shorter of the useful life and the lease term.

2.22. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.23. Comparatives

The consolidated financial statements for the year ended 31 December 2013 are comparable in all material aspects with the year 2012, and no changes in accounting policies have occurred when compared to those used for preparation of the financial statements of the previous year, presented for comparative effects.

3. Financial risk management policy

The Group’s activities expose it to a variety of financial risks, namely, Foreign exchange risk, Cash flow and fair value interest rate risk, Credit Risk, Liquidity risk and Capital management risk.

The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk, mainly arising from U.S. Dollar exposure, since some subsidiaries perform transactions in this currency.

The finance department is responsible for the tracking of the exchange rate of the currency mentioned above, in order to reduce the impact of the fluctuation in consolidated results. The group uses derivative financial instruments to hedge certain risk exposures (see note 16).

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December based on Group's financial assets and liabilities at carrying amounts, categorised by currency:

At 31 December 2012	Euro	Dollar	Other	Total
Assets				
Financial assets at fair value through profit or loss	1,731	-	-	1,731
Trade and other receivables	75,057	9,130	7,015	91,202
Accrued income	9,692	-	343	10,035
Derivative financial instruments	216	-	-	216
Financial assets held for trading	9,855	-	-	9,855
Cash and cash equivalents	36,863	431	3,158	40,452
	133,414	9,561	10,516	153,491
Liabilities				
Other non-current liabilities	70	-	-	70
Borrowings	16,533	-	-	16,533
Trade and other payables	53,920	3,220	2,615	59,755
Derivative financial instruments	34	-	-	34
Deferred income and other current liabilities	26,297	-	1,605	27,902
	96,854	3,220	4,220	104,294

At 31 December 2013	Euro	Dollar	Other	Total
Assets				
Other non-current assets	4,868	-	-	4,868
Financial assets at fair value through profit or loss	1,256	-	-	1,256
Trade and other receivables	63,900	6,603	13,832	84,335
Accrued income	11,593	-	828	12,421
Derivative financial instruments	514	-	-	514
Financial assets held for trading	5,015	-	-	5,015
Cash and cash equivalents	27,857	91	4,994	32,942
	115,003	6,694	19,654	141,351
Liabilities				
Other non-current liabilities	70	-	-	70
Borrowings	21,384	-	-	21,384
Trade and other payables	53,754	3,928	4,082	61,764
Derivative financial instruments	77	-	-	77
Deferred income and other current liabilities	21,594	-	3,161	24,755
	96,879	3,928	7,243	108,050

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders' equity of either an instantaneous 10% strengthening or weakening in Euro against all other currencies, from the rates applicable at 31 December 2013, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone.

Under this assumption, with a 10% strengthening or weakening of Euro against all exchange rates, profit before income tax would have increased or decreased, respectively, by EUR 1,518 thousand in 2013 (2012: EUR 1,264 thousand).

b) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from finance investments in banks and bonds, and borrowings. Finance investments in banks and bonds are short term. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2013, 26% of the Group's borrowings were issued at fixed rates; all of the borrowings were denominated in Euros.

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders' equity of either an instantaneous increase or decrease of 0.5% (50 basis points) in market interest rates, from the rates applicable at 31 December 2013, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone. The sensitivity analysis is based on the following assumptions:

(i) Changes in market interest rates affect the interest income or expense of variable interest financial instruments;

(ii) Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value;

(iii) Changes in market interest rates affect the fair value of derivative financial instruments and other financial assets and liabilities;

(iv) Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows of net present values using appropriate market rates prevailing at the year end.

Under these assumptions, an increase or decrease of 0.5% in market interest rates, would impact respectively in an increase or decrease of profit before income tax of approximately EUR 83 thousand, in 2013 and in an increase or decrease, respectively, of approximately EUR 159 thousand, in 2012.

c) Credit Risk

Credit risk is managed, simultaneously, on business units' level, for the amounts of outstanding trade and other receivables, and on Group basis, for financial instruments. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently well rated parties are accepted. Credit risk management of trade and other receivables is based in credit limits, taking into account the financial position of the customer and past experience.

At 31 December 2013, the 60 customers with greater balances of the Group represented approximately 81% of the total balance (2012: 80%).

The distribution by geographical market of those customers is shown in the table below:

	31.12.13	**31.12.12**
Portugal	65%	77%
Germany	1%	1%
Spain	2%	3%
Rest of Europe	3%	2%
Asia	2%	3%
Middle East	3%	2%
Africa	24%	12%
	100%	100%

The distribution by business sector of those customers is shown in the table below:

	31.12.13	**31.12.12**
Telecommunications	36%	46%
Consumer electronics	3%	7%
Financial Services	19%	20%
Transport	2%	3%
Public Administration	16%	5%
Information Technology	12%	15%
Energy	9%	2%
Aeronautics	2%	1%
Other	1%	1%
	100%	100%

The table below shows the ratings attributed by Moody's Investors Services to the financial institutions with whom the Group as higher balances at 31 December 2013 (excluding financial institutions where net balance is negative):

		31.12.13	**31.12.12**
	Ba3	28,190	43,626
	B1	4,961	-
(*)	Entity without rating	-	5,026
		33,151	48,652

(*) In late September 2012, this entity had a rating of "BBB-" attributed by Fitch. Thereafter, this agency ceased to attribute rating by decision of the bank.

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve (which comprises undrawn committed borrowing facilities and cash and cash equivalents) on the basis of expected cash flows, taking into account the analysis of the remaining contractual maturity of the financial liabilities and the expected date of financial assets inflows. Additionally, a regular monitoring is made to the maturity concentration of borrowings and liabilities of the Group.

The plafond's of borrowings and factoring contracted by the Group are shown in the table below:

	Borrowings			Factoring
	Euro	**Dollar**	**Kwanza**	**Euro**
Banco Espírito Santo (BES)	7,000	2,500	-	-
Banco BPI (BPI)	8,250	-	-	-
Banco Santander Totta (Santander)	7,350	-	-	-
Barclays Bank (Barclays)	5,000	1,500	-	-
Banco Espírito Santo Espanha (BESSA)	750	-	-	-
Banco de Fomento de Angola (BFA)	-	-	200,000	-
Banco Popular (Popular)	3,700	-	-	-
Banco BNP Paribas (BNP Paribas)	-	-	-	5,000
Banco BIC (BIC)	3,000	-	-	-
	35,050	4,000	200,000	5,000

e) Capital management risk

The Group's objectives when managing capital, which is a broader concept than 'equity' in the consolidated statement of financial position, are:

(i) To safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders;

(ii) To maintain a solid capital structure to support the development of its business;

(iii) To maintain an optimal capital structure to reduce the cost of capital.

Management monitors the Return on Capital (ROC) ratio, which the Group defines as the 'Operating Profit' divided by 'Total Equity', to measure the Group ability to generate cash flows related to the capital invested in its business.

	31.12.13	**31.12.12**
Operating Profit	9,129	12,303
Total Equity	101,754	110,890
Return on Capital	9.0 %	11.1 %

The Group has the objective to maintain ROC above the cost of capital (measured by WACC - weighted average cost of capital), which allows the Group to add value. The Group's WACC in 2013 is around 10.4% (2012: 10.7%). In 2013, the objective was not achieved because of the financial and economic crisis.

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates by the Management, that affect assets, liabilities, and the disclosure of assets and contingent liabilities at the reporting date in the financial statements, as well as income and expenses during the reporting period, consequently future results can differ from the estimated ones. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgments considered more relevant in the preparation of these financial statements are presented below.

a) Analysis of impairment of goodwill

The Group tests annually, on the second half of the year, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, to forecast the cash flows of each cash-generating units, and the choice of a discount rate and a perpetual grow rate (see note 8).

b) Financial instruments measured at fair value

The fair value of financial instruments not quoted on an active market is determined based on valuation methods and financial theories. The use of valuation methodologies requires using assumptions, with some assumptions requiring the use of estimates. Therefore, changes in those assumptions could result in a change in the fair value reported.

c) Income taxes and deferred taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and the use of deferred tax assets and liabilities. Deferred tax assets and liabilities were determined based on tax legislation currently in effect for the Group's companies, or on legislation already published for future application. Changes in the tax legislation may influence the value of deferred taxes.

The Group recognises deferred tax assets related to tax incentives obtained under SIFIDE based on estimates. The final amount of these tax incentives is only known in future years based on the approval by the competent body of the Group's applications to these incentives. The amount of tax credits not yet approved reach EUR 2,045 thousand (2012: EUR 3,626 thousand).

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

d) Revenue recognition

Revenue recognition in respect of "turn key" projects is made by Management recurring to analysis and estimates of the current and future developments of consulting projects in place. These projections could have a different development in the future, from the present estimates performed by Management. Eventual changes in the estimates would be reflected under 'Accrued income' and 'Deferred income and other current liabilities' headings in the statement of financial position and under 'Services rendered' in the statement of profit and loss and other comprehensive income.

e) Warranties risk

The Group recognises a provision for warranties when the underlying products or services are sold. These provisions are established using historical information of nature, frequency and average costs of warranty claims. Any changes to estimates will impact the financial statements of the following year, under 'Provisions' in liabilities and 'Other gains/(losses) - net' in profit or loss.

f) Valuation allowance for impairment of trade and other receivables

Management maintains a valuation allowance for impairment of trade and other receivables, in order to reflect the estimated losses that result from clients' inability to make the required payments. When assuming the adequacy of an allowance for doubtful accounts, Management bases its estimates on the ageing of accounts receivable balances and historical write off experience, customer credit worthiness and changes in customer payment terms. If the customer's financial conditions deteriorate, actual write off's might be higher than expected.

g) Inventory impairment

The Group is exposed to inventory impairment as the result of changes in economic environment, due to operating in a very dynamic market. To manage this risk, the Group monitors market developments, as a way to identify the possible impact of those changes in its business.

h) Bonus

The Group recognises on a monthly basis an estimate for bonus and other variable remunerations, which considers the theoretical amounts agreed with employees, the monitoring of the expected objective's achievement rates and the general situation of the Company's business. The variable remuneration of the elements of the Board of Directors is set by the Remuneration Committee based on the evaluation of the previous year performance. Therefore, the cost estimate for the current exercise booked under 'Trade and other payables' heading, is prepared based on the Management's best estimate to the performance of the current year, where the actual final outcome is only known in the following exercise, after the Remuneration Committee's deliberation. More information about the Shareholders' remuneration can be found in the point regarding Remuneration, included in the Corporate Governance Report, which is an integral part of the Consolidated Annual Report.

5. Segment information

The companies considered in each operating segment are presented in note 6. For the purpose of preparing this information, Novabase S.G.P.S. and Novabase Serviços are considered as part of the Business Solutions segment.

At 31 December 2012	Business Solutions	IMS	Venture Capital	NOVABASE
Total segment Sales and services rendered	164,850	120,059	15,046	299,955
Inter-segment Sales and services rendered	66,891	18,280	2,709	87,880
Sales and services rendered	97,959	101,779	12,337	212,075
Depreciation and amortisation	(3,699)	(1,486)	(572)	(5,757)
Operating profit/(loss)	8,986	4,816	(1,499)	12,303
Finance costs – net	152	(300)	158	10
Share of (loss)/profit of associates (note 34)	(135)	-	(41)	(176)
Income tax expense	(989)	(1,408)	21	(2,376)
Profit/(Loss) from operations	8,014	3,108	(1,361)	9,761
Other information:				
(Provisions) / Provisions reversal	(62)	(3,171)	(72)	(3,305)

At 31 December 2013	Business Solutions	IMS	Venture Capital	NOVABASE
Total segment Sales and services rendered	176,458	117,617	25,240	319,315
Inter-segment Sales and services rendered	74,149	19,173	9,163	102,485
Sales and services rendered	102,309	98,444	16,077	216,830
Depreciation and amortisation	(3,760)	(1,298)	(673)	(5,731)
Operating profit/(loss)	7,430	2,820	(1,121)	9,129
Finance costs – net	(476)	628	(799)	(647)
Share of (loss)/profit of associates (note 34)	-	-	73	73
Income tax expense	579	(613)	727	693
Profit/(Loss) from operations	7,533	2,835	(1,120)	9,248
Other information:				
(Provisions) / Provisions reversal	(3,070)	1,093	396	(1,581)

6. Companies included in consolidation

The companies consolidated by full method, as at 31 December 2013, were the following:

	Holding company and Subsidiaries	Head Office	Share capital 31.12.13	% Interest held 31.12.13	% Interest held 31.12.12
	Parent company:				
	Novabase S.G.P.S., S.A.	Lisbon - Portugal	€ 15,700,697	-	-
	Business Solutions:				
	Novabase Business Solutions, S.A.	Lisbon - Portugal	€ 3,466,000	100.0%	100.0%
	NBO Recursos em TI, S.A.	Lisbon - Portugal	€ 50,000	100.0%	100.0%
	Novabase Consulting SGPS, S.A.	Lisbon - Portugal	€ 11,629,475	100.0%	100.0%
	Novabase E.A., S.A.	Lisbon - Portugal	€ 150,000	100.0%	100.0%
	CelFocus, S.A.	Lisbon - Portugal	€ 100,000	55.0%	55.0%
	Nbase International Investments B.V.	Amsterd. - Netherl.	€ 1,220,800	100.0%	100.0%
	Novabase Solutions Middle East FZ-LLC	Dubai - UAE	€ 699,670	100.0%	100.0%
	Octal - Engenharia de Sistemas, S.A.	Lisbon - Portugal	€ 3,000,000	100.0%	100.0%
	Evolvespace Solutions, Lda.	Lisbon - Portugal	€ 5,000	100.0%	100.0%
	Binómio, Lda.	Amadora - Portugal	€ 2,626	100.0%	100.0%
	NBMSIT, Sist. de Inf. e Tecnol., S.A.	Maputo - Mozambique	8,235,000 MZN	74.0%	74.0%
	IMS:				
	Novabase Infraestruturas, SGPS, S.A.	Lisbon - Portugal	€ 50,000	100.0%	100.0%
	Novabase IMS Infr. & Manag. Services, S.A.	Lisbon - Portugal	€ 70,500	100.0%	100.0%
	Novabase Sistemas de Informacion, S.A.	Madrid - Spain	€ 1,000,000	100.0%	100.0%
	Novabase Infr. Integracion S. Inf., S.A.	Madrid - Spain	€ 120,202	100.0%	100.0%
(i)	NBASIT-Sist. de Inf. e Telecomunic., S.A.	Luanda - Angola	47,500,000 AOA	49.4%	49.4%
	Novabase Interactive TV SGPS, S.A.	Lisbon - Portugal	€ 278,125	100.0%	100.0%
	Novabase Digital TV E.S. Tel. Inter., S.A.	Lisbon - Portugal	€ 250,000	100.0%	100.0%
(ii)	TVLab, S.A.	Lisbon - Portugal	€ 1,312,920	70.0%	100.0%
	Venture Capital:				
	Novabase Capital SGCR, S.A.	Lisbon - Portugal	€ 2,500,000	100.0%	100.0%
(iii)	COLLAB – Sol. I. Com. e Colab., S.A.	Lisbon - Portugal	€ 61,333	81.0%	76.9%
	FCR NB Capital Inovação e Internacionalização	-	€ 11,360,000	51.6%	51.6%
(iv)	Novabase Digital TV Technologies GmbH	Munich - Germany	€ 25,000	51.0%	100.0%
(iv)	Novabase Digital TV, EURL	Caen - France	€ 10,000	-	100.0%
	Novabase Shared Services:				
	Novabase Serviços, S.A.	Lisbon - Portugal	€ 250,000	100.0%	100.0%

(i) The Group has the power to govern the financial and operating policies of this company, therefore this financial holding was included in the consolidation by full method.

(ii) The company TV Lab was merged with the company Techno Trend GmbH, resulting in the reduction of the % of interest held by the Group.

(iii) In the end of 2013, the Group acquired 4.1% of shares in Collab.

(iv) In the end of 2013, the Group sold to General Satellite group 100% of Novabase Digital TV, EURL, 49% of Novabase Digital TV, GmbH and 100% of DTV Research, Lda.

The companies consolidated using the equity method, as at 31 December 2013, were the following:

	Associates (see note 9)	Head Office	Share capital 31.12.13	% Interest held 31.12.13	% Interest held 31.12.12	Equity 31.12.13	Results 31.12.13
	Fundo Capital Risco NB Capital	Lisbon - Portugal	€ 7,142,857	30.0%	30.0%	3,076	243
(i)	Novabase Atlântico, SI, S.A.	-	-	-	60.0%	-	-
(i)	Globaleda, S.A.	P. Delg. - Portugal	€ 300,000	25.1%	12.0%	unavailable info	unavailable info
(ii)	TechnoTrend GmbH	Erfurt - Germany	€ 5,263,320	-	50.0%	-	-

(i) In September 2013, Fundo Capital Risco NB Capital sold its 40% stake in the company Globaleda to Novabase Business Solutions. At the end of Q4 2013, Novabase Atlântico has been dissolved as a result of its merger by incorporation into Globaleda. In virtue of this merger and simultaneous operation of share capital reduction, Novabase Business Solutions' shareholding in Globaleda has decreased to 25.1% of the respective share capital (see note 9).

(ii) The company Techno Trend GmbH was merged by incorporation into the company TV Lab.

7. Property, plant and equipment

	31.12.13			31.12.12		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Buildings and other constructions	4,295	2,195	2,100	4,212	1,791	2,421
Basic equipment	8,116	6,092	2,024	7,976	5,468	2,508
Transport equipment	3,987	2,661	1,326	4,446	2,980	1,466
Tools and utensils	-	-	-	60	49	11
Furniture, fittings and equipment	1,730	1,066	664	1,619	929	690
Other tangible assets	14	8	6	11	6	5
	18,142	12,022	6,120	18,324	11,223	7,101

During 2012, movements in property, plant and equipment were as follows:

	Balance at 01.01.12	Acquisitions / increases	Write off's	Transfers	Change in consolidation universe	Exchange differences	Balance at 31.12.12
Cost:							
Buildings and other constructions	4,212	-	-	-	-	-	4,212
Basic equipment	7,919	876	(811)	(7)	5	(6)	7,976
Transport equipment	4,863	717	(1,182)	-	67	(19)	4,446
Tools and utensils	49	-	-	11	-	-	60
Furniture, fittings and equipment	1,577	47	-	(4)	-	(1)	1,619
Other tangible assets	8	3	-	-	-	-	11
	18,628	1,643	(1,993)	-	72	(26)	18,324
Accumulated depreciation:							
Buildings and other constructions	1,388	403	-	-	-	-	1,791
Basic equipment	4,569	1,491	(592)	(2)	4	(2)	5,468
Transport equipment	2,865	1,145	(1,064)	-	42	(8)	2,980
Tools and utensils	23	19	-	7	-	-	49
Furniture, fittings and equipment	778	157	-	(5)	-	(1)	929
Other tangible assets	5	1	-	-	-	-	6
	9,628	3,216	(1,656)	-	46	(11)	11,223

During 2013, movements in property, plant and equipment were as follows:

	Balance at 01.01.13	Acquisitions / increases	Write off's	Transfers	Change in consolidation universe	Exchange differences	Balance at 31.12.13
Cost:							
Buildings and other constructions	4,212	83	-	-	-	-	4,295
Basic equipment	7,976	1,558	(31)	-	(1,381)	(6)	8,116
Transport equipment	4,446	1,014	(1,446)	-	-	(27)	3,987
Tools and utensils	60	-	-	1	(61)	-	-
Furniture, fittings and equipment	1,619	136	(14)	(1)	(8)	(2)	1,730
Other tangible assets	11	3	-	-	-	-	14
	18,324	2,794	(1,491)	-	(1,450)	(35)	18,142
Accumulated depreciation:							
Buildings and other constructions	1,791	404	-	-	-	-	2,195
Basic equipment	5,468	1,371	(30)	-	(714)	(3)	6,092
Transport equipment	2,980	1,019	(1,323)	-	-	(15)	2,661
Tools and utensils	49	11	-	1	(61)	-	-
Furniture, fittings and equipment	929	155	(13)	(1)	(3)	(1)	1,066
Other tangible assets	6	2	-	-	-	-	8
	11,223	2,962	(1,366)	-	(778)	(19)	12,022

Buildings and other constructions includes construction works in the net amount of EUR 1,852 thousand made in the Group's headquarter and in the facilities of the logistics unit. These construction works are being depreciated over the estimated period of lease of such facilities.

Depreciation is included in 'Depreciation and amortisation' heading in the statement of profit and loss and other comprehensive income (note 31).

'Basic equipment' and 'Transport equipment' headings include the following finance lease contracts:

	Basic equipment		Transport equipment	
	31.12.13	**31.12.12**	**31.12.13**	**31.12.12**
Acquisition cost	756	457	3,409	4,079
Accumulated depreciation	(331)	(155)	(2,372)	(2,828)
Net book value	425	302	1,037	1,251

	31.12.13	**31.12.12**	**31.12.13**	**31.12.12**
Depreciation charge	176	105	877	1,052

8. Intangible assets

	31.12.13			31.12.12		
	Cost	**Accumulated amortisation**	**Net book value**	**Cost**	**Accumulated amortisation**	**Net book value**
Internally generated intangible assets	6,578	2,976	3,602	4,211	1,095	3,116
Industrial property and other rights	11,133	10,215	918	12,682	10,780	1,902
Work in progress	3,862	-	3,862	2,926	-	2,926
Goodwill	23,713	-	23,713	23,716	-	23,716
	45,286	13,191	32,095	43,535	11,875	31,660

During 2012, movements in intangible assets were as follows:

	Balance at 01.01.12	**Acquisitions / increases**	**Impairment ch. / Write off's**	**Transfers**	**Change in consolidation universe**	**Balance at 31.12.12**
Cost:						
Internally generated intangible assets	1,911	41	-	2,259	-	4,211
Industrial property and other rights	14,010	110	(1,448)	-	10	12,682
Work in progress	2,515	2,670	-	(2,259)	-	2,926
Goodwill	23,467	249	-	-	-	23,716
	41,903	3,070	(1,448)	-	10	43,535
Accumulated amortisation:						
Internally generated intangible assets	434	661	-	-	-	1,095
Industrial property and other rights	10,342	1,880	(1,448)	-	6	10,780
	10,776	2,541	(1,448)	-	6	11,875

During 2013, movements in intangible assets were as follows:

	Balance at 01.01.13	**Acquisitions / increases**	**Impairment ch. / Write off's**	**Transfers**	**Change in consolidation universe**	**Balance at 31.12.13**
Cost:						
Internally generated intangible assets	4,211	279	-	2,088	-	6,578
Industrial property and other rights	12,682	-	-	82	(1,631)	11,133
Work in progress	2,926	3,127	(21)	(2,170)	-	3,862
Goodwill	23,716	-	-	-	(3)	23,713
	43,535	3,406	(21)	-	(1,634)	45,286
Accumulated amortisation:						
Internally generated intangible assets	1,095	1,881	-	-	-	2,976
Industrial property and other rights	10,780	888	-	-	(1,453)	10,215
	11,875	2,769	-	-	(1,453)	13,191

Acquisitions of intangible assets include capitalised employee costs in the amount of EUR 1,514 thousand.

Amortisation is included in 'Depreciation and amortisation' heading in the statement of profit and loss and other comprehensive income (note 31).

The balance of '**Industrial property and other rights**' heading is analysed as follows:

	Business	Amortisation period	Company	Cost	Accumulated amortisation	Net book value
(i)	ATX Projects	10 years	Novabase Business Solutions	8,295	8,015	280
(ii)	SAP Logística	6 years	Novabase Serviços	465	465	-
(iii)	Software SCADA	5 years	Novabase Business Solutions	750	525	225
(iv)	SAP HCM	6 years	Novabase Serviços	292	184	108
(v)	Other			1,331	1,026	305
				11,133	10,215	918

(i) Amount paid to Espírito Santo Group, for the acquisition of a service contract, over a period between 6 to 10 years.
(ii) Management information system (mySAP) for the Group internal use.
(iii) Management and control platform for wind power production.
(iv) Management information system (mySAP), new HR solution - Human Capital Management, for the Group internal use.
(v) This balance refers mainly to computer software licences.

'Internally generated intangible assets' include the cost of projects for software development, as well as the cost of projects for products development in specific areas.

The amount with research and development recognised as a cost, related to the main research projects, reached EUR 7.8 Million (2012: EUR 7.4 Million).

Impairment tests were performed on **'Work in progress**' and it was concluded there is no impairment.

Movements in **goodwill** were as follows:

	31.12.13	31.12.12
Balance at 1 January	25,335	25,086
Change in consolidation universe	(3)	-
Goodwill arising from the acquisition of new subsidiaries	-	249
Balance at 31 December	25,332	25,335

Movements in **goodwill impairment** were as follows:

	31.12.13	31.12.12
Balance at 1 January	(1,619)	(1,619)
Balance at 31 December	(1,619)	(1,619)

Impairment tests for goodwill

Goodwill is allocated to the Group's Cash-Generating Units (CGUs) identified according to operating segments.

	31.12.13	31.12.12
Business Solutions	14,862	14,862
IMS	8,851	8,854
	23,713	23,716

The impairment test for goodwill was performed based on the discounted cash flow method, using a 5 year business plan forecasted by Management, with the following key assumptions:

	Business Solutions	IMS
Discounted rate (pre tax)	13.7%	13.7%
Perpetual growth rate	2.0%	2.0%
Annual growth rate of turnover	5.0%	2.0%

The application of the previously described method generates a recoverable amount (determined by value in use) of assets that exceeds its carrying amount, concluding therefore that there is no need for an impairment charge to the goodwill allocated to the Cash-Generating Units.

A reasonably possible change in the key assumptions on which Management has based its determination of the recoverable amount wouldn't cause the carrying amount to exceed its recoverable amount.

9. Investments in associates

		% Interest held					
		% Holding		% held directly		Amount	
		31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
	Fundo Capital Risco NB Capital (notes 6 and 34)	30.0%	30.0%	30.0%	30.0%	911	838
(i)	Novabase Atlântico, SI, S.A. (notes 6 and 34)	-	60.0%	-	60.0%	-	-
(i)	Globaleda, S.A.	25.1%	12.0%	25.1%	40.0%	50	-
	Ent. Comerc. Prod. Mobilidade Eléctrica	-	33.3%	-	33.3%	-	17
(ii)	TechnoTrend GmbH (note 6)	-	50.0%	-	50.0%	-	-
						961	855

(i) In September 2013, Fundo Capital Risco NB Capital sold its 40% stake in the company Globaleda to Novabase Business Solutions. At the end of Q4 2013, Novabase Atlântico has been dissolved as a result of its merger by incorporation into Globaleda. In virtue of this merger and simultaneous operation of share capital reduction, Novabase Business Solutions' shareholding in Globaleda has decreased to 25.1% of the respective share capital.

(ii) The company Techno Trend GmbH was merged by incorporation into the company TV Lab.

10. Financial assets at fair value through profit or loss

		% Interest held					
		% Holding		% held directly		Amount	
		31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
(i)	FCR IStart I	10.0%	6.0%	10.0%	6.0%	300	90
(ii)	Feedzai, Lda	5.7%	5.7%	11.1%	11.1%	403	403
(iii)	Powergrid, Lda	45.8%	45.8%	88.9%	88.9%	401	950
(iv)	DTV Research, Lda	-	49.0%	-	95.0%	-	190
(v)	Bright Innovation, Lda	46.4%	46.4%	90.0%	90.0%	23	23
	Smartgeo Solutions, Lda	12.9%	-	25.0%	-	1	-
	Radical Innovation, Lda	37.0%	-	80.0%	-	6	-
	Power Data, Lda	29.4%	-	80.0%	-	3	-
	Other					119	75
						1,256	1,731

(i) Venture Capital Fund established in 2011, focused on creating proofs-of-concept and prototypes and developing intellectual property and business models. This Fund is managed by Espírito Santo Ventures.

(ii) Company dedicated to developing solutions for processing large volumes of data in real time, acquired by FCR NB Capital Inovação e Internacionalização. This Fund has a significant influence on Feedzai.

(iii) Company acquired by FCR NB Capital Inovação e Internacionalização, focused on developing an application platform for SmartGrids.

(iv) Company sold to the General Satellite group together with 100% of the company Novabase Digital TV, EURL and 49% of the company Novabase Digital TV GmbH (see note 6).

(v) Company specializing in incubator projects in the area of Information and Communication Technologies (ICT) and integrated services, supported by a multi-channel IT platform, held by FCR NB Capital Inovação e Internacionalização.

Novabase does not have the power to control or influence (significantly) the financial and operating policies of the companies held by FCR NB Capital Inovação e Internacionalização, therefore they were not considered subsidiaries or associates.

The valuation of these companies was performed based on the discounted cash flow method, using a 5 year business plan forecasted by Management, with the following key assumptions:

	Feedzai	Powergrid
Discounted rate	12.7%	12.7%
Perpetual growth rate	1.3%	1.3%
Annual growth rate of turnover	21.3%	56.5%

Movements in this heading were as follows:

	31.12.13	31.12.12
Balance at 1 January	1,731	755
Acquisitions	54	653
Change in acquisition cost	210	-
Disposals	(190)	-
Profit or loss charge (see notes 32 and 33)	(549)	323
Balance at 31 December	1,256	1,731

11. Deferred income tax assets and liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts were determined after its offsetting:

	31.12.13	31.12.12
Deferred tax assets		
To be recovered within 12 months	1,614	1,833
To be recovered after more than 12 months	13,287	10,416
	14,901	12,249
Deferred tax liabilities		
To be recovered within 12 months	-	-
To be recovered after more than 12 months	100	100
	100	100

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

	31.12.13	31.12.12
Balance at 1 January	12,249	12,387
Change in consolidation universe	-	15
Exchange differences	(16)	(7)
Profit or loss charge (see note 35)	2,668	(146)
Balance at 31 December	14,901	12,249

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

	31.12.13	31.12.12
Balance at 1 January	100	100
Profit or loss charge (see note 35)	-	-
Balance at 31 December	100	100

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

	Tax Losses	Tax Incentives	Provisions / Adjustments	Total
Balance at 1 January 2012	2,904	7,690	1,793	12,387
Profit or loss charge	(1,612)	801	665	(146)
Change in consolidation universe	15	-	-	15
Exchange differences	(7)	-	-	(7)
Balance at 31 December 2012	1,300	8,491	2,458	12,249
Profit or loss charge	(581)	2,963	286	2,668
Exchange differences	(16)	-	-	(16)
Balance at 31 December 2013	703	11,454	2,744	14,901

Deferred tax assets related to tax incentives result from projects of research and development submitted under the incentive program SIFIDE.

The expiry date of the deferred tax assets can be analysed as follows:

	Tax Losses	Tax Incentives	Provisions / Adjustments	Total
No later than 1 year	-	407	-	407
Between 1 and 2 years	89	2,084	-	2,173
Between 2 and 3 years	-	2,677	-	2,677
Between 3 and 4 years	90	2,272	-	2,362
Between 4 and 5 years	286	1,969	-	2,255
Between 5 and 6 years	65	2,045	-	2,110
Over 6 years	173	-	-	173
With no defined date	-	-	2,744	2,744
	703	11,454	2,744	14,901

12. Inventories

	31.12.13	31.12.12
Merchandise	9,195	4,868
Finished products	47	37
Raw materials, subsidiary goods and consumables	165	168
	9,407	5,073
Inventory impairment	(482)	(599)
	8,925	4,474

Movements in inventory impairment are analysed as follows:

	31.12.13	31.12.12
Balance at 1 January	599	574
Impairment (see note 30)	275	208
Impairment reversal (see note 30)	(245)	(135)
Write off's	(147)	(48)
Balance at 31 December	482	599

The cost of inventories recognised as expense and included in 'Cost of sales' and 'External supplies and services' headings amounted to EUR 78,460 thousand (2012: EUR 73,062 thousand).

13. Financial instruments by category

At 31 December 2012	Loans and receivables	Assets/liabilit. at fair value through P&L	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Financial assets at fair value through profit or loss	-	1,731	-	-	1,731
Trade and other receivables	91,202	-	-	1,287	92,489
Accrued income	10,035	-	-	-	10,035
Derivative financial instruments	-	216	-	-	216
Other current assets	-	-	-	5,782	5,782
Financial assets held for trading	-	9,855	-	-	9,855
Cash and cash equivalents	40,452	-	-	-	40,452
	141,689	11,802	-	7,069	160,560
Liabilities					
Other non-current liabilities	-	-	70	-	70
Borrowings	-	-	16,533	-	16,533
Trade and other payables	-	-	59,755	-	59,755
Derivative financial instruments	-	34	-	-	34
Deferred income and other current liabilities	-	-	27,902	-	27,902
	-	34	104,260	-	104,294

At 31 December 2013	Loans and receivables	Assets/liabilit. at fair value through P&L	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Other non-current assets	4,868	-	-	-	4,868
Financial assets at fair value through profit or loss	-	1,256	-	-	1,256
Trade and other receivables	84,335	-	-	3,640	87,975
Accrued income	12,421	-	-	-	12,421
Derivative financial instruments	-	514	-	-	514
Other current assets	-	-	-	4,470	4,470
Financial assets held for trading	-	5,015	-	-	5,015
Cash and cash equivalents	32,942	-	-	-	32,942
	134,566	6,785	-	8,110	149,461
Liabilities					
Other non-current liabilities	-	-	70	-	70
Borrowings	-	-	21,384	-	21,384
Trade and other payables	-	-	61,764	-	61,764
Derivative financial instruments	-	77	-	-	77
Deferred income and other current liabilities	-	-	24,755	-	24,755
	-	77	107,973	-	108,050

The following table shows the Group's financial assets and financial liabilities that are measured at fair value according with the following hierarchy levels:

- **Level 1**: The fair value of financial instruments is based on quoted prices in active and liquid markets at reporting date.
- **Level 2**: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Main inputs used on these valuation models are based on observable market data.
- **Level 3**: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, and main inputs are not based on observable market data.

	31.12.13			31.12.12		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value						
Financial assets at fair value through profit or loss	-	-	1,256	-	-	1,731
Derivative financial instruments	-	514	-	-	216	-
Financial assets held for trading	-	5,015	-	-	9,855	-
	-	5,529	1,256	-	10,071	1,731
Financial liabilities at fair value						
Derivative financial instruments	-	77	-	-	34	-
	-	77	-	-	34	-

14. Trade and other receivables

	31.12.13	31.12.12
Trade receivables	77,309	84,442
Allowance for impairment of trade receivables	(4,434)	(4,809)
	72,875	79,633
Prepayments to suppliers	503	448
Employees	125	114
Value added tax	3,012	725
Receivables from related parties (note 40)	4,788	4,407
Financial investments disposal	67	67
Disposal of Digital TV international business	2,478	-
Receivables from financed projects	2,963	3,912
Capital subscribers of FCR NB Capital Inovação e Internacionalização	-	2,350
Other receivables	4,547	4,954
Allowance for impairment of other receivables	(3,383)	(4,121)
	15,100	12,856
	87,975	92,489

The fair value of 'Trade and other receivables' balance approximates its carrying amount.

The carrying amount of this heading plus the balance of 'Accrued income' (see note 15) represents the maximum exposure to credit risk.

The ageing analysis of the carrying amounts of trade receivables is as follows:

	31.12.13	31.12.12
Carrying amount of receivables not due	44,802	47,138
Carrying amount of receivables not impaired		
Past due for less than 6 months	22,763	24,956
Past due for more than 6 months	5,309	7,449
Carrying amount of receivables due and not impaired	28,072	32,405
Carrying amount of receivables impaired		
Past due for less than 6 months	100	1,738
Past due for more than 6 months	4,335	3,161
Carrying amount of receivables due and impaired	4,435	4,899
	77,309	84,442

80% of trade receivables that are neither past due nor impaired is owed by entities with which there is no past experience of default, although might have had some punctual delay in the invoices payment. The remaining 20% are distributed by nearly 325 entities with an average balance of EUR 56 thousand, that the credit department has no information that leads to suppose that there is a high risk of default.

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

	Trade receivables		Other receivables		Total	
	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Balance at 1 January	4,809	2,854	4,121	3,661	8,930	6,515
Change in consolidation universe	-	7	-	-	-	7
Impairment (note 30)	2,805	2,180	234	525	3,039	2,705
Impairment reversal (note 30)	(2,703)	(157)	(735)	(55)	(3,438)	(212)
Exchange differences	(25)	-	(4)	(10)	(29)	(10)
Write off's	(452)	(75)	(233)	-	(685)	(75)
Balance at 31 December	4,434	4,809	3,383	4,121	7,817	8,930

15. Accrued income

	31.12.13	31.12.12
- Ongoing projects	10,483	9,026
- Other accrued income	1,938	1,009
	12,421	10,035

16. Derivative financial instruments

The fair value of derivative financial instruments can be analysed as follows:

	Assets		Liabilities	
	31.12.13	31.12.12	31.12.13	31.12.12
- Forward foreign exchange contracts	514	216	77	34
	514	216	77	34

The Group is exposed to foreign exchange risk in sales and purchases in various currencies, primarily with respect to the U.S. Dollar. The financial instruments used to manage this exchange risk are the forward foreign exchange contracts, which are used based on the receipt and payment dates agreed with third parties, in order to fix the exchange rate associated with these transactions. The nature of the hedged risk is the exchange variation registered in transactions denominated in foreign currencies.

The fair value is classified as a non-current asset or liability if the remaining maturity is more than 12 months and as a current asset or liability if the maturity is less than 12 months. In 2013, the derivative financial instruments were classified as current assets and liabilities. Since the group does not meet all the requirements to qualify as hedging instruments, these were classified as trading derivatives. Gains and losses arising from fair value variations were recognised in profit or loss.

At 31 December 2013, the Group had forward foreign exchange contracts of EUR Call / USD Put with the notional amount of USD 26,082,865 and forward foreign exchange contracts of EUR Put / USD Call with the notional amount of USD 9,809,856.

17. Other current assets

The amounts recorded regarding prepayments of contracted services are as follows:

	31.12.13	31.12.12
- Hardware and software maintenance	85	96
- Subcontracts	1,568	1,982
- Rents	223	183
- Software licensing	134	346
- Consulting	310	947
- Other prepayments	2,150	2,228
	4,470	5,782

In order to ensure the proper balancing of the services provided by third parties, costs and income were deferred and will be recognised in profit or loss in the next period.

18. Financial assets held for trading

	31.12.13	31.12.12
National bonds	5,015	9,855
	5,015	9,855

This amount relates to bonds issued by Banco Espírito Santo, S.A. with a settlement value of EUR 5,015 thousand.

The fair value of this heading is based in current bid prices.

19. Cash and cash equivalents

With reference to the consolidated statement of cash flows, the detail and description of **Cash, cash equivalents and bank overdrafts** is analysed as follows:

	31.12.13	31.12.12
- Cash	16	34
- Short term bank deposits	32,926	40,418
Cash and cash equivalents	32,942	40,452
- Overdrafts	-	-
	32,942	40,452

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

The carrying amount of this heading represents the maximum exposure to credit risk.

20. Share Capital, share premium, treasury shares and stock options

The share capital at 31 December 2013, fully subscribed and paid of 15,700,697 Euros, is represented by 31,401,394 shares with a nominal value of 0.5 Euros each.

	Number of shares (thousands)	Share capital	Treasury shares	Share premium	Total
Balance at 1 January 2012	31,401	15,701	(490)	43,560	58,771
Treasury shares transferred	-	-	119	-	119
Balance at 31 December 2012	31,401	15,701	(371)	43,560	58,890
Treasury shares transferred	-	-	76	-	76
Balance at 31 December 2013	31,401	15,701	(295)	43,560	58,966

'Treasury shares' heading reflects the number of shares held by the Group at its nominal value.

According to legislation in force, by deliberation of the General Meeting of Shareholders held on 12 April 2007, the purchase of treasury shares by Novabase S.G.P.S. is permitted up to a maximum of 10% of its share capital.

At 31 December 2012, Novabase S.G.P.S. held 742,316 treasury shares, representing 2.36% of its share capital.

During 2013, the Company transferred 152,362 shares at the average price of 3.04 Euros, 50,382 of which were used for the settlement of acquisitions to non-controlling interests, 42,138 as bonuses to employees, and 59,842 for the settlement of the exercised options under the terms of the Stock Options Plan in force.

At 31 December 2013, Novabase S.G.P.S. held 589,954 treasury shares, representing 1.88% of its share capital.

Issuance share premiums resulted from gains obtained with share capital increases. According to the current legislation, the amounts included under this heading can be used only to increase share capital or to absorb losses carried forward (no need for prior use of other reserves), it cannot be used for attribution of dividends or purchase of treasury shares.

Stock options

At 31 December 2013, one stock options plan is in force (2012-2014 Plan), approved in Shareholders General Meeting of 3 May 2012, which covers only the shareholders of Novabase S.G.P.S..

This stock options plan is based on granting stock options over Novabase ordinary shares, as a performance bonus for participants of the plan.

The stock options granted have as only condition for its acquisition, the permanency of the employee in the dates defined in the plan, and automatically expire whenever the employee stops working in any of the Group companies.

Under the terms of the plan, exercised options are settled through the attribution of treasury shares held by Novabase (net share settlement).

Movements in the number of share options outstanding are as follows:

	31.12.13		31.12.12	
	Average exercise price per share	Options (thousands)	Average exercise price per share	Options (thousands)
Balance at 1 January		1,960		1,960
Expired		-	4.04	(1,960)
Granted		-	2.19	1,960
Exercised	2.837	(251)		-
Balance at 31 December		1,709		1,960

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price	Options (thousands) 31.12.13	31.12.12
2015	2.19	1,709	1,960
		1,709	1,960

In the statement of profit and loss and other comprehensive income, under 'Employee benefit expense' heading, was booked a cost of EUR 196 thousand (2012: EUR 182 thousand, of which EUR 131 thousand referring to this Plan) - see note 29.

21. Reserves and retained earnings

According to legislation in force, Portuguese based companies that integrate Novabase Group are required to transfer a minimum of 5% of annual net profit to legal reserves until this balance reaches at least 20% of the share capital. This reserve cannot be distributed to shareholders, though it may be used to absorb losses carried forward or to increase share capital.

In the Annual General Meeting of Shareholders held on May 2013, it was approved the payment to shareholders of an amount of EUR 3,140 thousand, corresponding to 0.10 Euros per share. The payment occurred in June, 2013.

In the Extraordinary General Meeting of Shareholders held on September 25, 2013, it was approved the distribution to the shareholders of reserves and retained earnings in the amount of EUR 15,701 thousand, corresponding to 0.50 Euros per share. The payment occurred in October, 2013.

	31.12.13	31.12.12
Payment to shareholders	18,483	920
Remuneration of the treasury shares held by the Company	358	22
	18,841	942

In 2013, the Group performed transactions with non-controlling interests (NCI), with the following impact (see notes 6 and 40):

	31.12.13		
	Acquisition/ disposal cost	Payments to/ proceeds from NCI	Impact on Consolidated Equity
Acquisition of 4.076% in Collab	(151)	(104)	(47)
Merger of Techno Trend GmbH into TV Lab	422	(327)	749
	271	(431)	702

In the operations described above, since they were transactions with non-controlling interests in subsidiaries already controlled by the Group that did not generate changes in control, the Economic Entity Model Method was applied, and the difference between the acquisition cost and the net assets value was booked in Equity, in the total amount of EUR 702 thousand. The non-controlling interests decreased by EUR 431 thousand.

22. Non-controlling interests

		31.12.13	31.12.12
	Balance at 1 January	10,613	9,811
	Transactions with non-controlling interests (see note 21)	(431)	-
(*)	Change in consolidation universe	-	66
	Dividends paid by Celfocus to non-controlling interests	-	(900)
	Foreign currency translation differences for foreign operations	(398)	(219)
	Profit attributable to non-controlling interests	1,738	1,855
	Balance at 31 December	11,522	10,613

(*) In 2012, NBMSIT was established.

23. Borrowings

	31.12.13	31.12.12
Non-current		
Bank borrowings	13,024	10,270
Finance lease liabilities	1,007	1,017
	14,031	11,287
Current		
Bank borrowings	6,202	4,195
Finance lease liabilities	1,151	1,051
	7,353	5,246
Total borrowings	21,384	16,533

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

	31.12.13	31.12.12
6 months or less	3,237	2,289
6 to 12 months	2,965	1,906
	6,202	4,195

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

	31.12.13	31.12.12
Between 1 and 2 years	4,701	3,831
Between 2 and 5 years	8,323	5,912
Over 5 years	-	527
	13,024	10,270

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

	31.12.13	31.12.12
Bank borrowings	5.325%	5.532%

Gross finance lease liabilities – minimum lease payments:

	31.12.13	31.12.12
No later than 1 year	1,386	1,392
Between 1 and 5 years	1,338	1,331
	2,724	2,723
Future finance charges on finance leases	(566)	(655)
Present value of finance lease liabilities	2,158	2,068

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

	31.12.13	31.12.12
No later than 1 year	1,151	1,051
Between 1 and 5 years	1,007	1,017
	2,158	2,068

The covenants of the Group's bank borrowings are as follows:

- Total Equity/Total Assets >=20%
- Total Equity/Total Assets >=35% ; Net Debt/EBITDA <2.5 ; Net Debt/Total Equity <0.5
- Net Debt/EBITDA <2
- Net Debt/EBITDA <=2 ; EBIT/Interest paid >=3 ; Total Equity/Total Assets >=25%
- Consolidated Total Equity/Consolidated Total Assets >=40%

24. Provisions

Movements in provisions are analysed as follows:

	Warranties	Legal Claims	Other Risks and Charges	Total
Balance at 1 January 2012	901	240	580	1,721
Additional provisions (note 30)	165	-	1,876	2,041
Reversals (note 30)	(319)	-	(983)	(1,302)
Exchange differences	-	-	(24)	(24)
Balance at 31 December 2012	747	240	1,449	2,436
Additional provisions (note 30)	45	472	3,009	3,526
Reversals (note 30)	(147)	-	(1,429)	(1,576)
Balance at 31 December 2013	645	712	3,029	4,386

Provisions balance includes, among others, the following matters:

Warranties - Liabilities related with third parties subcontracts in the supply of hardware for the TV business, to cover the clients' warranty period. Cash outflows relative to such liabilities occurs in the moment the guarantee is exercised.

Legal claims - Responsibility with indemnities to third parties related with the legal processes in progress. The payment of this liability depends on the conclusion of the referred legal actions (see note 41).

Other risks and charges - Refers mainly to responsibilities with costs to be incurred with possible contractual penalties relative to ongoing projects.

25. Other non-current liabilities

	31.12.13	31.12.12
Acquisition of financial interest in Binómio	70	70
	70	70

This heading refers to the contingent consideration for the acquisition of Binómio, Lda.

The due date of these liabilities is as follows:

	31.12.13	31.12.12
Between 1 and 2 years	-	-
Between 2 and 5 years	70	70
	70	70

26. Trade and other payables

	31.12.13	31.12.12
Trade payables	21,117	22,405
Remunerations, vacations and vacation subsidy	8,481	8,045
Bonus	9,127	9,619
Ongoing projects	4,849	4,147
Value added tax	7,198	7,129
Social security contributions	1,839	2,049
Income tax withholding	1,488	1,508
Employees	277	201
Prepayments from trade receivables	756	14
Acquisition of financial interests to related parties (note 40)	-	205
Acquisition of financial interest in Evolvespace Solutions	-	151
Acquisition of financial interest in FCR Istart I	72	-
Other accrued expenses	6,282	4,068
Other payables	278	214
	61,764	59,755

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

The maturity of these liabilities is as follows:

	31.12.13	31.12.12
No later than 1 year	61,764	59,755
	61,764	59,755

27. Deferred income and other current liabilities

	31.12.13	31.12.12
Research and development subsidies	4,960	6,202
Consulting projects	19,795	21,700
	24,755	27,902

At 31 December 2013, the Group expect to comply with the relevant conditions to receive the following financial incentives for research and development:

	Contracted amount	Acum. received amount
Subsidies:		
- NSRF - Incentive Scheme for Research and Technological Development (R&D)	4,768	3,034
- Other subsidies	2,799	1,541
	7,567	4,575

28. External supplies and services

	31.12.13	31.12.12
Subcontracts	27,382	26,942
Supplies and services		
Commissions and consultancy fees	7,578	8,227
Transportation, travel and accommodation expenses	7,566	6,627
Rents	4,390	3,907
Specialized services	1,563	1,819
Freight	728	469
Advertising and promotion	861	542
Water, electricity and fuel	930	1,010
Communications	991	929
Insurance	406	408
Utensils, office supplies and technical documentation	257	275
Other supplies and services	1,789	1,073
	27,059	25,286
	54,441	52,228

29. Employee benefit expense

	31.12.13	31.12.12
Board members remuneration	4,858	5,281
Salaries and wages	61,836	58,410
Social security charges	10,637	10,173
Stock options granted (note 20)	196	182
Other personnel expenses	2,281	1,890
	79,808	75,936

Average number of personnel, by business unit, is detailed as follows:

	31.12.13	31.12.12
Business Solutions	1,571	1,428
IMS	426	602
Venture Capital	65	66
Novabase Shared Services	108	98
	2,170	2,194

30. Other gains/(losses) - net

		31.12.13	31.12.12
(*)	Gains on financial investments disposal (see notes 6 and 10)	293	-
	Impairment and impairment reversal of trade and other receivables (note 14)	399	(2,493)
	Impairment and impairment reversal of inventories (note 12)	(30)	(73)
	Warranties provision (note 24)	102	154
	Legal claims provision (note 24)	(472)	-
	Provisions for other risks and charges (note 24)	(1,580)	(893)
	Operating subsidies	57	-
(**)	Compensation paid to Novabase - Electronic School Card	-	2,697
	Other operating income and expense	675	(117)
		(556)	(725)

(*) Disposal of the Digital TV/SIP business assets.

(**) Compensation paid to Novabase by the Minister of Education and Science, for unilateral cancellation of the contract for acquiring the services and goods necessary for the infrastructure of the Electronic School Card system for public schools grades 5 to 9 of the basic and secondary education system.

31. Depreciation and amortisation

	31.12.13	31.12.12
Property, plant and equipment (note 7):		
Buildings and other constructions	404	403
Basic equipment	1,371	1,491
Transport equipment	1,019	1,145
Tools and utensils	11	19
Furniture, fittings and equipment	155	157
Other tangible assets	2	1
	2,962	3,216
Intangible assets (note 8):		
Internally generated intangible assets	1,881	661
Industrial property and other rights	888	1,880
	2,769	2,541
	5,731	5,757

32. Finance income

	31.12.13	31.12.12
Interest received	965	1,032
Positive exchange differences	2,211	3,140
Fair value of financial assets adjustment (note 10)	-	550
Other financial gains	77	9
	3,253	4,731

33. Finance costs

	31.12.13	31.12.12
Interest expenses		
- Borrowings	(1,013)	(744)
- Finance lease liabilities	(392)	(466)
- Other interest	(41)	(14)
Bank guarantees charges	(134)	(114)
Bank services	(265)	(225)
Negative exchange differences	(1,456)	(2,902)
Fair value of financial assets adjustment (note 10)	(549)	(227)
Other financial costs	(50)	(29)
	(3,900)	(4,721)

34. Share of (loss)/profit of associates

	31.12.13	31.12.12
Fundo Capital Risco NB Capital (note 9)	73	(41)
Novabase Atlântico, SI, S.A. (note 9)	-	(135)
	73	(176)

35. Income tax expense

Novabase and its subsidiaries with head offices in Portugal are subject to Corporate Income Tax at the nominal rate of 25%, which can be increased by a Municipal Surcharge up to a maximum rate of 1.5% of taxable income, resulting in a total tax rate of 26.5%. Additionally, taxable income exceeding EUR 1,500 thousand and up to 7,500 thousand is subject to a State Surcharge at the rate of 3%, and the part of taxable income exceeding EUR 7,500 thousand is subject to a State Surcharge at the rate of 5%.

For the purpose of determining the deferred income tax assets, Novabase used the rate of 23%, taking into account the publication of Law No. 2/2014, of 16 January, which amends the corporation tax rate from 1 January 2014. The impact of this change resulted in a cost of EUR 238 thousand.

Since 1 January 2009, Novabase is being taxed in Corporate Income Tax under the Special Taxation Regime for Groups of Companies (Group taxation relief). For taxation purposes, this group includes companies detained in 90% or more by Novabase S.G.P.S. which comply with the further requirements under article 69º and following of the Corporate Income Tax Code.

This heading is analysed as follows:

	31.12.13	31.12.12
Current tax	1,975	2,230
Deferred tax on temporary differences (note 11)	(2,668)	146
	(693)	2,376

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

	31.12.13	31.12.12
Profit before income tax	8,555	12,137
Income tax expense at nominal rate (25%)	2,139	3,034
Tax benefit on the net creation of employment for young and long term unemployed people	(373)	(410)
Provisions and amortisations not considered for tax purposes	70	207
Recognition of tax on the events of previous years	146	151
Associates' results reported net of tax	(18)	(37)
Autonomous taxation	(232)	718
Losses in companies where no deferred tax is recognised	136	(15)
Expenses not deductible for tax purposes	(158)	(80)
Differential tax rate on companies located abroad	(9)	110
Research & Development tax benefit	(3,221)	(1,991)
Municipal surcharge and State surcharge	249	280
Adjustment for income tax rate	238	-
Impairment of Special Payment on Account, tax losses and withholding taxes	340	409
Income tax expense	(693)	2,376

36. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 20).

Diluted

Diluted earnings per share is calculated by adjusting the average weighted number of ordinary shares outstanding to assume the conversion of all dilutive potential ordinary shares. Novabase has just one type of dilutive potential ordinary shares: stock options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares). The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of all the stock options.

Earnings per share are analysed as follows:

	31.12.13	31.12.12
Weighted average number of ordinary shares in issue	30,765,201	30,599,151
Stock options adjustment	367,289	-
Adjusted weighted average number of ordinary shares in issue	31,132,490	30,599,151
Profit attributable to owners of the parent	7,510	7,906
Basic earnings per share (Euros per share)	0.24 Euros	0.26 Euros
Diluted earnings per share (Euros per share)	0.24 Euros	0.26 Euros

37. Dividends per share

The amounts paid in 2013 and 2012 reached EUR 18.841 thousand (0.60 Euros per share), which corresponds to a regular dividend in the amount of EUR 3,140 thousand (0.10 Euros per share) and to an extraordinary remuneration of shareholders in the amount of EUR 15,701 thousand (0.50 Euros per share), and EUR 942 thousand (0.03 Euros per share), respectively. These amounts differ from the ones shown in the consolidated statement of cash flows due to the remuneration of the treasury shares held by the Company, which remained in Novabase (note 21). In respect to the year 2013, the Board of Directors will propose to the Annual General Meeting of Shareholders of 2014, the payment of 0.20 Euros per share, that is, a total amount of EUR 6,280 thousand. These financial statements do not reflect this dividend payable.

38. Commitments

The financial commitments not included in the consolidated statement of financial position related with bank guarantees provided to third parties for ongoing projects, are detailed as follows:

	Bank	31.12.13	31.12.12
Novabase S.G.P.S., S.A.	BPI	1,450	1,516
Novabase E.A., S.A.	BES	17	17
Novabase Business Solutions, S.A.	BPI	458	488
Novabase Business Solutions, S.A.	BES	2,879	3,041
Novabase Business Solutions, S.A.	BCP	100	-
Novabase Serviços, S.A.	BES	390	390
CelFocus, S.A.	BES	112	112
COLLAB – Sol. I. Com. e Colab., S.A.	BES	4	12
Octal - Engenharia de Sistemas, S.A.	BCP	438	438
Octal - Engenharia de Sistemas, S.A.	BES	154	208
Novabase IMS Infr. & Manag. Services, S.A.	BES	6,485	6,287
Novabase IMS Infr. & Manag. Services, S.A.	BCP	127	3
Novabase IMS Infr. & Manag. Services, S.A.	BPI	273	282
Novabase IMS Infr. & Manag. Services, S.A.	BTA	300	-
Novabase Digital TV E.S. Tel. Inter., S.A.	BCP	238	237
Novabase Digital TV E.S. Tel. Inter., S.A.	BES	10	230
Novabase Consulting Espanha, S.A.	BESSA	75	27
NBASIT-Sist. de Inf. e Telecomunic., S.A.	BFA	357	-
NBASIT-Sist. de Inf. e Telecomunic., S.A.	BMA	377	-
Binómio, Lda.	BES	5	5
		14,249	13,293

Novabase Capital has an option to acquire all the units held by IAPMEI in Fundo Capital de Risco NB Capital, and may exercise this option at any time after 31 December 2008, under the conditions set in Article 21 of Fund by law.

Novabase Capital has also an option to acquire all the units held by FINOVA in FCR NB Capital Inovação e Internacionalização, and may exercise this option at any time after 30 September 2015, under the conditions set in Article 21 of Fund by law.

Fundo Capital de Risco NB Capital entered into a sale and purchase promise-agreement for the sale of its 20% stake in Dosapac, by the amount of EUR 491 thousand. The promised-agreement (definitive) shall be mandatorily concluded by 03/31/2014.

Fundo Capital de Risco NB Capital has the following put options until June, 2017 (if this period is not extended by two additional years):

- 55% of the share capital of Power Data at the price determined by an independent Chartered Accountant, applicable in the event of dissolution or liquidation of the Fund;
- 20% of the share capital of Radical Innovation at the price determined by an independent Chartered Accountant, applicable in the event of dissolution or liquidation of the Fund.

FCR NB Capital Inovação e Internacionalização has the following put options until October, 2021:

- 88.89% of the share capital of PowerGrid at the price determined by an independent Chartered Accountant, in the case of dissolution or liquidation of the Fund;
- 90% of the share capital of Bright Innovation at the price determined by an independent Chartered Accountant, in the case of dissolution or liquidation of the Fund;
- 25% of the share capital of Power Data at the price determined by an independent Chartered Accountant, applicable in the event of dissolution or liquidation of the Fund;
- 60% of the share capital of Radical Innovation at the price determined by an independent Chartered Accountant, applicable in the event of dissolution or liquidation of the Fund;
- 25% of the share capital of Smartgeo Solutions at the price determined by an independent Chartered Accountant, at any time after 15 January 2015.

In 2013, the Group had the following grouped credit line contracted:

Group of companies	Plafond
Novabase IMS; Novabase Digital TV	2.5 M USD

There are commitments resulting from operating leases. At 31 December 2013, these obligations refers mainly to the leases of 'Edifício Caribe', the Company's headquarter and of the facilities of the logistics unit. The minimum lease payments under these operating lease liabilities amounts to EUR 8,238 thousand (2012: EUR 8,862 thousand).

39. Net Cash

With reference to the Board of Directors' Report, the detail and description of **Net Cash** is analysed as follows:

	31.12.13	31.12.12
Cash (note 19)	16	34
Short term bank deposits (note 19)	32,926	40,418
Financial assets held for trading (note 18)	5,015	9,855
Treasury shares held by the Company (*)	1,540	1,707
Non-current bank borrowings (note 23)	(13,024)	(10,270)
Current bank borrowings (note 23)	(6,202)	(4,195)
	20,271	37,549

(*) The share price in the Stock Exchange in the last tradable day of 2013 was 2.61 Euros (2012: 2.30 Euros).

40. Related-party transactions

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

i) Key management compensation

	31.12.13	31.12.12
Salaries and other short-term employee benefits	4,858	5,281
Stock options granted (note 29)	196	182
	5,054	5,463

ii) Acquisition and merger of financial interests with related parties (note 21)

	31.12.13	31.12.12
Acquisitions to former shareholders of Collab	(151)	-
Merger of Techno Trend GmbH into TV Lab	422	-
	271	-

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

	Non-current		Current (note 26)		Total	
	31.12.13	31.12.12	31.12.13	31.12.12	31.12.13	31.12.12
Novabase A.C.D.	-	-	-	40	-	40
SAF	-	-	-	32	-	32
Novabase International Solutions B.V.	-	-	-	133	-	133
	-	-	-	205	-	205

iv) Other balances with related parties

		Non-current		Current (note 14)	
		31.12.13	31.12.12	31.12.13	31.12.12
	Loan to NB Digital TV GmbH	-	-	2,800	-
	Loan to Globaleda, S.A.	-	-	784	1,023
	Loan to Powergrid, Lda	2,050	-	-	550
	Loan to DTV Research, Lda	-	-	1,182	1,310
	Loan to Bright Innovation, Lda	1,477	-	-	1,477
(*)	Loan to SmartGeo Solutions, Lda	99	-	-	-
(*)	Loan to Radical Innovation, Lda	994	-	-	-
(*)	Loan to Power Data, Lda	248	-	-	-
	Loans to other shareholders	-	-	22	47
		4,868	-	4,788	4,407

(*) New investments made by FCR NB Capital Inovação e Internacionalização.

41. Contingencies

- Court procedure brought by the company CES - Comércio de Equipamentos de Escritório, S.A. against Novabase IMS, under which the plaintiff claims (i) the restitution of equipment and furniture that was installed in the premises of the co-defendant of the subsidiary of Novabase and that belongs to it and (ii) the payment of an indenisation for de damages it suffered to be determined at the time of enforcement of the decision. Under the same proceedings, Novabase's subsidiary in question filled a reply and a counterclaim in the amount of approximately EUR 176 thousand regarding amounts unlawfully paid to the plaintiff. The preliminary hearing has already taken place. The procedure awaits scheduling of the final hearing.

- Court procedure brought by the company Digisat – Digital Satélite, Lda., under which Novabase Digital TV is co-Defendant and has presented its reply. The Court requested the Plaintiff to rectify the terms of the claim in order to clarify the action value (approximately EUR 40 thousand) and the amount of the claim (approximately EUR 100 thousand). The action awaits the pronunciation of the Plaintiff, meanwhile the Plaintiff's lawyer has renounced his power of attorney. To this effect, court procedure is suspended by Judge's Orders as of June 24, 2008. Should the suspension continue for a period in excess of one year due to negligence of the parties in promoting its continuance the procedure will be deemed interrupted. Within two years of interruption of the procedure it will be considered deserted, thereby terminating without any further action. There is no order of the Judge, yet.

- The company Qimonda Portugal S.A. has filed for insolvency, whereby NBO has claimed credits in the amount of approximately EUR 980 thousand corresponding to the unpaid invoices and compensation for breach of prior notice for termination of contract. General Creditors Assembly has voted the Recovery Plan for the company and process is in place to start making payments to creditors.

- Six court procedures brought by former collaborators of the company Novabase Digital TV claiming payment of credits due referring to the years they were in service prior to 2012. They petitioned the Court to recognize the existence of a formal employment contract rather than a services agreement and have petitioned the Company to be condemned to the payment of credits in an amount totalling EUR 250 thousand. Procedures are pending a ruling on final trial date.

- Corrections project brought by DGCI – Direcção Geral de Contribuições e Impostos (Portuguese Tax Authority) against former Novabase A.C.D. (merged into Novabase Business Solutions S.A. in 2009), to the tax profit assessed concerning the years 2003, 2004 and 2005, with an estimated impact of EUR 3,534 thousand to the taxable income and EUR 1,060 thousand on the income tax. Novabase presented reply and a counterclaim, with solid arguments to the base of all the proposed corrections, and therefore considered a provision of EUR 383 thousand concerning the risk of an income tax potential adjustment. In 2011 the Tax Authority reviewed the amount to approximately EUR 140 thousand and the provision was reduced. In 2012, Novabase has filed opposition about the decision of Tax Authority (TA) to arbitration Court. In 2013, the arbitration Court decided in favour of Novabase, and the TA didn't appeal. Novabase is awaiting for the TA to regularize the liquidation notes previously issued.

42. Additional information requested by law

In accordance with article 508-F of the Portuguese Commercial Companies Code, we hereby inform of the following:

(i) In addition to all operations described in the notes above, as well as in the Management's Report, there are no other operations considered relevant which are not already contained either in the consolidated statement of financial position or its annex;

(ii) The total remuneration paid to the Chartered Accountant in 2013 was 151,250 Euros (2012: 151,000 Euros), of which 150,000 Euros correspond to legal accounts audit services, while the remaining 1,250 Euros, relate to the issue of a statement on the verification of values reported in billing reports;

(iii) Note 40 of the Notes to the Consolidated Financial Statements includes all the related parties' disclosures, in accordance with the International Financial Reporting Standards.

43. Events after the reporting period

The Board of Directors has approved an amendment to the shareholding earnings policy, under which the Board of Directors will propose to the General Meeting of Shareholders an annual payment of at least 30% of Novabase's Group consolidated net profit recorded in each financial year. As a result, Novabase will propose to the Annual General Meeting of Shareholders of 2014 the distribution of 6,280,278.80 Euros to shareholders, which is equal to 83.62% of the consolidated net profit and represents a dividend of 20 euro cents per share.

44. Note added for translation

These financial statements are a translation of financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

(Page left intentionally blank)

II. SUPERVISORY BOARD AND AUDITORS REPORT IN RESPECT OF THE CONSOLIDATED FINANCIAL INFORMATION

(Page left intentionally blank)

Audit Committee

Opinion of the Audit Committee on the Consolidated Financial Information

Dear Shareholders,

Pursuant to the law, the mandate from our shareholders and the provisions of Article 423-F, Item g) of the Portuguese Company Code and nº of Article 508-D of the same code, we now present a brief summary of our supervisory activities, together with our opinion on the Annual Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the year ending 31 December 2013.

Over the course of the period ended December 31, 2013, the Audit Committee held 10 formal meetings and several informal meetings to supervise the following:

- Company management, in terms of compliance with the law, the memorandum of association and other regulations in force, as well as in relation to management activities, policies pursued and the transparency, diligence and credibility of conduct;

- The efficacy of risk management systems and internal control and auditing activities; and

- Mechanisms, procedures and activities employed in preparing and disclosing financial information and reviewing the accuracy of the accounting documentation and accounting policies used by the Company, to ensure that these entail an accurate assessment of the Company's financial status and results.

NOVABASE

Audit Committee

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

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

- The Consolidated Financial Statements and corresponding Annex truly and fairly reflect the Company's financial situation.

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

- The Annual Report be approved;

- The Consolidated Financial Statements be approved.

Lisbon, March 27th 2014

The Audit Committee

Luis Mira Amaral (Chairman)

Manuel Alves Monteiro (Member)

João Luís Duque (Member)

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

(Free translation from the original in Portuguese)

Introduction

1 As required by law, we present the Audit Report for Statutory and Stock Exchange Regulatory Purposes on the financial information included in the Directors' Report and in the attached consolidated financial statements of Novabase, SGPS, SA., comprising the consolidated statement of financial position as at December 31, 2013, (which shows total assets of Euros 214.699 thousand and total shareholder's equity of Euros 101.754 thousand including non-controlling interests of Euros 11.522 thousand and a net profit of Euros 7.510 thousand), the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

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

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

Scope

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

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.
Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal
Tel +351 213 599 000, Fax +351 213 599 999, www.pwc.pt
Matriculada na CRC sob o NUPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 9077

disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements; and (vi) assessing the completeness, truthfulness, accuracy, clarity, objectivity and lawfulness of the consolidated financial information.

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

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

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Novabase, SGPS, SA. as at December 31, 2013, the consolidated results and the consolidated comprehensive income of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and the information included is complete, true, up-to-date, clear, objective and lawful.

Report on other legal requirements

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

March 27, 2014

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

Jorge Manuel Santos Costa, R.O.C.

III. SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS

(Page left intentionally blank)

DETAIL ON SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS OF NOVABASE S.G.P.S. AND OF OTHER GROUP COMPANIES

	Share Capital	Total Number of Shares	Number of shares held by Board Members at 31.12.12	Transactions	Number of shares held by Board Members at 31.12.13	% of shares held by Board Members at 31.12.13
Novabase S.G.P.S., S.A.	**15,700,697 €**	**31,401,394**	**12,257,490**	**(7,048,208)**	**5,221,102**	**16.6%**
José Afonso Oom Ferreira de Sousa			2,514,997	(2,512,276)	2,721	0.0%
Pedro Miguel Quinteiro Marques de Carvalho			2,170,679	108,333	2,279,012	7.3%
Luís Paulo Cardoso Salvado			2,079,592	(2,065,990)	13,602	0.0%
João Nuno da Silva Bento			1,899,799	(1,200,000)	699,799	2.2%
Rogério dos Santos Carapuça			1,884,787	108,333	1,993,120	6.3%
Álvaro José da Silva Ferreira			1,519,074	(1,505,472)	13,602	0.0%
Nuno Carlos dos Santos Fórneas			122,757	0	122,757	0.4%
Paulo Jorge de Barros Pires Trigo			50,000	18,864	68,864	0.2%
Maria do Carmo do Brito Palma (a)			N/A	0	11,820	0.0%
Manuel Fernando Macedo Alves Monteiro			9,000	0	9,000	0.0%
Luís Fernando de Mira Amaral			6,305	0	6,305	0.0%
João Luís Correia Duque			500	0	500	0.0%
NBASIT - Sist. Inf. e Telecomunicações, S.A.	**47,500,000 AOA**	**100,000**	**800**	**0**	**800**	**0.8%**
Álvaro José da Silva Ferreira			400	0	400	0.4%
Francisco Paulo Figueiredo Morais Antunes			200	0	200	0.2%
Luís Paulo Cardoso Salvado			200	0	200	0.2%
CelFocus, S.A.	**100,000 €**	**100,000**	**2**	**0**	**2**	**0.0%**
Paulo Jorge de Barros Pires Trigo			1	0	1	0.0%
José Afonso Oom Ferreira de Sousa			1	0	1	0.0%
COLLAB – Sol. I. Com. e Colab., S.A.	**61,333 €**	**61,333**	**3,750**	**0**	**3,750**	**6.1%**
Pedro Cabrita Quintas			3,750	0	3,750	6.1%
Manchete, S.A. (b)	**150,000 €**	**150,000**	**37,501**	**0**	**0**	**0.0%**
Mª de Fátima da Silva Rebelo			37,501	0	N/A	-
FeedZai, S.A.	**108,068 €**	**10,806,750**	**5,649,000**	**0**	**5,649,000**	**52.3%**
Nuno Jorge da Cruz Sebastião			1,749,500	0	1,749,500	16.2%
Paulo Jorge Pimenta Marques			1,724,750	0	1,724,750	16.0%
Pedro Gustavo Santos Rodrigues Bizarro			1,724,750	0	1,724,750	16.0%
Pedro Miguel Quinteiro Marques de Carvalho			450,000	0	450,000	4.2%
PowerGrid, Lda	**450,000 €**	**450,000**	**50,000**	**0**	**50,000**	**11.1%**
Nelson David Ferreira Teodoro			50,000	(50,000)	0	-
Vitor Manuel Spinola Prisca			0	50,000	50,000	11.1%
Dosapac, Automação de Edifícios, S.A.	**50,000 €**	**50,000**	**35,000**	**0**	**35,000**	**70.0%**
José da Conceição Martins da Mota			35,000	0	35,000	70.0%
Bright Innovation, Lda	**25,000 €**	**25,000**	**2,500**	**0**	**2,500**	**10.0%**
Patrícia Delgado Tavares Nunes G. Costa			2,500	0	2,500	10.0%
NBMSIT, Sist. de Inf. e Tecnol., S.A.	**8.235.000 MZN**	**27,450**	**7,137**	**0**	**4,941**	**18.0%**
Lucas Fazine Chacine			4,941	0	4,941	18.0%
Henrique Álvaro Cepeda Gamito Junior (c)			2,196	0	N/A	-
DTV Research, Lda (d)	**200,000 €**	**200,000**	**10,000**	**0**	**10,000**	**5.0%**
Pedro Miguel Gonçalves Afonso			10,000	(10,000)	0	0.0%
Humberto João da Silva dos Santos Abel			0	10,000	10,000	5.0%
Power Data, Lda (e)	**10,000 €**	**10,000**	**0**	**2,000**	**2,000**	**20.0%**
Vitor Manuel Spinola Prisca			N/A	2,000	2,000	20.0%
Radical Innovation, Lda (e)	**10,000 €**	**10,000**	**0**	**2,000**	**2,000**	**20.0%**
Patrícia Delgado Tavares Nunes G. Costa			N/A	2,000	2,000	20.0%
Smartgeo Solutions Lda (e)	**5,000 €**	**5,000**	**0**	**3,750**	**3,750**	**75.0%**
Sandra Maria Loureiro Bernardo			N/A	1,000	1,000	20.0%
Pedro Manuel Gonçalves Reino			N/A	1,000	1,000	20.0%
Victor José Luz Ramos			N/A	1,000	1,000	20.0%
Nuno Miguel Sousa			N/A	250	250	5.0%
Carlos Eduardo Vieira Caçador			N/A	250	250	5.0%
João Negrão Antunes			N/A	250	250	5.0%

(a) Became part of the Corporate Boards.
(b) Financial holding disposed in 2013.
(c) Ceases to belong to the Corporate Boards.
(d) Financial holding disposed in 2013. Formally, the shares were transferred only at 01/31/2014.
(e) Company incorporated in 2013.

(Page left intentionally blank)

STATEMENT OF COMPLIANCE

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

(Page left intentionally blank)

Statement of the Board of Directors

(Free translation from the original version in Portuguese)

Under the terms of sub-paragraph c) paragraph 1 of article 245 of the Portuguese Securities Code, the undersigned, as members of the Board of Directors of Novabase S.G.P.S., S.A., below identified declare that to the best of their knowledge:

(i) the information contained in the management report, the annual accounts, the Auditors' Report and all other accounting documentation required by law or regulation, regarding the year ended 31 December 2013, was prepared in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, financial position and results of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter; and

(ii) the management report faithfully states the evolution of the businesses, of the performance and of the position of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter, containing namely an accurate description of the main risks and uncertainties which they face.

Lisbon, March 27, 2014

Rogério dos Santos Carapuça
(Non-Executive Member, Chairman of the Board of Directors)

Luís Paulo Cardoso Salvado
(Executive Member, Chairman of the Executive Committee - CEO)

José Afonso Oom Ferreira de Sousa
(Non-Executive Member)

Pedro Miguel Quinteiro Marques de Carvalho
(Non-Executive Member)

João Nuno da Silva Bento
(Executive Member, Member of the Executive Committee)

Álvaro José da Silva Ferreira
(Executive Member, Member of the Executive Committee)

Joaquim Manuel Jordão Sérvulo Rodrigues
(Non-Executive Member)

Luís Fernando de Mira Amaral
(Non-Executive Member, Independent, Chairman of the Audit Committee)

Manuel Fernando de Macedo Alves Monteiro
(Non-Executive Member, Independent, Member of the Audit Committee)

Francisco Paulo Figueiredo Morais Antunes
(Executive Member, Member of the Executive Committee - CFO)

João Luís Correia Duque
(Non-Executive Member, Independent, Member of the Audit Committee)

Nuno Carlos Dias dos Santos Fórneas
(Executive Member, Member of the Executive Committee)

Paulo Jorge de Barros Pires Trigo
(Non-Executive Member)

Maria do Carmo do Brito Palma
(Executive Member, Member of the Executive Committee)

Pedro Miguel Gonçalves Afonso
(Executive Member, Member of the Executive Committee)

(Page left intentionally blank)