



Consolidated Results 12M13

Privileged Information

February 6, 2014

Highlights:

Turnover: 216.8 M€

(212.1 M€ in 12M12)

EBITDA: 14.9 M€

(18.1 M€ in 12M12)

Net Profit: 7.5 M€

(7.9 M€ in 12M12)

Net Cash: 20.3 M€

(37.5 M€ in 12M12)

Message from the CEO - Luís Paulo Salvado

"The results of 2013 reflect the successful implementation of the strategy set for the year.

The international business increased by 18% and accounted for 34% of the total business. As anticipated, the allocation of additional resources to international expansion pressured EBITDA and Net Profit, which decreased by 18% and 5%, respectively. The cash generation, excluding the dividends paid to shareholders, was positive and also evolved in line with expectations.

This period was also marked by the sale of assets of Digital TV/SIP business in the Venture Capital area, enabling the release of relevant resources to the development of Novabase's core business.

During 2013, the share price gained 13% and the number of shares traded increased by 69%. A payment of two dividends totalling 0.6€ per share, representing a dividend yield of 21.5% compared to the weighted average price, was undertaken in the period.

In 2014 Novabase will maintain the international expansion strategy, conferring it the necessary means for its sustainability in the medium-term. Thus, in 2014, we expect to reach a Turnover of 220 M€ and an EBITDA between 14 M€ and 17 M€.

The Board of Directors amended its dividend policy, by eliminating the upper limit of the range, and will propose to the next Annual Meeting of Shareholders the payment of a dividend of 20 cents per share."

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Report available on website :
www.novabase.pt

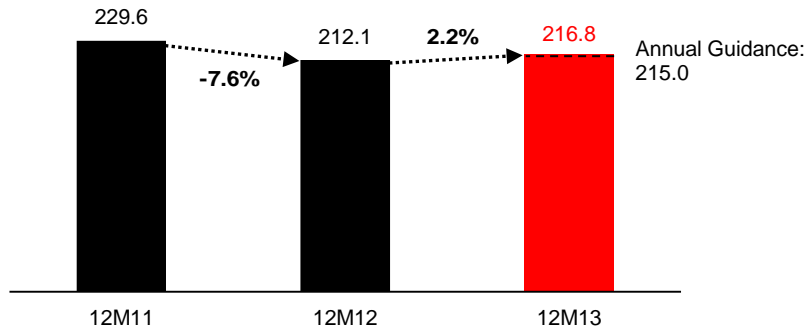
Novabase SGPS, S.A.
Public Company . Euronext code: NBA.AM .
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 . Share Capital: 15,700,697.00 € .
Head Office: Av. D. João II, Lote 1.03.2.3., 1998-031 Lisbon - PORTUGAL



1. Key Indicators Evolution

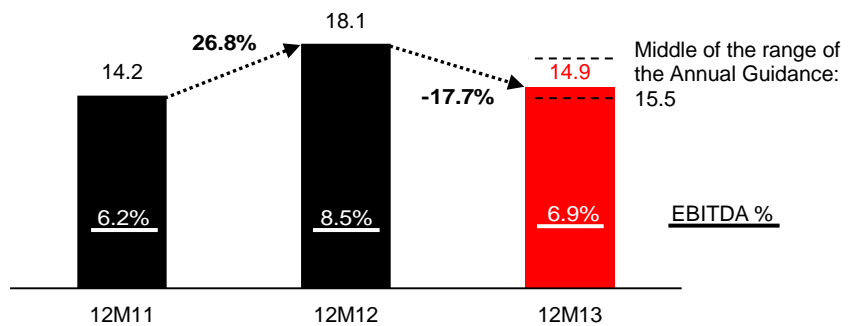
Turnover (M€)

Turnover in line with the annual Guidance of 215 M€ (+0.9%), highlighting the international component growth.



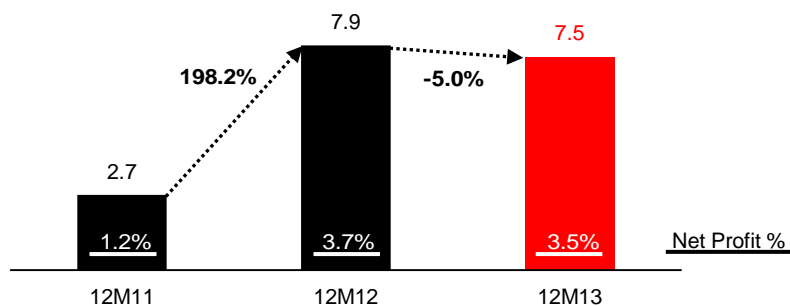
EBITDA (M€)

EBITDA within the range of the annual Guidance of 14-17 M€ and 6.5%-7.9% of margin: -4.1% below the middle of the range (-0.4 percentage points).



Net Profit (M€)

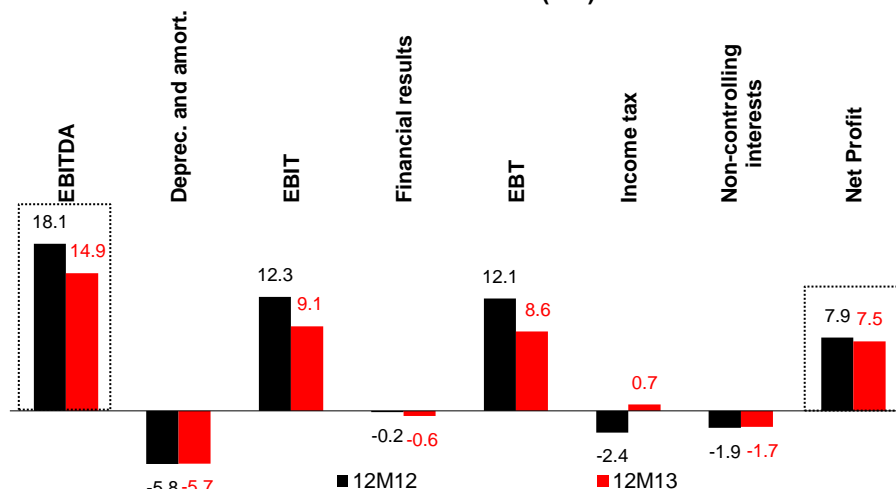
Evolution of profitability as expected, due to the costs associated to the reinforcement of the international expansion strategy.



Earnings per share (EPS) in 12M13 reached 0.24 euros per share, registering a decrease of 5.5% towards the EPS from the previous year of 0.26 euros per share.



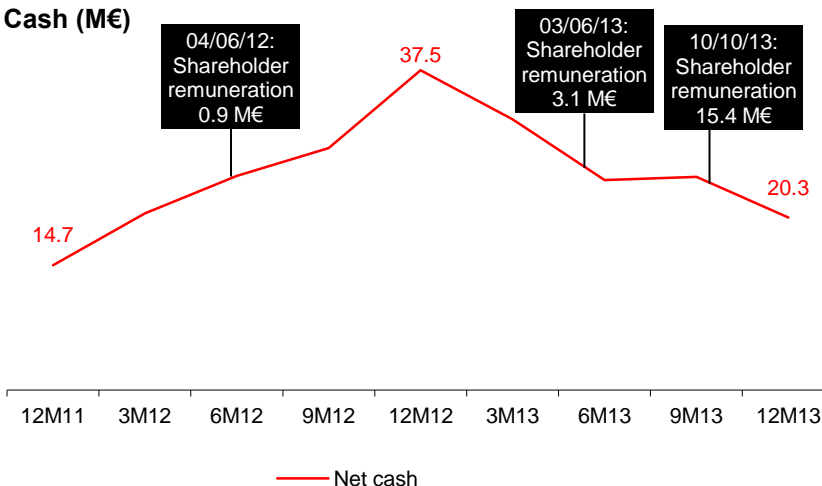
From EBITDA to Net Profit 12M13 Vs 12M12 (M€)



The Financial Results reached a net negative value of 0.6 M€, a decrease of 0.4 M€, fundamentally based on the re-evaluation of the portfolio of investments in the Venture Capital segment, partially offset by the increase in the foreign exchange gains compared to the same period of last year.

Income tax expense in the 12M13 reached 0.7 M€, above the -2.4 M€ in 12M12, benefiting from the significant investment in R&D.

Net Cash (M€)



Cash generation of 1.2 M€ in 2013, excluding the payment of dividends in the total amount of 18.5 M€, despite the expected increase of the investment in working capital, given the unusually lower levels recorded in the end of 2012.

In the 12M13, Novabase shows a negative evolution in cash generation. Novabase ended the 12M13 with 20.3 M€ in net cash, which compares to 37.5 M€ in the 12M12.

On June 3, 2013, Novabase paid its shareholders a total amount of 3.1 M€ (0.10€/share). Additionally, on October 10, 2013, occurred the distribution of reserves and retained earnings to shareholders in a total amount of 15.4 M€, corresponding to 0.50€ per share.



2. Short Summary of the Activity

The results of 2013 are in line with the expectations set for the year, with focus on strengthening both the international expansion and the vertical integration of Novabase offerings. It is worth noting that the Guidance included the costs associated to the development of these strategies.

Thus, compared to the same period of last year, the Turnover increased by 2.2%, with the international business representing 33.6% of the total business, but the EBITDA registered a decrease of 17.7%. The annual results are in line with the Turnover Guidance (+0.9%), and within the range of the EBITDA Guidance (-4.1% in value and -0.4 percentage points compared to the middle of the range).

The entry into Mozambique is in line with the company's international expansion strategy, which continues to focus on emerging markets.

These investments reflect the strengthening of Novabase's strategic commitment to innovative technology-based SMEs focused on the international market.

Highlights include the official opening of operations in Mozambique in the second quarter of 2013. Novabase Mozambique aspires to be a key technology partner for leading banks and mobile operators, and play an active role in the government's structural projects. Another goal is to expand its position to the rest of the African market.

In the Venture Capital area, the Venture Capital Fund Novabase Capital Inovação e Internacionalização invested in the companies SmartGeo Solutions, a company specialising in the deployment of Geographic Information Systems (GIS), Power Data, a company focused on developing innovative solutions for the Utilities sector, and Radical Innovation, specializing in incubator projects in the area of Information and Communication Technologies (ICT) and integrated services, supported by a multi-channel IT platform.

Additionally, Novabase decided to sell to General Satellite group 100% of the subsidiaries Novabase Digital TV, EURL and DTV Research, Lda and 49% of Novabase Digital TV, GmbH. This transaction represents the culmination of the plan established by the area of Venture Capital for the incubation of the Digital TV business, and allows Novabase to apply the resources made available by this transaction in the development and internationalization of its core business.

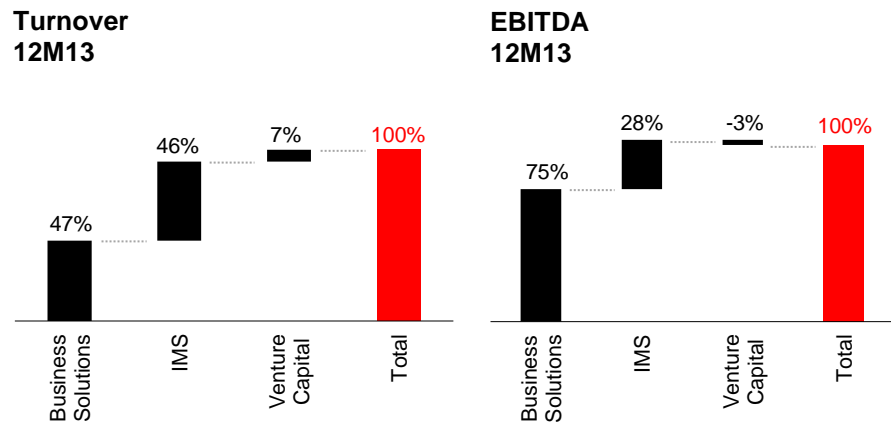
Also worthy of note, is the distinction of Collab which was given the Gold award for the "Best Contact Center Technology in 2013", attributed by the Portuguese Association of Contact Centers (APCC). Additionally, during the annual European Cisco partners meeting, Cisco Partner Summit 2013, Novabase received five awards for its performance in Portugal: Architectural Excellence Borderless Networks Partner of the Year, Architectural Excellence Data Center Partner of the Year, Architectural Excellence Service Provider Architecture Partner of the Year, Commercial Partner of the Year and Services Partner of the Year.

With investments exceeding €22 million in the last three years, Novabase was once again featured in "The top 1,000 R&D investors in the EU" report, published by the European Commission, which only has six portuguese companies in this ranking, being one of only two companies to increase investment in R&D in 2013.





The percentage breakdown of Turnover and EBITDA by the different businesses, in the 12M13, is as follows:

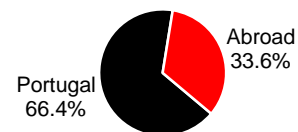


Of the 216.8 M€ Turnover, 33.6% is generated outside Portugal, that is 72.8 M€, which compares to the 61.6 M€ registered in 12M12.

Turnover by geography 12M12



Turnover by geography 12M13



International business increased 18.1%, reflecting a strong focus on markets outside Portugal.

Business outside Portugal generated in the Business Solutions area increased to 32.1% of the respective invoicing (25.5% in 12M12). In the IMS business area, the international business in 12M13 increased to 26.2% (25.7% in 12M12) and in the Venture Capital area increased to 87.9% (84.8% in 12M12).

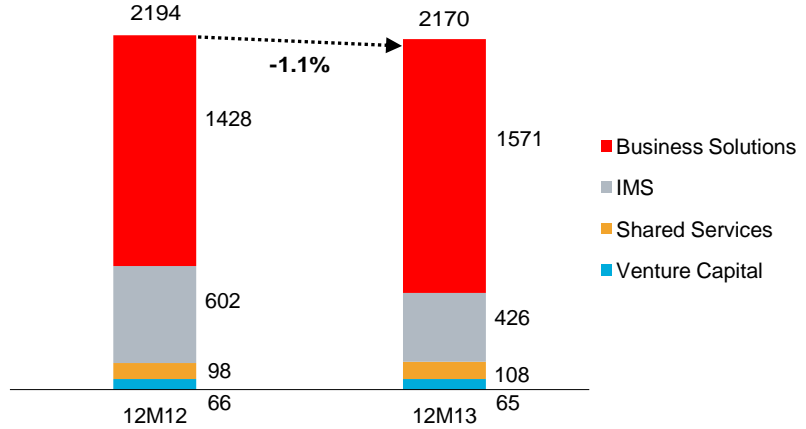
Novabase had on average, in the 12M13, 2170 employees, which represents a decrease of 1.1% compared to the 12M12 (2194).



Employee breakdown by business area, in 12M13, is as follows:

Average Number of Employees

Average number of employees' evolution includes the talent renovation by the recruitment of 170 university graduates through Novabase Academy program, which had its first edition in Mozambique.



Average Number of Employees by geography 12M12

Average Number of Employees by geography 12M13

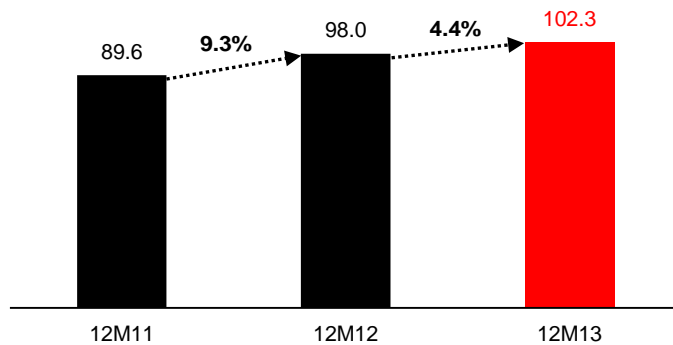
The international team grew 13.5%, in line with the focus of Novabase on markets outside Portugal.

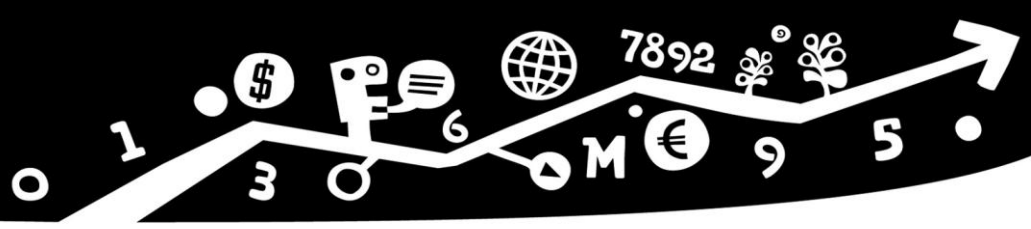


2.1. Business Solutions

Turnover Business Solutions (M€)

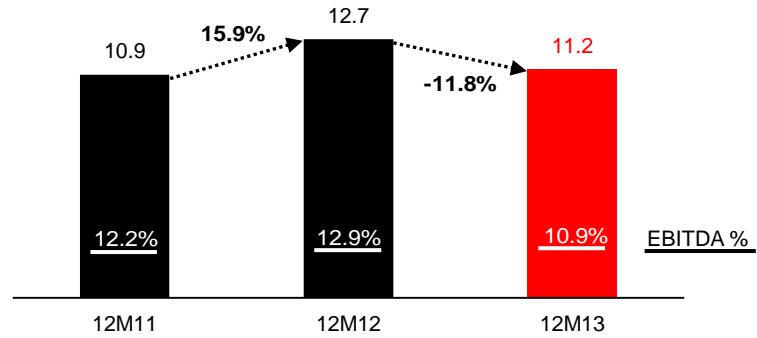
BS Turnover evolution primarily reflects the growth of the international component (+31.8%)





EBITDA Business Solutions (M€)

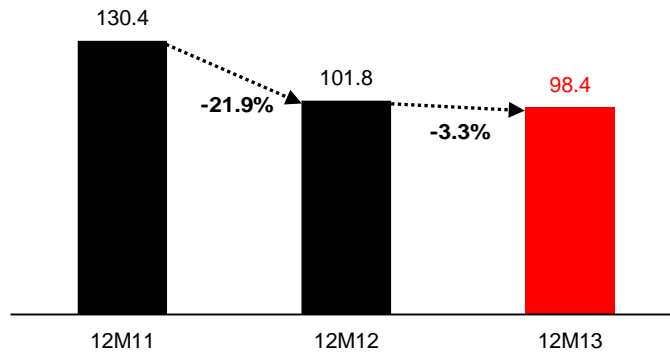
BS evolution reflects the costs associated to the intensification of the international expansion strategy, as anticipated.



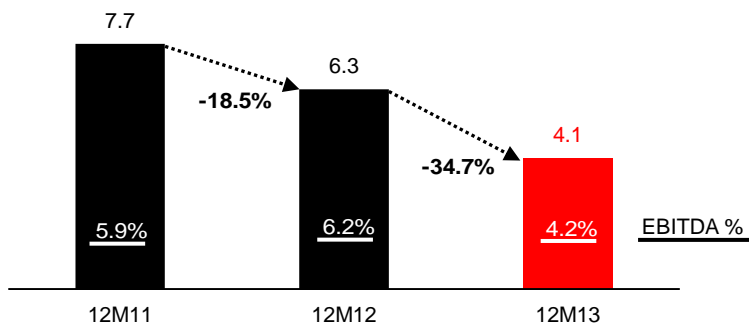
2.2. Infrastructures & Managed Services

Turnover IMS (M€)

IMS evolution constrained by the strong market pressure. However, we already observe a trend towards recovery.



EBITDA IMS (M€)

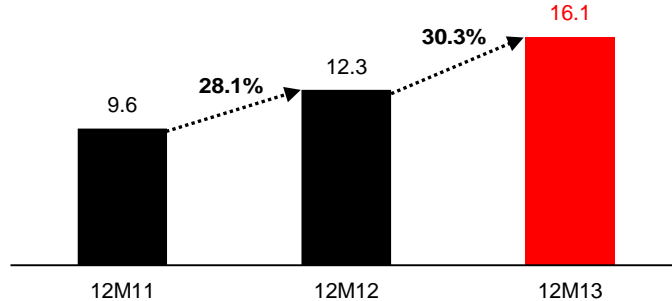




2.3. Venture Capital

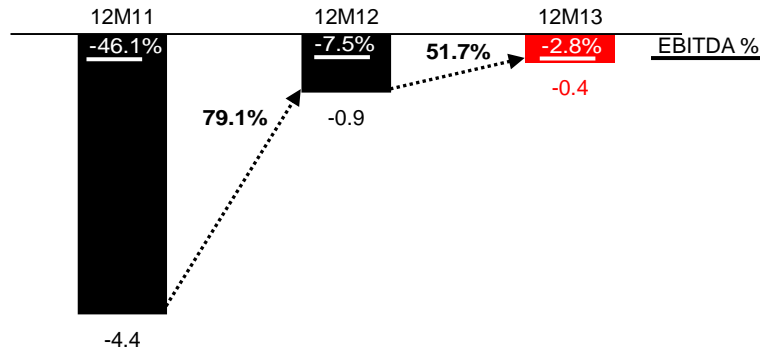
Turnover Venture Capital (M€)

VC Turnover positive evolution primarily reflects the growth of the international component (+35.1%).



EBITDA Venture Capital (M€)

Positive evolution of the VC EBITDA, typical of a stage of development with significant investments in R&D.



Following the transaction of sale of the Digital TV/SIP business, Novabase recognized an overall positive impact of 0.3 M€ in EBITDA. Additionally, it is expected a total cash inflow of 11.2 M€ (2.2 M€ already recognized in 12M13), 6.2 M€ of which as release of working capital.

This business accounted for a turnover of 12.0 M € and an EBITDA of -1.8 M € in 2013.

3. Stock Performance

Excluding the shareholder remuneration, the appreciation of Novabase share price would have been 39.1%.

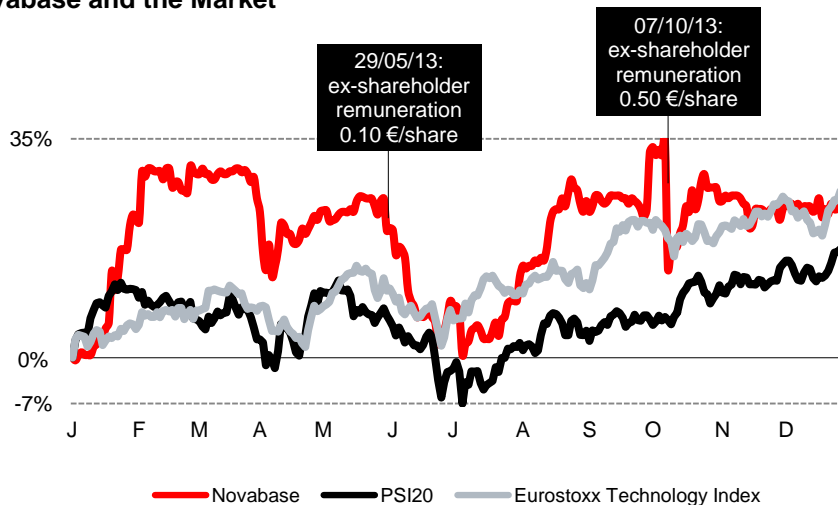
Novabase share price in 2013 gained 13.5%, comparing to a 16.0% gain in the PSI20 Index and a 26.7% gain in the EuroStoxx Technology Index.

In June 2013, a dividend of 0.10€/share was distributed. Additionally, in October 2013, it was paid to the shareholders an amount of 0.50€ per share, corresponding to the distribution of reserves and retained earnings.

Also to be noted that Novabase was included in PSI20 index as of March, 18, and left the index as of June, 24.

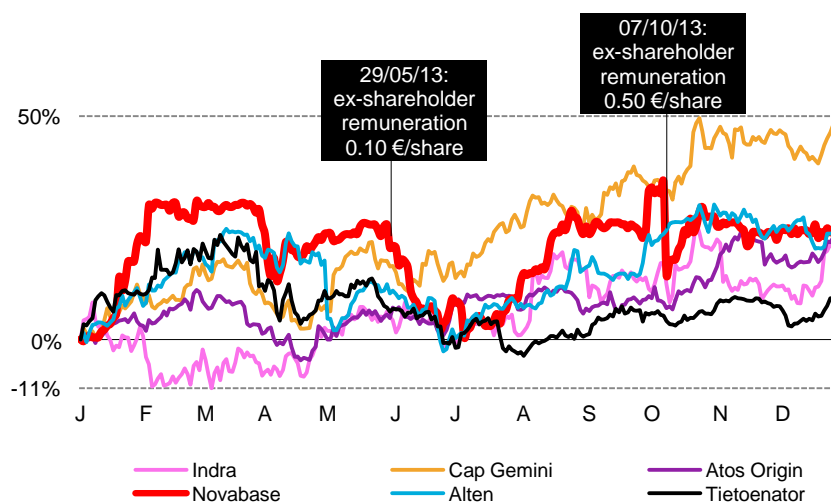


Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 12M13, was as follows:

Novabase and other TMT



In the end of 2013, Novabase presented a Price to CF multiple of 6.33x and a Price to Sales multiple of 0.41x, which represents a discount of 44% and 46%, respectively, compared to the average of other companies in the sector in Europe.

Average upside of 48.8%, according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 3.88 euros.

Rotation in 12M13 represented 26.5% of the capital and 8.3 million shares were traded, 69.4% above the values in 12M12 (rotation of 15.6% of the capital and 4.9 million shares traded).

Summary	2013	2012	2011	2010	2009
Minimum price (€)	2.29	1.66	1.70	2.79	3.27
Maximum price (€)	3.11	2.32	3.21	4.63	5.05
Volume weighted average price (€)	2.79	2.05	2.67	3.71	4.39
Last tradable day price (€)	2.61	2.30	2.09	2.90	4.44
Nr. of shares traded (millions)	8.3	4.9	5.5	7.1	8.5
Market cap. in the last day (M€)	96.7	72.2	65.6	91.1	139.4



4. Outlook 2014

The results of 2013 are in line with the management expectations. The Turnover registered an increase of 2.2%, due to the 18.1% growth of the international business. As anticipated, EBITDA decreased by 17.7%, year on year, due to strong pressure on prices in the domestic market and, primarily, because of the costs associated to the reinforcement of the international expansion strategy.

Novabase maintains as priority for 2014 the enhancement of its internationalization strategy, planning to open several subsidiaries to operate in new geographies. Additionally, Novabase intends to increase the investment in R&D with the aim of differentiation of its offerings.

In terms of Guidance, Novabase expects a Turnover of 220 M€, 35% of which generated outside Portugal, representing an international increase of 26.7%, considering the sale of Digital TV/SIP business. Regarding the EBITDA, Novabase foresees a result between 14 M€ and 17 M€, which includes the additional costs associated to the reinforcement of its strategy.

**Consolidated Statement of Financial Position
as at 31 December 2013**

	31.12.13	31.12.12
	(Thousands of Euros)	
Assets		
Tangible assets	6,120	7,101
Intangible assets	32,095	31,660
Financial investments	2,217	2,586
Deferred income tax assets	14,901	12,249
Other non-current assets	4,868	-
Total Non-Current Assets	60,201	53,596
Inventories	8,925	4,474
Trade debtors and accrued income	85,296	89,668
Other debtors and prepaid expenses	21,806	20,695
Derivative financial instruments	514	216
Financial assets held for trading	5,015	9,855
Cash and cash equivalents	32,942	40,452
Total Current Assets	154,498	165,360
Assets for continuing operations	214,699	218,956
Assets for discontinued operations	-	-
Total Assets	214,699	218,956
Shareholders' Equity		
Share capital	15,701	15,701
Treasury shares	(295)	(371)
Share premium	43,560	43,560
Reserves and retained earnings	23,756	33,481
Net profit	7,510	7,906
Total Shareholders' Equity	90,232	100,277
Non-controlling interests	11,522	10,613
Total Equity	101,754	110,890
Liabilities		
Bank borrowings	13,024	10,270
Finance lease liabilities	1,007	1,017
Provisions	4,386	2,436
Deferred income tax liabilities	100	100
Other non-current liabilities	70	70
Total Non-Current Liabilities	18,587	13,893
Bank borrowings	6,202	4,195
Trade payables	22,268	23,456
Other creditors and accruals	40,736	38,266
Derivative financial instruments	77	34
Deferred income	24,755	27,902
Total Current Liabilities	94,038	93,853
Total Liabilities for cont. operations	112,625	107,746
Total Liabilities for discount. operations	320	320
Total Liabilities	112,945	108,066
Total Equity and Liabilities	214,699	218,956
Net Cash	20,271	37,549

**Consolidated Income Statement
for the year ended 31 December 2013**

	31.12.13	31.12.12	Var. %
	(Thousands of Euros)		
Sale of goods	78,282	74,280	
Cost of goods sold	(67,165)	(65,126)	
Gross margin	11,117	9,154	21.4 %
<i>Other income</i>			
Services rendered	138,548	137,795	
Supplementary income and subsidies	269	113	
Other operating income	1,776	3,280	
	140,593	141,188	
	151,710	150,342	
<i>Other expenses</i>			
External supplies and services	(54,441)	(52,228)	
Employee benefit expense	(79,808)	(75,936)	
Provisions	(1,581)	(3,305)	
Other operating expenses	(1,020)	(813)	
	(136,850)	(132,282)	
Gross Net Profit (EBITDA)	14,860	18,060	-17.7 %
Depreciation and amortization	(5,731)	(5,757)	
Operating Profit (EBIT)	9,129	12,303	-25.8 %
Financial results	(574)	(166)	
Net Profit before taxes (EBT)	8,555	12,137	-29.5 %
Income tax expense	693	(2,376)	
Non-controlling interests	(1,738)	(1,855)	
Attributable Net Profit	7,510	7,906	-5.0 %
Other information:			
Turnover	216,830	212,075	2.2 %
Gross margin from sales %	14.2 %	12.3 %	
EBITDA margin	6.9 %	8.5 %	
EBT % on Turnover	3.9 %	5.7 %	
Net profit % on Turnover	3.5 %	3.7 %	

**Consolidated Income Statement by SEGMENTS
for the year ended 31 December 2013**

(Thousands of Euros)

	Business Solutions	IMS	Venture Capital	NOVABASE
Sale of goods	1,712	65,315	11,255	78,282
Cost of goods sold	(1,095)	(57,013)	(9,057)	(67,165)
Gross margin	617	8,302	2,198	11,117
Other income				
Services rendered	100,597	33,129	4,822	138,548
Supplementary income and subsidies	126	73	70	269
Other operating income	1,405	64	307	1,776
	102,128	33,266	5,199	140,593
	102,745	41,568	7,397	151,710
Other expenses				
External supplies and services	(28,442)	(21,226)	(4,773)	(54,441)
Employee benefit expense	(59,487)	(16,913)	(3,408)	(79,808)
(Provisions) / Provisions reversal	(3,070)	1,093	396	(1,581)
Other operating expenses	(556)	(404)	(60)	(1,020)
	(91,555)	(37,450)	(7,845)	(136,850)
Gross Net Profit (EBITDA)	11,190	4,118	(448)	14,860
Depreciation and amortization	(3,760)	(1,298)	(673)	(5,731)
Operating Profit (EBIT)	7,430	2,820	(1,121)	9,129
Financial results	(476)	628	(726)	(574)
Net Profit / (Loss) before Taxes (EBT)	6,954	3,448	(1,847)	8,555
Income tax expense	579	(613)	727	693
Non-controlling interests	(937)	(541)	(260)	(1,738)
Attributable Net Profit / (Loss)	6,596	2,294	(1,380)	7,510
Other information :				
Turnover	102,309	98,444	16,077	216,830
EBITDA	11,190	4,118	(448)	14,860
EBITDA % on Turnover	10.9%	4.2%	-2.8%	6.9%
EBT % on Turnover	6.8%	3.5%	-11.5%	3.9%