

Consolidated Results 3M13

Privileged Information

May 9, 2013

Highlights:

Turnover: 54.4 M€

(53.7 M€ in 3M12)

EBITDA: 3.9 M€

(5.3 M€ in 3M12)

Net Profit: 2.0 M€

(2.5 M€ in 3M12)

Net Cash: 31.8 M€

(37.5 M€ in 12M12)

Message from the CEO - Luís Paulo Salvado

"The results of the first quarter are in line with the strategic orientation and priorities set for 2013.

The company is again growing, supported by a 21% increase in international business. However, EBITDA and Net Profit decreased by 25% and 22%, as anticipated, due to the allocation of additional resources to international expansion, as well as an underperformance of IMS (Infrastructures & Managed Services) business. Finally, and also as expected, the Cash decreased by 6 M€ in the quarter, but in the last 12 months we kept a clear positive trend, with a generation of 11 M€.

Market conditions remain very challenging and we do not foresee improvements in the domestic market, which will continue to press margins. However, in the 2nd quarter we expect a recovery in profitability of IMS and the evolution of the overall business in line with the Guidance.

The quarter was also marked by the return of Novabase to PSI20, the main index of Euronext Lisbon. This re-entry increases the visibility of Novabase securities, which may increase its liquidity and value. In this period, Novabase shares gained 23%, and the volume of transactions has tripled over the same period of the previous year."

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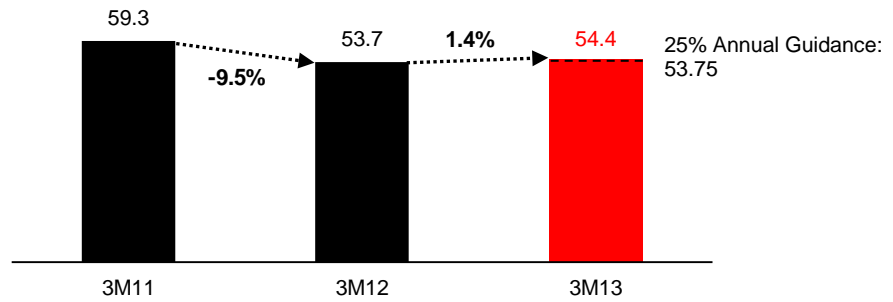
Novabase SGPS, S.A.
Public Company . Euronext code: NBA.AM .
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 . Share Capital: 15,700,697.00 € .
Head Office: Av. D. João II, Lote 1.03.2.3., 1998-031 Lisbon - PORTUGAL



1. Key Indicators Evolution

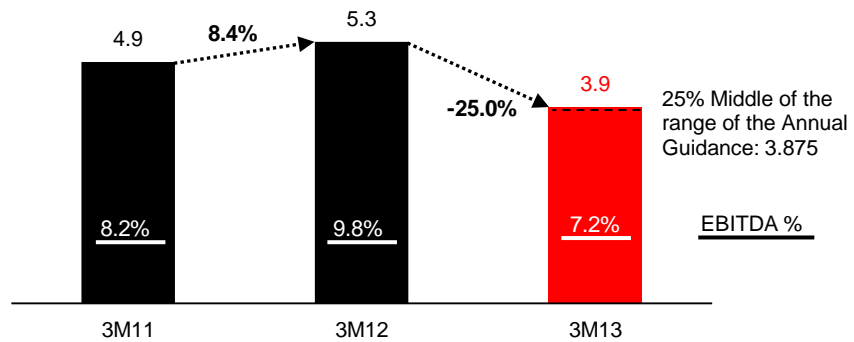
Turnover (M€)

Turnover above the annual Guidance linearized of 215 M€ (+1.3%), due to the growth of the international component.



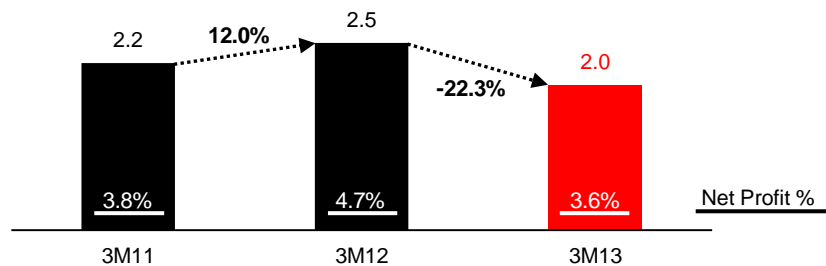
EBITDA (M€)

EBITDA above the annual mean Guidance linearized of 14-17 M€ and 7.2%: +1.8% above the middle of the range.

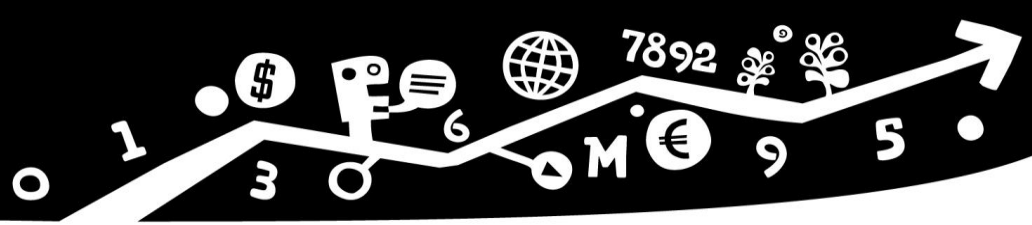


Net Profit (M€)

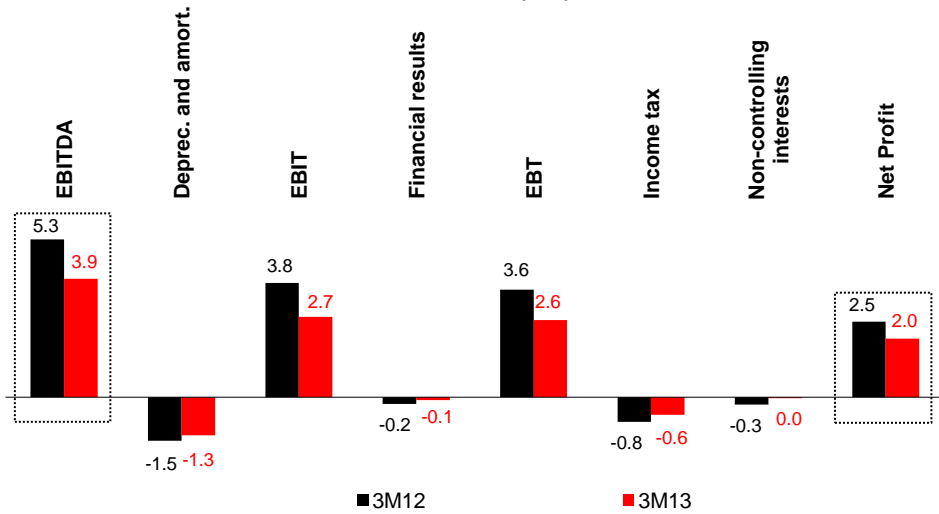
Evolution of profitability as expected, due to the costs associated to the reinforcement of the international expansion strategy and to an underperformance of IMS business.



Earnings per share (EPS) in 3M13 reached 0.06 euros per share, registering a decrease of 22.9% towards the EPS from the previous year of 0.08 euros per share.



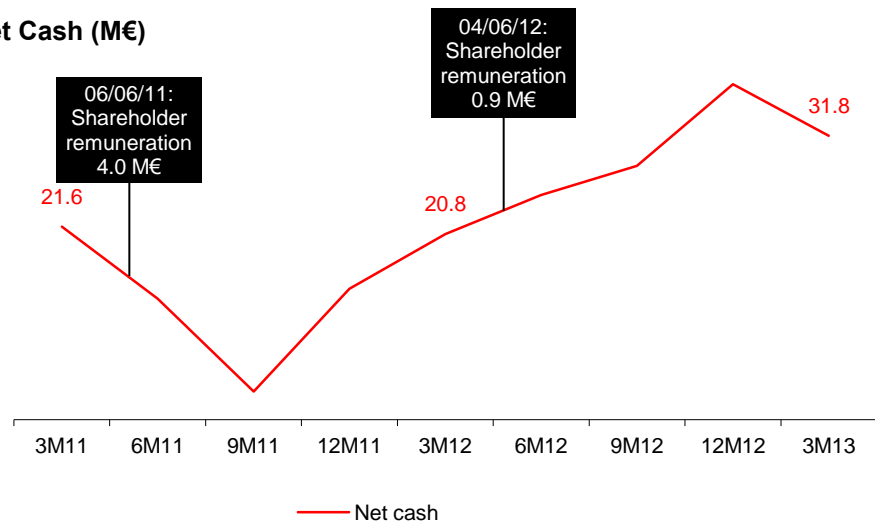
From EBITDA to Net Profit 3M13 Vs 3M12 (M€)



The Amortizations and the Financial Results registered an increase of 0.3 M€.

Non-controlling interests in 3M13 amounted to -0.03 M€, which compares to -0.3 M€ in 3M12. This variation is mainly due to the evolution of the results of subsidiaries with significant investments in international expansion.

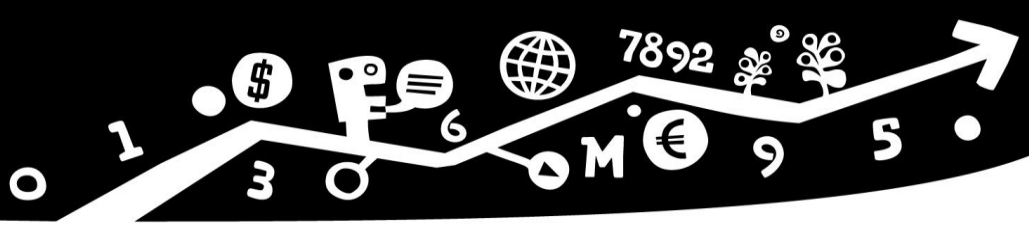
Net Cash (M€)



Cash use of 5.8 M€ in the first quarter of 2013, with an expected increase of the investment in working capital, given the unusually lower levels recorded in the end of 2012.

In the 3M13, Novabase shows a negative evolution in cash generation, however, considering the last 12 months, we observed a clear positive trend, with a generation of 11.0 M€.

Novabase ended the 3M13 with 31.8 M€ in net cash, which compares to 37.5 M€ in the 12M12.



2. Short Summary of the Activity

The results of the first quarter of 2013 are in line with the expectations set for the year, with focus on strengthening both the international expansion and the vertical integration and differentiation 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 1.4%, with a 21.4% raise in international business, but the EBITDA registered a decrease of 25.0%. The results of the first quarter remained above both the Turnover Guidance (+1.3%) and the EBITDA mean Guidance (+1.8%), though.

According to the reorganization implemented in the Digital TV area in 2012 with the aim of maximizing synergies between all of the businesses, solutions geared toward TV operators were included in the Infrastructures & Managed Services (IMS) business, while System-in-Package (SIP) solutions were transferred to the Venture Capital business. The table below shows the Turnover and EBITDA for 3M11 and 3M12 related to each of the offerings, which were included in Digital TV area, and that were incorporated into the IMS and VC segments:

	TV operators Solutions		SIP Solutions	
	3M11	3M12	3M11	3M12
Turnover (M€)	11.576	8.333	1.717	2.838
EBITDA (M€)	1.223	0.490	-0.354	-0.752

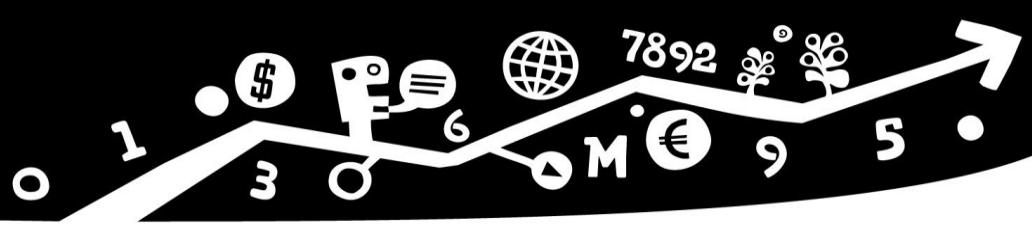
Highlights include the return of Novabase to the main index of the Lisbon stock exchange in the first quarter of 2013. The return to PSI20 increases the visibility of Novabase which may increase the liquidity of its securities, that registered a 30% appreciation during the first three months.

With regard to new businesses, Novabase strengthened its strategic commitment to innovative technology-based SMEs focused on the international market with the acquisition, through its Novabase Capital Inovação e Internacionalização venture capital fund, of a 25% stake in SmartGeo Solutions, a company specialising in the deployment of Geographic Information Systems (GIS) and the provision of associated products and services, which is proactively positioning itself in value-added areas, and already addresses the markets of Angola and Mozambique.

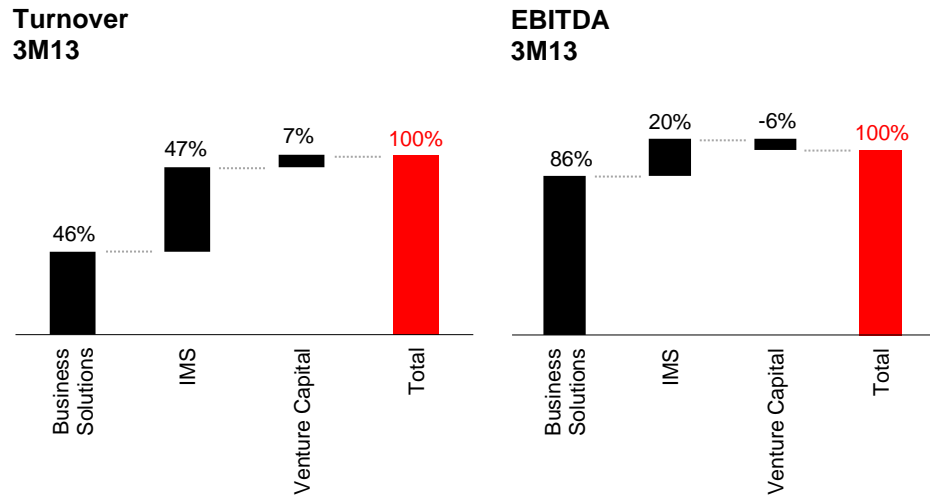


The entry into Mozambique is in line with the company's international expansion strategy, which continues to focus strongly on the African market.

Also worthy of note, up until publication of this report, is the official opening of operations in Mozambique. Novabase Mozambique aspires to be a key technology partner for leading banks and mobile operators, and play a major role in the government's structural projects. Another goal is to expand its position to the rest of the African market by exporting knowledge and technology from Mozambique.



The percentage breakdown of Turnover and EBITDA by the different businesses, in the 3M13, is as follows:



Of the overall Turnover generated in 3M13, the services rendered represent 62.0%, which compares to 65.7% in 3M12.

Of the 54.4 M€ Turnover, 28.5% is generated outside Portugal, that is 15.5 M€, which compares to the 12.8 M€ registered in 3M12.

Turnover by geography 3M12



Turnover by geography 3M13



International business increased 21.4%, reflecting a strong focus on markets outside Portugal.

Business outside Portugal generated in the Business Solutions area increased to 30.3% of the respective invoicing (18.5% in 3M12). In the IMS business area, the international business in 3M13 decreased to 16.1% (18.6% in 3M12) and in the Venture Capital area increased to 94.6% (89.8% in 3M12).

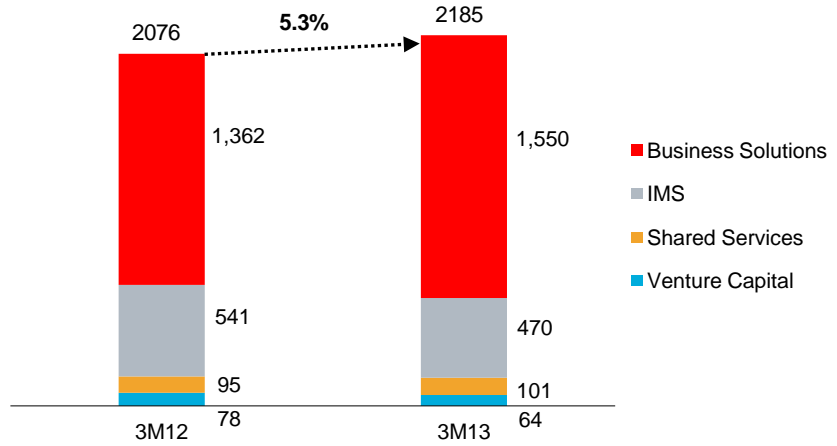
Novabase had on average, in the 3M13, 2185 employees, which represents an increase of 5.3% compared to the 3M12 (2076).



Employee breakdown by business area, in 3M13, 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.



Average Number of Employees by geography 3M12

Average Number of Employees by geography 3M13

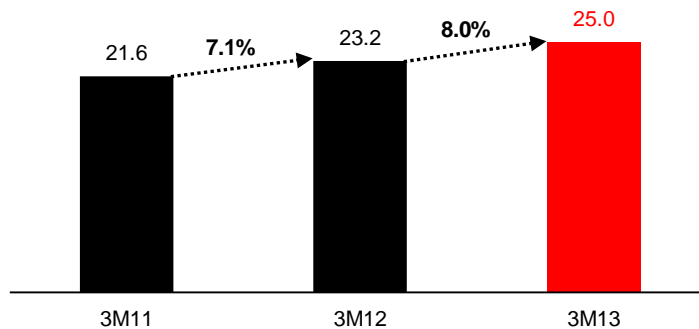
The international team grew 27.9%, in line with the focus of Novabase on markets outside Portugal.



2.1. Business Solutions

Turnover Business Solutions (M€)

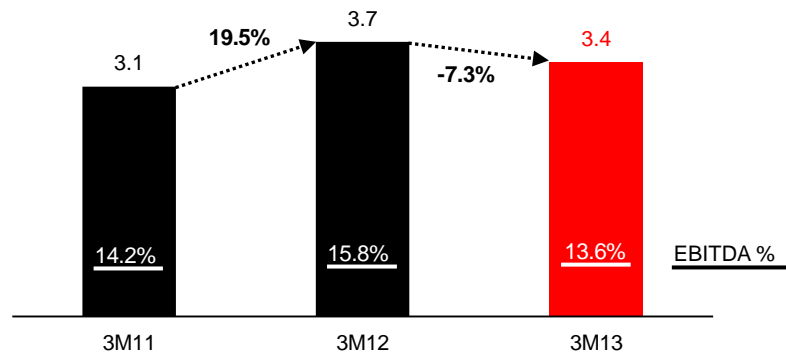
BS Turnover evolution reflects the significant growth of the international component (77.0% vs. 3M12).





EBITDA Business Solutions (M€)

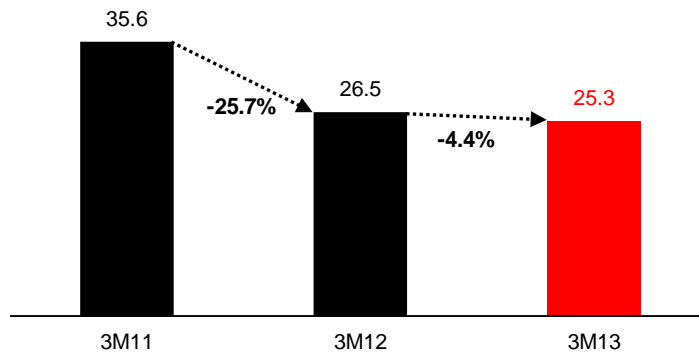
BS evolution reflects the costs associated to the intensification of the international expansion strategy.



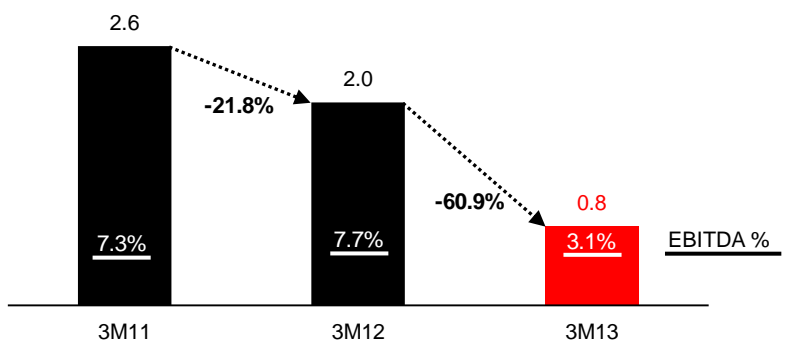
2.2. Infrastructures & Managed Services

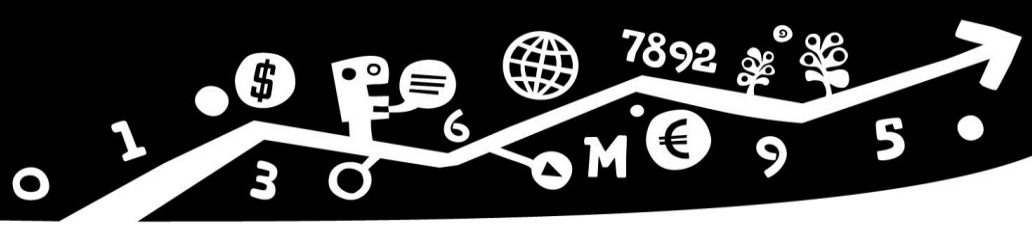
Turnover IMS (M€)

IMS evolution is mainly due to the strong market pressure. However, this area should be analysed for time periods longer than a quarter.



EBITDA IMS (M€)

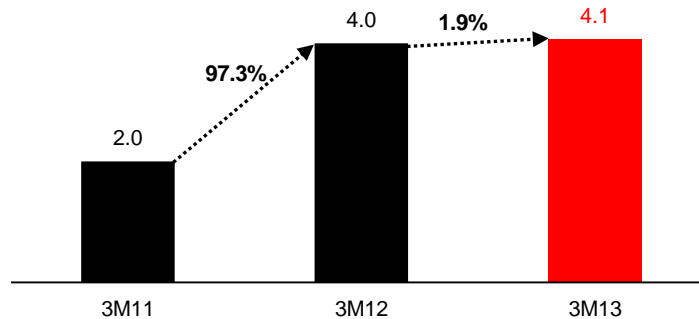




2.3. Venture Capital

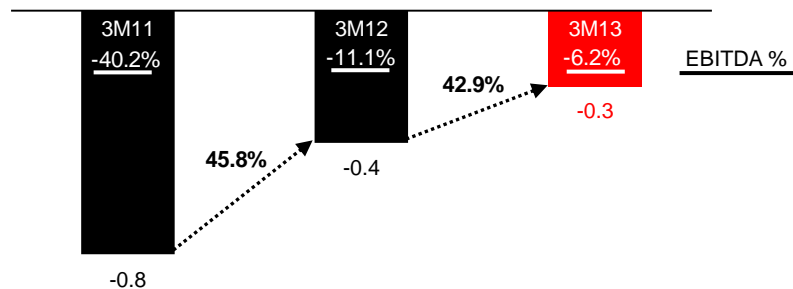
Turnover Venture Capital (M€)

VC Turnover positive evolution primarily reflects the growth of the international component (+7.4%).



EBITDA Venture Capital (M€)

VC EBITDA reflects the development stadium, strongly supported by R&D investments. This area should be analysed for time periods longer than a quarter.

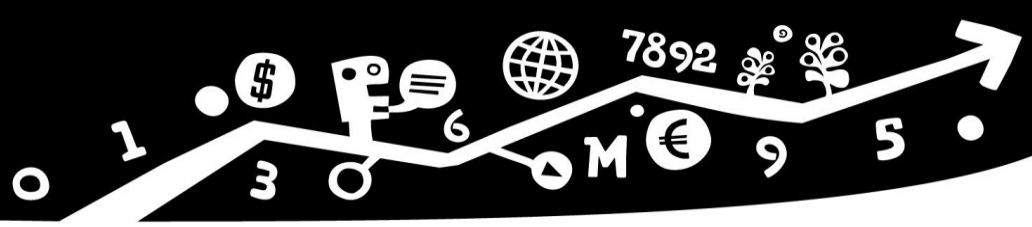


3. Stock Performance

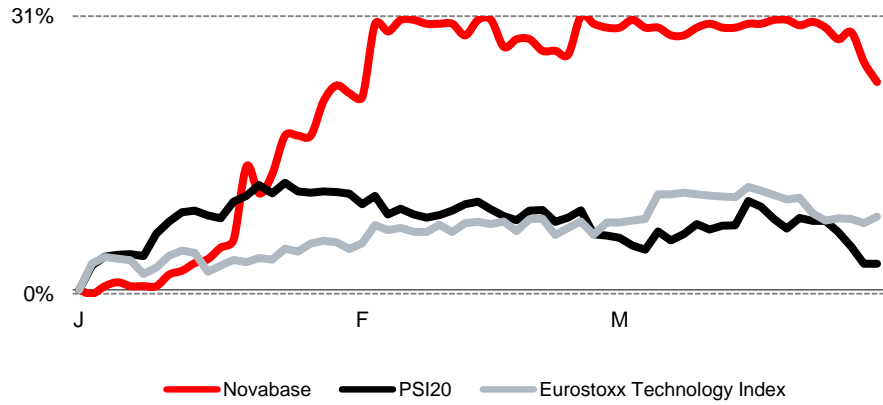
Novabase share price in 3M13 gained 23.4%, comparing to a 3.0% gain in the PSI20 Index and a 8.2% gain in the EuroStoxx Technology Index.

The annual review of the composition of the PSI20 Index, in February 2013, established the entry of Novabase as of March, 18.

Up to the date of issue of this report, it was approved in the General Meeting of Shareholders of May 2, 2013, the distribution of dividends to the shareholders in the amount of 3.1 M€, corresponding to 0.10€ per share. The payment of these dividends will occur in the second quarter of 2013.



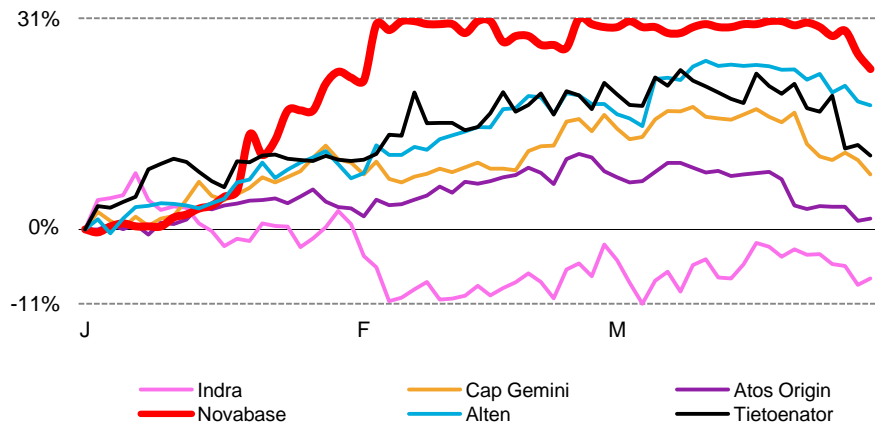
Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 3M13, was as follows:

Novabase and other TMT

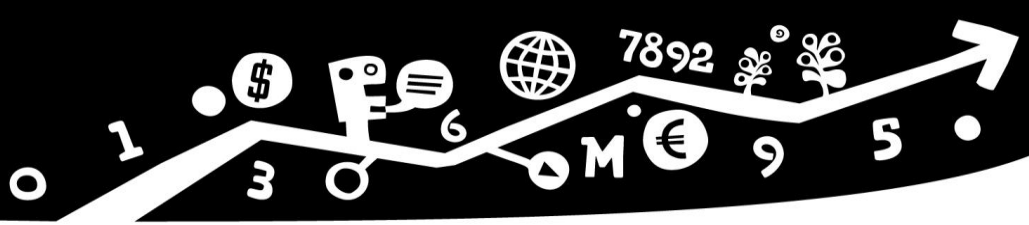
In the end of the first quarter of 2013, Novabase presented a Price to CF multiple of 5.85x and a Price to Sales multiple of 0.43x, which represents a discount of 38% and 32%, respectively, compared to the average of other companies in the sector in Europe.



Average upside of 43.8%, according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 4.08 euros, with unanimous recommendation to buy.

Rotation in 3M13 represented 7.0% of the capital and 2.2 million shares were traded, above the values in 3M12 (rotation of 2.3% of the capital and 0.7 million shares traded).



Summary	1Q13	4Q12	3Q12	2Q12	1Q12
Minimum price (€)	2.29	2.00	1.66	1.89	1.99
Maximum price (€)	3.01	2.30	2.03	2.30	2.32
Volume weighted average price (€)	2.85	2.15	1.92	2.03	2.15
Closing price at the end of the Quarter (€)	2.839	2.30	2.03	1.90	2.32
Nr. of shares traded	2,206,309	1,249,942	1,113,951	1,826,016	717,461
Market cap in the last day (M€)	89.1	72.2	63.7	59.7	72.9

4. Outlook 2013

The results of the first quarter of 2013 are in line with the management expectations, being 1.3% above the Turnover Guidance and 1.8% above the EBITDA mean Guidance. The Turnover registered an increase of 1.4% due to the 21.4% growth in international business compared to the same period of last year. As anticipated, EBITDA decreased by 25.0%, year on year, due to strong pressure on prices in the domestic market, but especially because of the costs associated to the reinforcement of the strategies defined by the management.

Novabase is committed to compliance with the Guidance for 2013, reaffirming as its strategic priorities the intensification of the international expansion and the increase of investments in vertical integration and differentiation of its offerings.

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

	31.03.13	31.12.12
	(Thousands of Euros)	
Assets		
Tangible assets	7,209	7,101
Intangible assets	31,271	31,660
Financial investments	2,611	2,586
Deferred income tax assets	12,274	12,249
Other non-current assets	-	-
Total Non-Current Assets	53,365	53,596
Inventories	8,890	4,474
Trade debtors and accrued income	88,339	89,668
Other debtors and prepaid expenses	21,016	20,695
Derivative financial instruments	281	216
Financial assets held for trading	9,855	9,855
Cash and cash equivalents	34,835	40,452
Total Current Assets	163,216	165,360
Assets for continuing operations	216,581	218,956
Assets for discontinued operations	-	-
Total Assets	216,581	218,956
Shareholders' Equity		
Share capital	15,701	15,701
Treasury shares	(371)	(371)
Share premium	43,560	43,560
Reserves and retained earnings	41,599	33,481
Net profit	1,951	7,906
Total Shareholders' Equity	102,440	100,277
Non-controlling interests	10,807	10,613
Total Equity	113,247	110,890
Liabilities		
Bank borrowings	10,423	10,270
Finance lease liabilities	1,244	1,017
Provisions	2,199	2,436
Deferred income tax liabilities	100	100
Other non-current liabilities	70	70
Total Non-Current Liabilities	14,036	13,893
Bank borrowings	4,600	4,195
Trade payables	25,997	23,456
Other creditors and accruals	34,330	38,266
Derivative financial instruments	332	34
Deferred income	23,719	27,902
Total Current Liabilities	88,978	93,853
Total Liabilities for cont. operations	103,014	107,746
Total Liabilities for discount. operations	320	320
Total Liabilities	103,334	108,066
Total Equity and Liabilities	216,581	218,956
Net Cash	31,774	37,549

**Consolidated Income Statement
for the period of 3 months ended 31 March 2013**

	31.03.13	31.03.12	Var. %
	(Thousands of Euros)		
Sale of goods	20,705	18,423	
Cost of goods sold	(19,417)	(17,210)	
Gross margin	1,288	1,213	6.2 %
Other income			
Services rendered	33,734	35,247	
Supplementary income and subsidies	52	8	
Other operating income	258	129	
	34,044	35,384	
	35,332	36,597	
Other expenses			
External supplies and services	(12,064)	(11,713)	
Employee benefit expense	(19,560)	(19,648)	
Provisions reversal	444	145	
Other operating expenses	(206)	(122)	
	(31,386)	(31,338)	
Gross Net Profit (EBITDA)	3,946	5,259	-25.0 %
Depreciation and amortization	(1,276)	(1,451)	
Operating Profit (EBIT)	2,670	3,808	-29.9 %
Financial results	(100)	(224)	
Net Profit before taxes (EBT)	2,570	3,584	-28.3 %
Income tax expense	(589)	(821)	
Non-controlling interests	(30)	(251)	
Attributable Net Profit	1,951	2,512	-22.3 %
Other information:			
Turnover	54,439	53,670	1.4 %
Gross margin from sales %	6.2 %	6.6 %	
EBITDA margin	7.2 %	9.8 %	
EBT % on Turnover	4.7 %	6.7 %	
Net profit % on Turnover	3.6 %	4.7 %	

**Consolidated Income Statement by SEGMENTS
for the period of 3 months ended 31 March 2013**

(Thousands of Euros)

	Business Solutions	IMS	Venture Capital	NOVABASE
Sale of goods	206	17,631	2,868	20,705
Cost of goods sold	(130)	(16,773)	(2,514)	(19,417)
Gross margin	76	858	354	1,288
Other income				
Services rendered	24,833	7,686	1,215	33,734
Supplementary income and subsidies	48	4	-	52
Other operating income	247	7	4	258
	25,128	7,697	1,219	34,044
	25,204	8,555	1,573	35,332
Other expenses				
External supplies and services	(7,403)	(3,692)	(969)	(12,064)
Employee benefit expense	(14,422)	(4,110)	(1,028)	(19,560)
Provisions reversal	152	103	189	444
Other operating expenses	(127)	(61)	(18)	(206)
	(21,800)	(7,760)	(1,826)	(31,386)
Gross Net Profit (EBITDA)	3,404	795	(253)	3,946
Depreciation and amortization	(910)	(203)	(163)	(1,276)
Operating Profit (EBIT)	2,494	592	(416)	2,670
Financial results	(24)	(110)	34	(100)
Net Profit / (Loss) before Taxes (EBT)	2,470	482	(382)	2,570
Income tax expense	(439)	(488)	338	(589)
Non-controlling interests	(103)	85	(12)	(30)
Attributable Net Profit / (Loss)	1,928	79	(56)	1,951
Other information :				
Turnover	25,039	25,317	4,083	54,439
EBITDA	3,404	795	(253)	3,946
EBITDA % on Turnover	13.6%	3.1%	-6.2%	7.2%
EBT % on Turnover	9.9%	1.9%	-9.4%	4.7%