



Consolidated Results 3M14

Privileged Information

May 8, 2014

Highlights:

Turnover: 51.6 M€

(54.4 M€ in 3M13)

EBITDA: 3.6 M€

(3.9 M€ in 3M13)

Net Profit: 1.6 M€

(2.0 M€ in 3M13)

Net Cash: 24.0 M€

(20.3 M€ in 12M13)

Message from the CEO - Luís Paulo Salvado

"The results of the first quarter are in line with the strategic priorities set for 2014. The international business grew 16% and accounts for 35% of the total business. Excluding the Digital TV/SIP business sold in the end of 2013, that increase was 44%, which reflects the significant effort in the internationalization expansion.

The progress made in terms of the services strategy and development of offerings with greater added value is also clear. The services rose and already represent 2/3 of the business and the gross margin from sales increased.

These strategic priorities and the very challenging conditions in the domestic market maintained the pressure in EBITDA and in Net Profit, which decreased by 8% and 20%, as anticipated. The cash evolution was positive, and nearly 4 M€ was generated in the quarter.

This period was also marked by the significant appreciation of Novabase share price, way above the indexes we follow as a reference (EuroStoxx Technology and PSI20).

Given the current commercial pipeline, we are confident of complying with the overall goals set for the year."

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www.novabase.pt

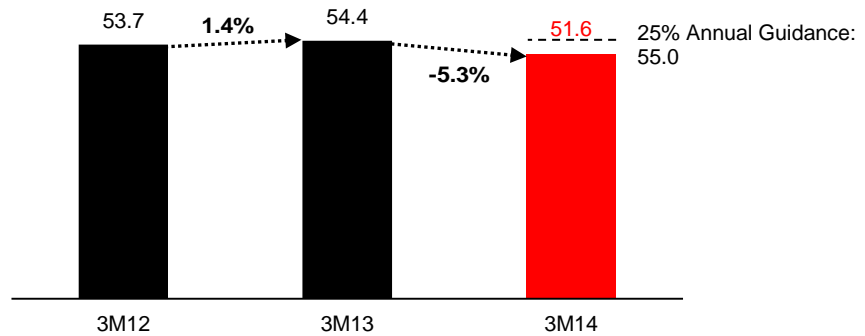
Novabase SGPS, S.A.
Public Company . Euronext code: NBA.AM .
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 . Share Capital: 15,700,697.00 € .
Head Office: Av. D. João II, Lote 1.03.2.3., 1998-031 Lisbon - PORTUGAL



1. Key Indicators Evolution

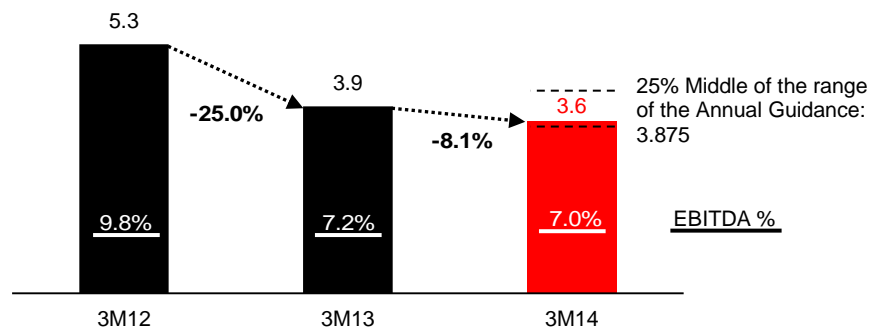
Turnover (M€)

Turnover below the annual Guidance linearized of 220 M€ (-6.3%), due to the contraction of business in Portugal in the product component, despite the significant international growth.



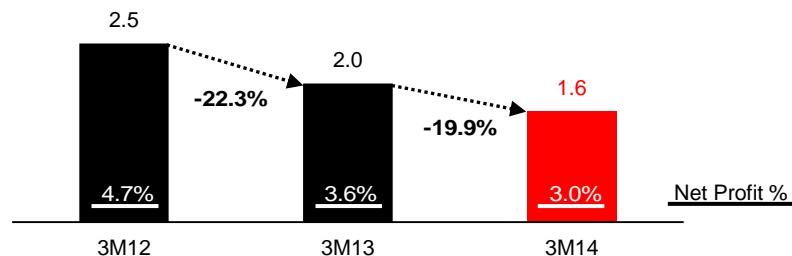
EBITDA (M€)

EBITDA within the range of the annual Guidance linearized of 14-17 M€ and 6.4%-7.7% of margin: -6.4% below the middle of the range (same percentage margin).



Net Profit (M€)

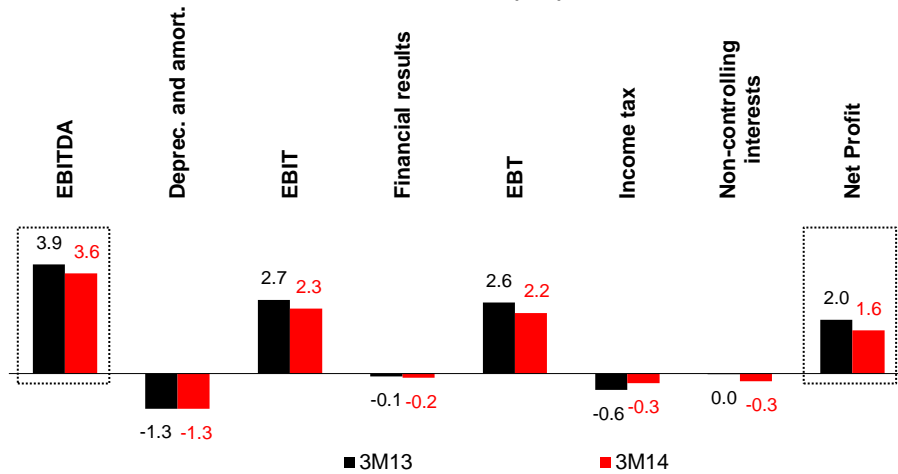
Evolution of profitability as expected, due to the costs associated to the reinforcement of the international expansion strategy.



Earnings per share (EPS) in 3M14 reached 0.05 euros per share, registering a decrease of 20.3% towards the EPS from the previous year of 0.06 euros per share.

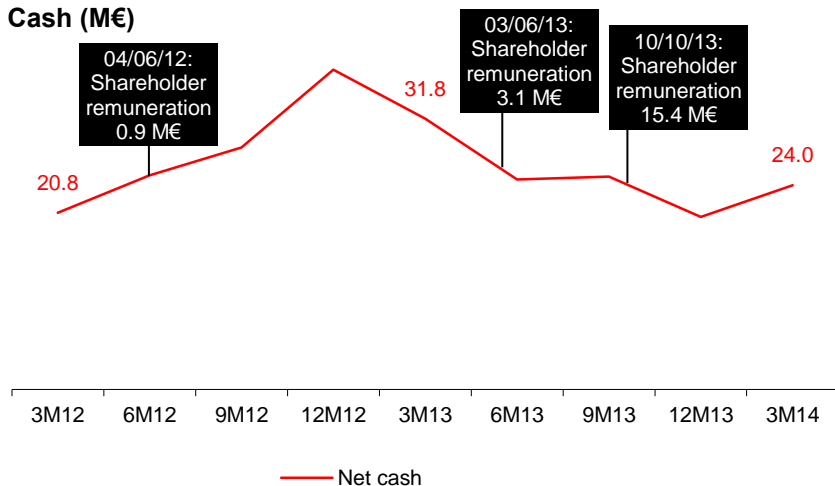


From EBITDA to Net Profit 3M14 Vs 3M13 (M€)



Non-controlling interests in 3M14 amounted to -0.3 M€, which compares to -0.03 M€ in 3M13. This variation is mainly due to the positive evolution of the results of subsidiaries focused on international expansion.

Net Cash (M€)



Cash generation of 3.7 M€ in the first quarter of 2014, with release of working capital.

In the 3M14, Novabase shows a positive evolution in cash generation. Novabase ended the 3M14 with 24.0 M€ in net cash, which compares to 20.3 M€ in the 12M13.

2. Short Summary of the Activity

These results reflect the management of the business with focus on the enhancement of internationalization and differentiation of the offerings.

The first quarter of 2014 was marked by a significant increase of the international business, in line with the expectations set for the year, however experiencing a contraction of business in Portugal in the product component.

Overall, compared to the same period of last year, the Turnover decreased by 5.3%, due to the sale of the Digital TV/SIP area. Removing this effect, the international business grew 44.0%, and now accounts for 34.9% of the total business, with the annual goal of 35%, and the weight of services increased to 66.2%. EBITDA registered a decrease of 8.1%, 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.



The results of the first three months of 2014, although below the Turnover Guidance (-6.3%), are within the range of the EBITDA Guidance (-6.4% in value but with the same percentage margin, comparing to the middle of the range).

Following the sale of non-strategic assets of Digital TV/SIP, in the end of 2013, the table below shows the Turnover and EBITDA generated by this business in 3M12 and 3M13, which are included in the Venture Capital area:

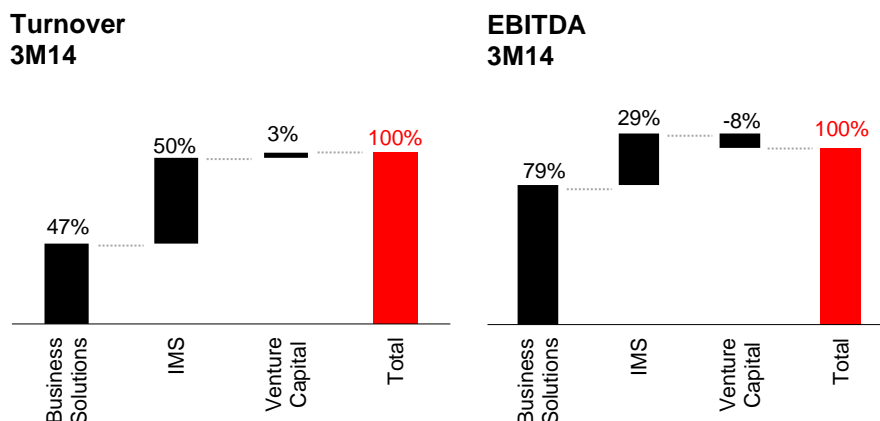
Digital TV/SIP business	3M12	3M13
Turnover (M€)	2.838	3.170
EBITDA (M€)	-0.752	-0.381

This new infrastructure will keep pace with Novabase Angola's recent growth, and is in line with the company's international expansion strategy.

Highlights include the opening of the new logistics centre of Novabase Angola, in Talatona, in the first quarter of 2014, to support local operations more efficiently and on a larger scale.

Also worthy of note is the distinction of Novabase IMS, which was given the "Growth" award in the Enterprise Group category during the annual HP partners gala, HP Partners Awards 2014. This award highlights Novabase IMS for being the partner who grew the most in the business areas of Systems, Storage, Networking and Services.

The percentage breakdown of Turnover and EBITDA by the different businesses, in the 3M14, is as follows:



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

Of the overall Turnover generated in 3M14, the services rendered represent 66.2%, which compares to 62.0% in 3M13.

Of the 51.6 M€ Turnover, 34.9% is generated outside Portugal, that is 18.0 M€, which compares to the 15.5 M€ registered in 3M13.

However, it is to be noted that in 3M13 the Digital TV/SIP business was still being consolidated, which contributed with 3.2 M€, that is 20.4% of total Turnover generated outside of Portugal.

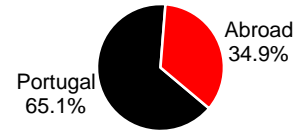
Removing this effect, the percentage of Turnover generated outside Portugal in 3M13 would have been 24.1% (12.4 M€).



Turnover by geography 3M13

Turnover by geography 3M14

International business increased 15.7%, reflecting a strong focus on markets outside Portugal.



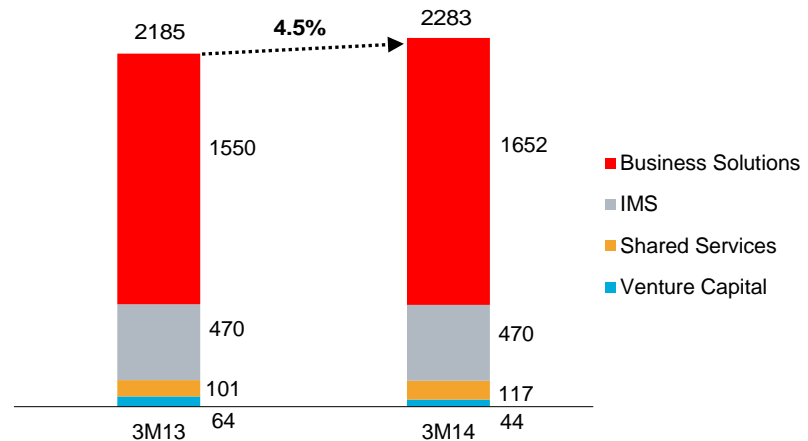
Business outside Portugal generated in the Business Solutions area increased to 36.4% of the respective invoicing (30.3% in 3M13). In the IMS business area, the international business in 3M14 increased to 33.0% (16.1% in 3M13) and in the Venture Capital area decreased to 40.9% (94.6% in 3M13 but 76.9% in 3M13 without Digital TV/SIP business).

Novabase had on average, in the 3M14, 2283 employees, which represents an increase of 4.5% compared to the 3M13 (2185).

Employee breakdown by business area, in 3M14, is as follows:

Average Number of Employees

Average number of employees' evolution includes the talent renovation by the recruitment of 142 university graduates through Novabase Academy program.



Average Number of Employees by geography 3M13

Average Number of Employees by geography 3M14

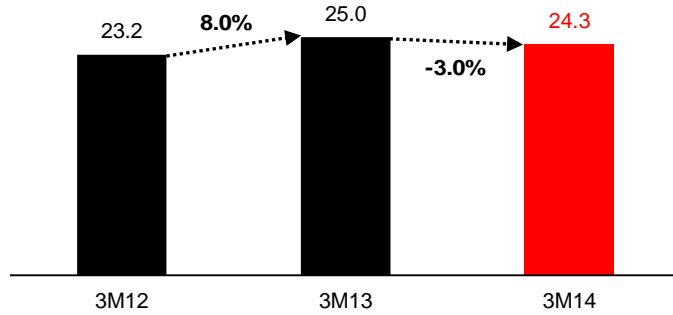
Removing the effect of the sale of the Digital TV/SIP subsidiaries, the international team grew 13.4%, in line with the focus of Novabase on markets outside Portugal.





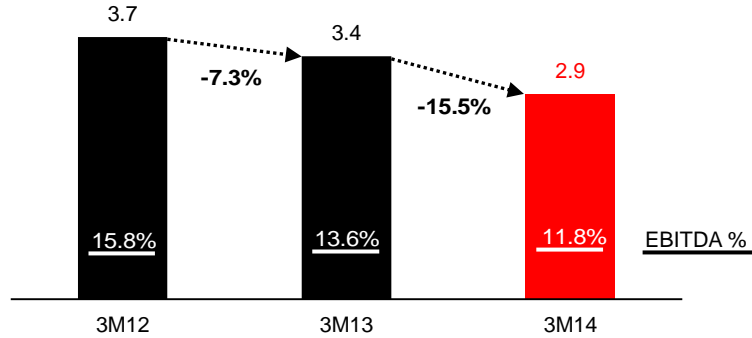
2.1. Business Solutions

Turnover Business Solutions (M€)



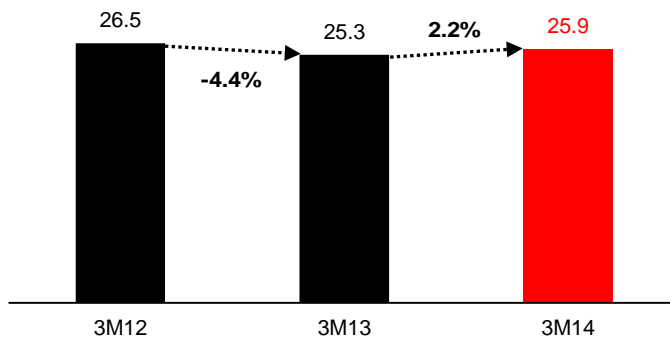
Despite the significant growth of the international component (+16.7%), BS evolution reflects the costs associated to the intensification of the international expansion strategy, and the pressure on prices in the domestic market.

EBITDA Business Solutions (M€)



2.2. Infrastructures & Managed Services

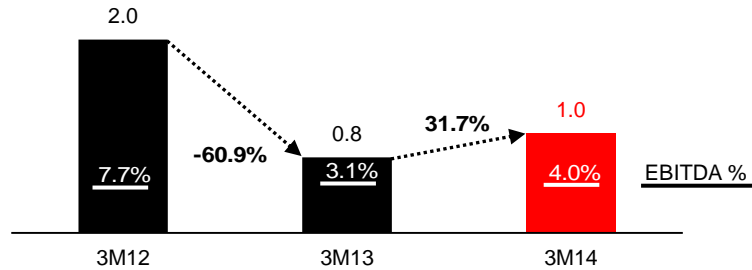
Turnover IMS (M€)





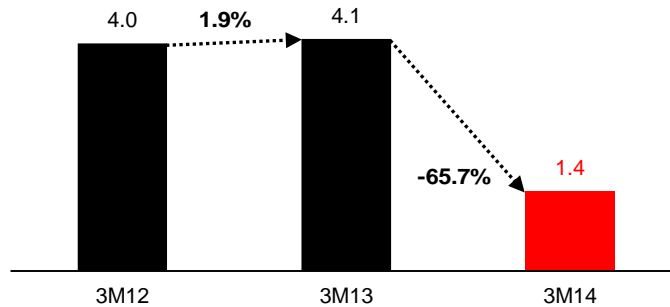
EBITDA IMS (M€)

IMS positive evolution is due to the significant international growth. However, this area should be analysed for time periods longer than a quarter.



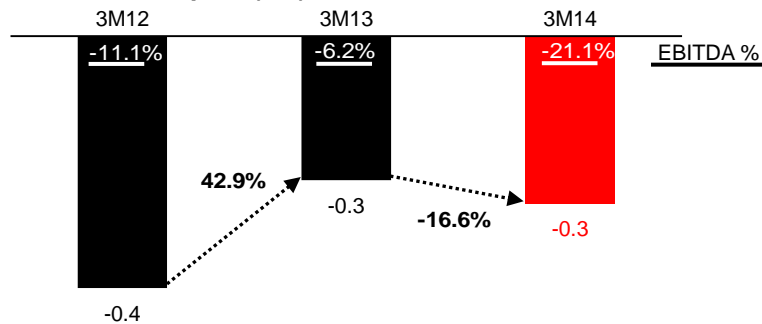
2.3. Venture Capital

Turnover Venture Capital (M€)



VC performance typical of the development stage of the investments of the Funds. The YoY evolution primarily reflects the exit of the Digital TV/SIP business.

EBITDA Venture Capital (M€)



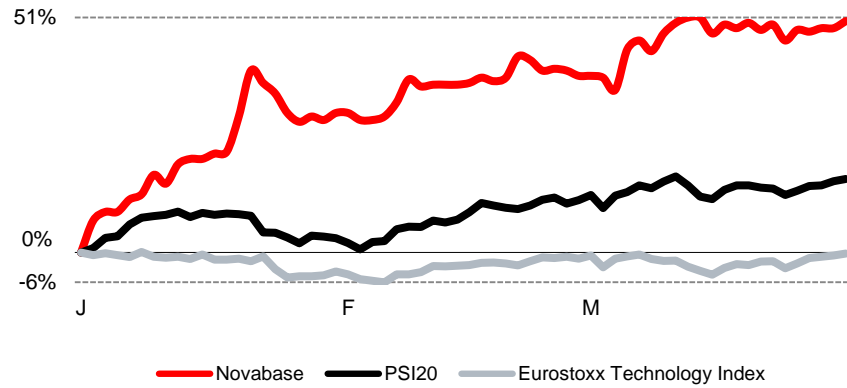
3. Stock Performance

Novabase share price in 3M14 gained 50.2%, comparing to a 16.0% gain in the PSI20 Index and a 0.2% loss in the EuroStoxx Technology Index.



Up to the date of issue of this report, it was approved in the General Meeting of Shareholders of May 7, 2014, the distribution of dividends to the shareholders in the amount of 6.2 M€, corresponding to 0.20€ per share. The payment of these dividends will occur in the second quarter of 2014.

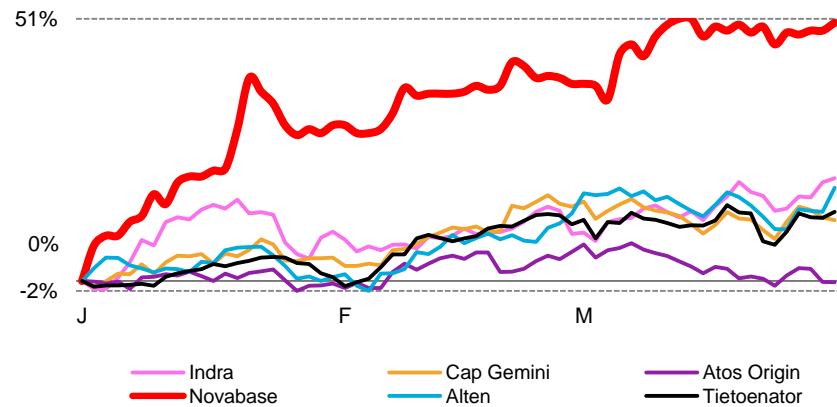
Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 3M14, was as follows:

Novabase and other TMT

In the end of the first quarter of 2014, Novabase presented a Price to Sales multiple of 0.56x and a Price to Earnings multiple of 16.09x, which represents a discount of 34% and 25%, respectively, compared to the average of other companies in the sector in Europe.



Average upside of 8.0%, according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 4.23 euros.

Rotation in 3M14 represented 6.0% of the capital and 1.9 million shares were traded, below the values in 3M13 (rotation of 7.0% of the capital and 2.2 million shares traded).



Summary	1Q14	4Q13	3Q13	2Q13	1Q13
Minimum price (€)	2.79	2.61	2.31	2.35	2.29
Maximum price (€)	3.94	3.11	3.08	2.90	3.01
Volume weighted average price (€)	3.45	2.87	2.74	2.67	2.85
Closing price at the end of the Quarter (€)	3.92	2.61	3.08	2.49	2.839
Nr. of shares traded	1,898,155	2,314,482	1,929,789	1,864,279	2,206,309
Market cap in the last day (M€)	123.1	82.0	96.7	78.2	89.1

4. Outlook 2014

The results of the first quarter of 2014 are in line with the management orientations and priorities set for the year. Thus, the international business increased by 15.7%, representing now 34.9% of the total business, and the weight of services grew to 66.2%. However, Turnover declined by 5.3%, affected by the exit of the Digital TV/SIP business. EBITDA decreased by 8.1%, 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 is committed to compliance with the Guidance for 2014, reaffirming as its strategic focus the intensification of the international expansion and the increase of investments in R&D with the aim of differentiation of its offerings.

**Consolidated Statement of Financial Position
as at 31 March 2014**

	31.03.14	31.12.13
	(Thousands of Euros)	
Assets		
Tangible assets	6,134	6,120
Intangible assets	31,682	32,095
Financial investments	2,200	2,217
Deferred income tax assets	14,853	14,901
Other non-current assets	4,868	4,868
Total Non-Current Assets	59,737	60,201
Inventories	3,795	8,925
Trade debtors and accrued income	76,413	85,296
Other debtors and prepaid expenses	18,160	21,806
Derivative financial instruments	235	514
Financial assets held for trading	5,019	5,015
Cash and cash equivalents	34,501	32,942
Total Current Assets	138,123	154,498
Assets for continuing operations	197,860	214,699
Assets for discontinued operations	-	-
Total Assets	197,860	214,699
Shareholders' Equity		
Share capital	15,701	15,701
Treasury shares	(295)	(295)
Share premium	43,560	43,560
Reserves and retained earnings	31,166	23,756
Net profit	1,562	7,510
Total Shareholders' Equity	91,694	90,232
Non-controlling interests	11,737	11,522
Total Equity	103,431	101,754
Liabilities		
Bank borrowings	11,851	13,024
Finance lease liabilities	1,098	1,007
Provisions	2,554	4,386
Deferred income tax liabilities	-	100
Other non-current liabilities	70	70
Total Non-Current Liabilities	15,573	18,587
Bank borrowings	5,993	6,202
Trade payables	17,252	22,268
Other creditors and accruals	31,907	40,736
Derivative financial instruments	48	77
Deferred income	23,336	24,755
Total Current Liabilities	78,536	94,038
Total Liabilities for cont. operations	94,109	112,625
Total Liabilities for discount. operations	320	320
Total Liabilities	94,429	112,945
Total Equity and Liabilities	197,860	214,699
Net Cash	23,989	20,271

**Consolidated Income Statement
for the period of 3 months ended 31 March 2014**

	31.03.14	31.03.13	Var. %
	(Thousands of Euros)		
Sale of goods	17,430	20,705	
Cost of goods sold	(15,445)	(19,417)	
Gross margin	1,985	1,288	54.1 %
Other income			
Services rendered	34,120	33,734	
Supplementary income and subsidies	61	52	
Other operating income	602	258	
	34,783	34,044	
	36,768	35,332	
Other expenses			
External supplies and services	(12,080)	(12,064)	
Employee benefit expense	(21,970)	(19,560)	
Provisions reversal	1,949	444	
Other operating expenses	(1,039)	(206)	
	(33,140)	(31,386)	
Gross Net Profit (EBITDA)	3,628	3,946	-8.1 %
Depreciation and amortization	(1,280)	(1,276)	
Operating Profit (EBIT)	2,348	2,670	-12.1 %
Financial results	(157)	(100)	
Net Profit before taxes (EBT)	2,191	2,570	-14.7 %
Income tax expense	(345)	(589)	
Non-controlling interests	(284)	(30)	
Attributable Net Profit	1,562	1,951	-19.9 %
Other information:			
Turnover	51,550	54,439	-5.3 %
Gross margin from sales %	11.4 %	6.2 %	
EBITDA margin	7.0 %	7.2 %	
EBT % on Turnover	4.3 %	4.7 %	
Net profit % on Turnover	3.0 %	3.6 %	

**Consolidated Income Statement by SEGMENTS
for the period of 3 months ended 31 March 2014**

(Thousands of Euros)

	Business Solutions	IMS	Venture Capital	NOVABASE
Sale of goods	183	16,928	319	17,430
Cost of goods sold	(150)	(15,040)	(255)	(15,445)
Gross margin	33	1,888	64	1,985
Other income				
Services rendered	24,096	8,943	1,081	34,120
Supplementary income and subsidies	34	27	-	61
Other operating income	292	5	305	602
	24,422	8,975	1,386	34,783
	24,455	10,863	1,450	36,768
Other expenses				
External supplies and services	(5,896)	(5,252)	(932)	(12,080)
Employee benefit expense	(16,239)	(5,076)	(655)	(21,970)
Provisions reversal	668	726	555	1,949
Other operating expenses	(112)	(214)	(713)	(1,039)
	(21,579)	(9,816)	(1,745)	(33,140)
Gross Net Profit (EBITDA)	2,876	1,047	(295)	3,628
Depreciation and amortization	(873)	(336)	(71)	(1,280)
Operating Profit (EBIT)	2,003	711	(366)	2,348
Financial results	(340)	125	58	(157)
Net Profit / (Loss) before Taxes (EBT)	1,663	836	(308)	2,191
Income tax expense	68	(403)	(10)	(345)
Non-controlling interests	(205)	(79)	-	(284)
Attributable Net Profit / (Loss)	1,526	354	(318)	1,562
Other information :				
Turnover	24,279	25,871	1,400	51,550
EBITDA	2,876	1,047	(295)	3,628
EBITDA % on Turnover	11.8%	4.0%	-21.1%	7.0%
EBT % on Turnover	6.8%	3.2%	-22.0%	4.3%