

## Consolidated Results 9M11

### Privileged Information

November 8, 2011

### Highlights:

**Turnover: 172.6 M€**

(179.5 M€ in 9M10)

**EBITDA: 11.7 M€**

(16.6 M€ in 9M10)

**Net Profit: 4.7 M€**

(9.3 M€ in 9M10)

**Net Cash: 3.1 M€**

(21.1 M€ in 12M10)

### Message from the CEO - Luís Paulo Salvado

"The accumulated results as of September confirm the trends we had already observed in the first half of the year and are in line with the revised guidance for 2011.

Turnover decreased 4% compared to the same period of last year, strongly penalized by the contraction of business in Portugal and in the product component. On the other hand, the international business grew an impressive 44%, already accounting for nearly 19% of the total business, and services also maintained a positive path.

EBITDA decreased 30% compared to the same period of last year, maintaining the trend of the first semester. This degradation of margin, in part already anticipated from the costs associated to internationalization, was aggravated by intense competitive pressure which affected mainly the profitability in product sales.

Net Profit was about half of that obtained in the same period last year, primarily penalized by financial results. The degradation of the DSO (Days Sales Outstanding) indicator largely explains the consumption, since the beginning of the year, of 12.2 M € in cash, excluding dividends.

The results now disclosed clearly show that internationalization is on track and the business in Portugal is having a performance below the expected.

To face the increasingly challenging context, it is essential we continue to focus on international growth, and simultaneously to improve our domestic competitiveness. Until the end of 2011 we are focused on achieving these goals in order to begin next year with a renewed ambition."

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

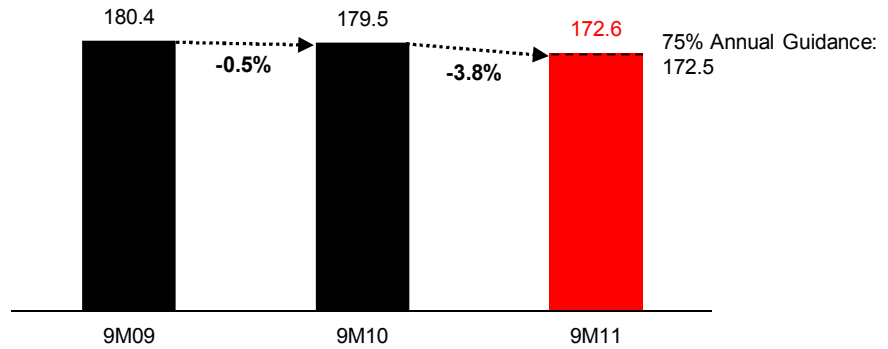
Novabase SGPS, S.A.  
Public Company - Euronext code: NBA.AM  
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 - Share Capital: 15,700,697.00 €  
Head Office: Av. D. João II, Lote 1.03.2.3., 1998-031 Lisbon - PORTUGAL



## 1. Key Indicators Evolution

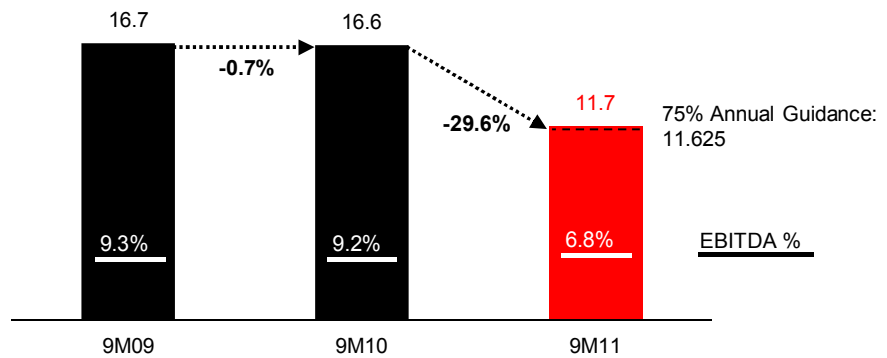
### Turnover (M€)

Turnover in line with the linearized annual Guidance.

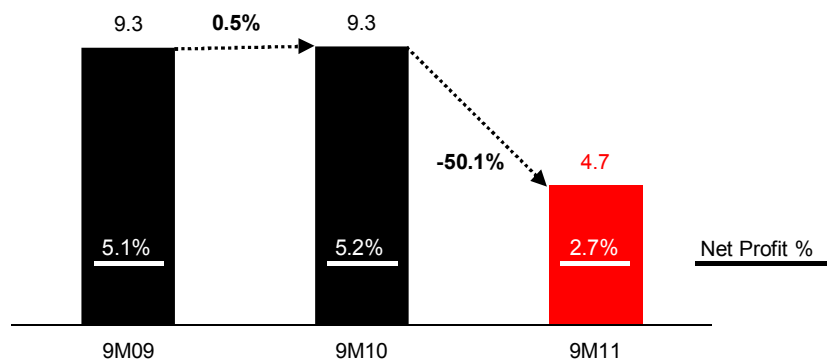


### EBITDA (M€)

EBITDA in line with the linearized annual Guidance of 14-17 M€ and 6.7%.



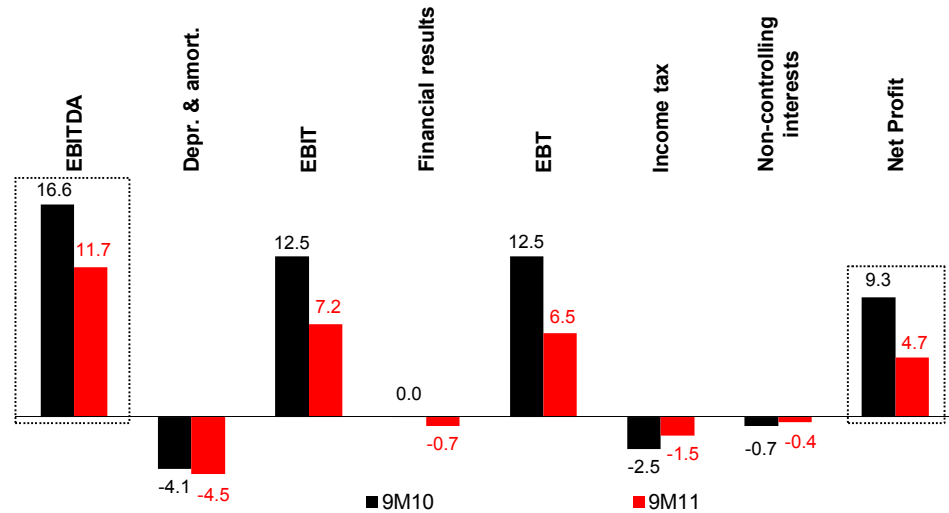
### Net Profit (M€)





Earnings per share (EPS) in 9M11 reached 0.15 euros per share, registering a decrease of 51.6% towards the EPS from the previous year of 0.31 euros per share.

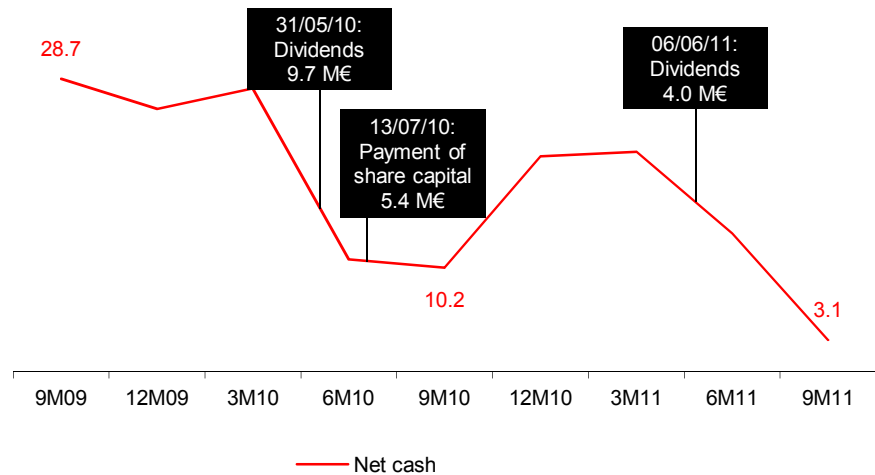
**From EBITDA to Net Profit 9M11 Vs 9M10 (M€)**



The Financial Results reached a net negative value of 0.7 M€, below the net positive value of 0.01 M€ registered in the same period of the prior year, especially due to the foreign exchange differences recorded (-0.06 M€ in 9M11 which compares to 0.8 M€ in 9M10).

**Net Cash (M€)**

Cash use of 12.2 M€ (excluding the dividends paid to Shareholders and Non-controlling interests) for investment in working capital and some acquisitions.



In the 9M11, Novabase shows a negative performance in cash generation, although without use of factoring since 6M09. Novabase ended the 9M11 with 3.1 M€ in net cash, which compares to 21.1 M€ in the 12M10.

On June 6th 2011, Novabase paid its annual dividend amounting to 4.0 M€ (0.13€/share). Additionally, this quarter, occurred the payment of 1.8 M€ to Non-controlling interests.



## 2. Short Summary of the Activity

The first nine months of 2011 were marked by a worsening of the macroeconomic environment, which led to a degradation of the operating performance of Novabase.

Novabase's management was focused on internationalization and the development of new industries, continuing the effort to maintain the position in the domestic market and to mitigate the conjunctural effects.

A new offer structure was implemented, which is more differentiated and closer to the needs of our customers. Novabase's activity is structured around six industries (Telecoms & Media, Financial Services, Government & Healthcare, Energy & Utilities, Aerospace & Transportation and Manufacturing & Services) and aggregated into four business areas (Business Solutions - BS, Infrastructures & Managed Services - IMS, Digital TV - DTV- and Venture Capital - VC).

Business Solutions now includes the business of Novabase Consulting and the areas of Ticketing and Managed Services (application outsourcing area) previously considered within Novabase IMS. The table below shows the Turnover and EBITDA for 2009 and 2010 included in Novabase IMS, which moved to the perimeter of Business Solutions in 2011:

Ticketing & Managed Services	9M09	9M10
Turnover (M€)	6.000	5.529
EBITDA (M€)	0.747	0.606

The company's activity in the nine months of 2011 was also marked by new strategic partnerships and entry on new businesses.

Noteworthy is the partnership that Novabase established with Microsoft, under which the two companies will now deliver a joint offering of productivity solutions for large enterprises, in a cloud computing model. Also, Novabase signed a partnership with FICO (American multinational company specialising in decision support and predictive information analysis technology) to provide top solutions for decision support in Portugal.

This quarter, Novabase was distinguished by its activity in several technologies and services. To be noted, the worldwide acknowledgment as Partner of the Year by Microsoft, for excellence in innovation, and awards by Cisco in the Datacenter, Video and Avant Garde areas.

Also in the nine months of 2011, Novabase strengthened its focus on the Aerospace industry with acquisition of 100% stake in Evolvespace Solutions, which majority of business is international in countries such as Germany, UK, France and Italy.

With regard to Venture Capital, it was decided to establish a new venture capital fund 'Novabase Capital Inovação e Internacionalização', up to a total of 11.36 M€. The referred fund will have two specific provisions, with a contribution from the COMPETE Program of 5.0 M€ and the POR Lisboa Program (focused on the Early Stage phase) of 0.5 M€. This initiative is integrated in the NSRF and is co-financed by the European Union via the ERDF.

Investment in Evolvespace Solutions fits into the internationalization and growth strategy for the Aerospace & Transportation industry.

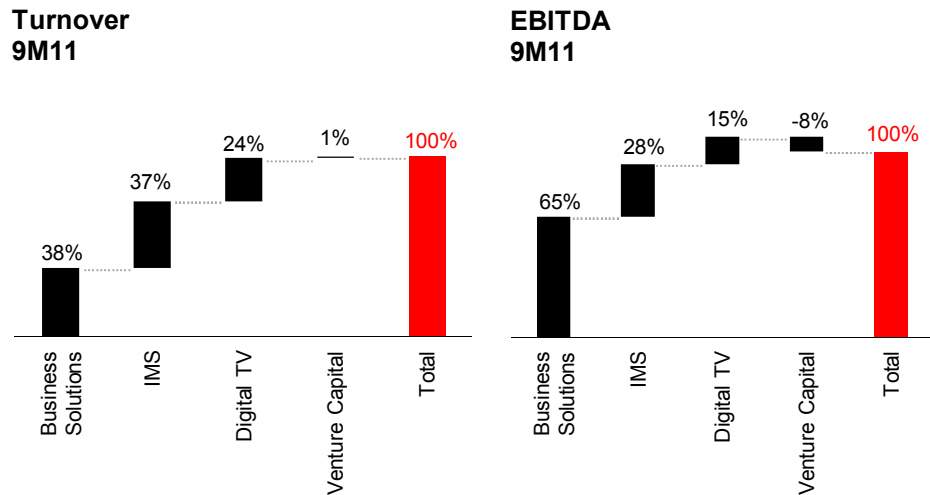


Investment in Feedzai reinforces the focus on innovative national companies, with strong perspectives of international growth.

Additionally, Novabase announced an investment of 330 thousand euros in FeedZai, being the first project for the new Venture Capital Fund of Novabase. FeedZai was incorporated in 2008 at the University of Coimbra, and it's a Spin-Off of the Carnegie Mellon University - Portugal program, in which Novabase participates as reference industrial partner and co-financier. Financing is made jointly with the venture capital company ES Ventures (Espírito Santo Group). Of the total invested by Novabase, 163.37 thousand euros will come from the COMPETE program, integrated in the NSRF and financed by the European Union via the ERDF.



The percentage breakdown of Turnover and EBITDA by the different businesses, in the 9M11, is as follows:



1.2% rise in services, in line with Novabase strategic orientation to increase the added value of its offers.

Of the overall Turnover generated in 9M11, the services rendered represents 56.7%, which compares to 53.9% in 9M10.

Of the 172.6 M€ Turnover, 18.7% is generated outside Portugal, that is 32.3 M€, which compares to the 22.4 M€ registered in 9M10.

Turnover by geography 9M10



Turnover by geography 9M11



International business increased 44.0%, reflecting a strong focus on markets outside Portugal.

Business outside Portugal generated in the Business Solutions area increased to 16.6% of the respective invoicing (13.6% in 9M10). Also, in the IMS business area, the international business in 9M11 increased to 22.5% (13.4% in 9M10) and in the Digital TV area increased to 16.6% (6.2% in 9M10).

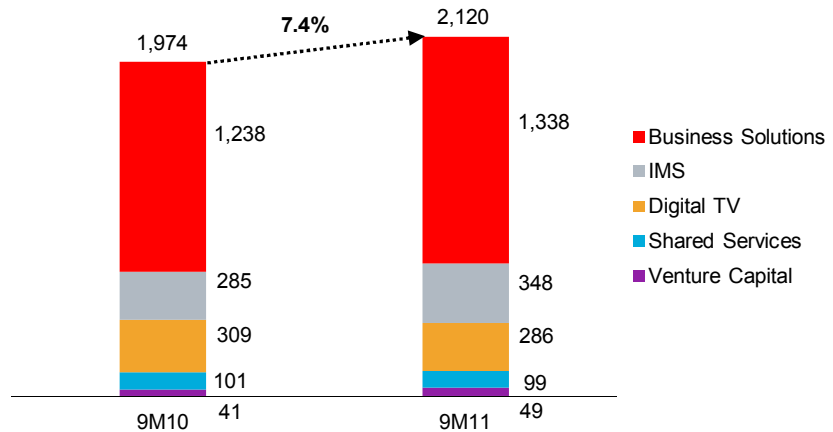


Novabase had on average, in the 9M11, 2,120 employees, which represents an increase of 7.4% compared to the 9M10 (1,974) and of 5.8% compared to FY10 (2,003).

Employee breakdown by business area, in 9M11, is as follows:

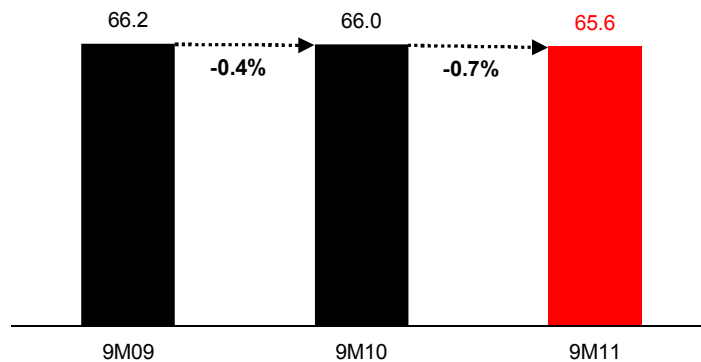
### Average Number of Employees

Average number of employees increased to strengthen the strategy of international and new industries expansion and to support the services growth.

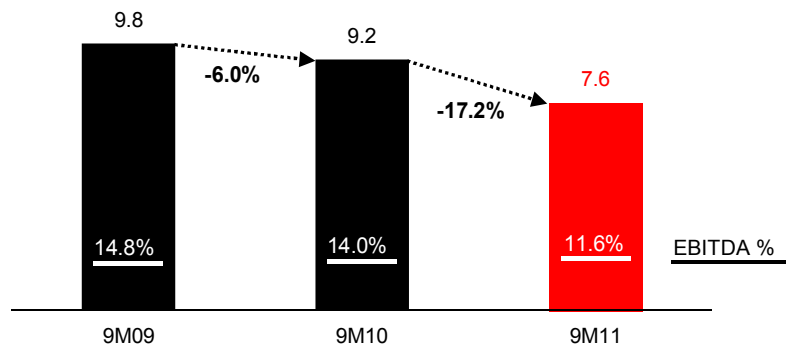


### 2.1. Business Solutions

#### Turnover Business Solutions (M€)



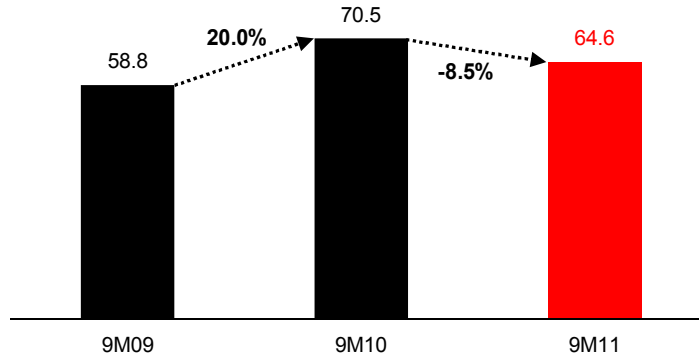
#### EBITDA Business Solutions (M€)



BS evolution reflects the conjunctural pressure on prices and, occasionally, the degradation in the allocation rates.

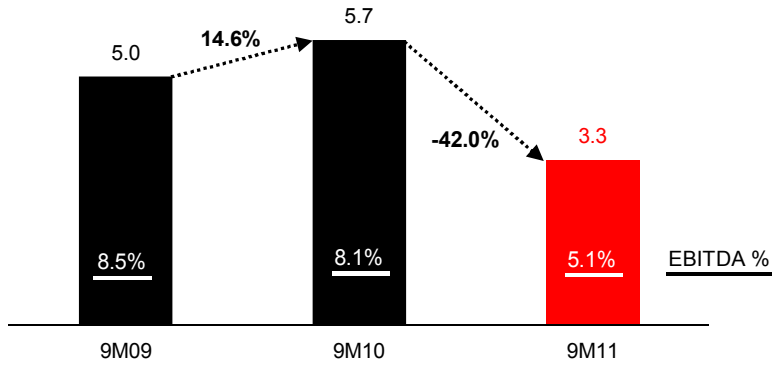
## 2.2. Infrastructures & Managed Services

### Turnover IMS (M€)



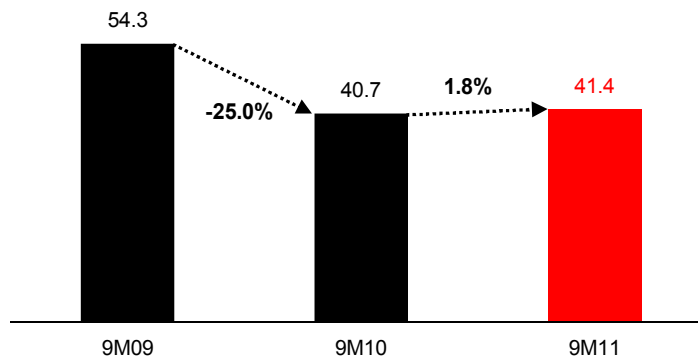
IMS evolution is mainly due to the pressure on prices, despite the growth in services (+5.3%) and international sales (+53.1%).

### EBITDA IMS (M€)



## 2.3. Digital TV

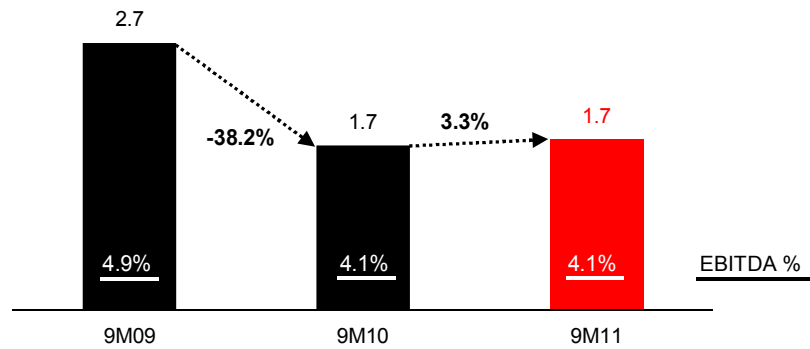
### Turnover Digital TV (M€)





### EBITDA Digital TV (M€)

DTV evolution reflects the international business growth (~3x), despite the pressure on prices in the product sales component.



### 2.4. Venture Capital

VC results are primarily due to the performance of the subsidiary Collab.

Global Turnover in this area reached 1.0 M€, which represents a decrease of 55.8% compared to 9M10.

Venture Capital EBITDA in 9M11 decreased, year on year, from -0.002 M€ to -1.0 M€, reaching an EBITDA margin of -100.3%.

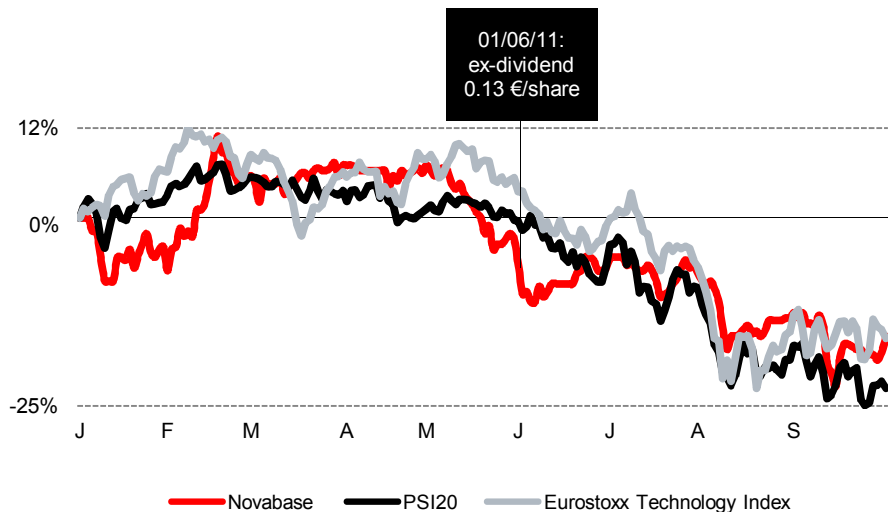
### 3. Stock Performance

Excluding the dividends payment, the depreciation of Novabase share price would be 11.2%.

Novabase share price in 9M11 lost 15.5%, comparing to a 22.4% loss in the PSI20 Index and a 15.8% loss in the EuroStoxx Technology Index.

In this period, a dividend of 0.13€/share was distributed.

#### Novabase and the Market

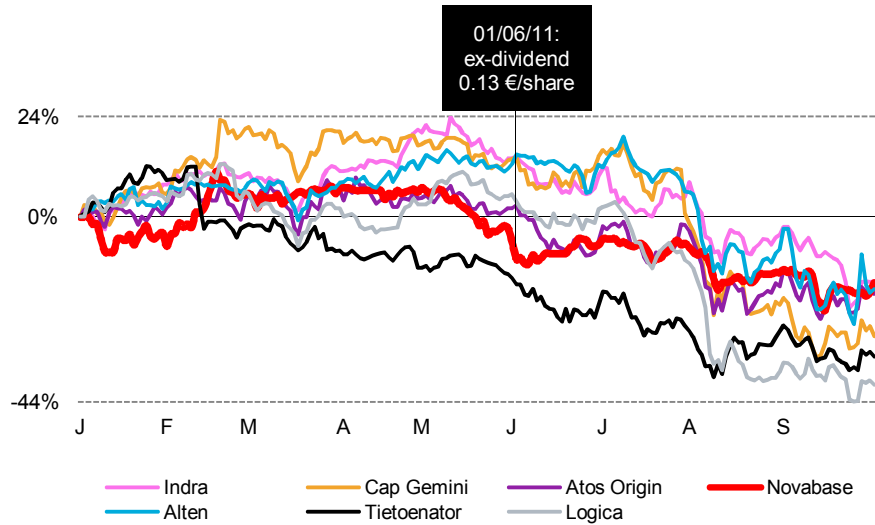


When comparing Novabase share prices with other companies in the IT sector in Europe, we verify that Novabase share performance in 9M11 was above the average performance of other IT.





### Novabase and other TMT



Average upside of 66.7%, according to the analysts that cover Novabase.

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

Rotation in 9M11 represented 14.8% of the capital and 4.7 million shares were traded, below the values that have occurred in 9M10 (rotation of 16.3% of the capital and 5.1 million shares traded).

Summary	3Q11	2Q11	1Q11	4Q10	3Q10
Minimum price (€)	2.26	2.58	2.66	2.79	3.17
Maximum price (€)	2.75	3.10	3.21	3.37	3.46
Volume weighted average price (€)	2.55	2.80	2.96	3.05	3.30
Closing price at the end of the Quarter (€)	2.45	2.75	3.10	2.90	3.20
Nr. of shares traded	1,284,390	1,491,268	1,883,117	1,948,307	1,000,218
Market cap in the last day (M€)	76.9	86.4	97.3	91.1	100.5

## 4. Outlook 2011

In July 2011, Novabase informed the market of the annual Guidance:

- Turnover of 230 M€
- EBITDA between 14 and 17 M€

The results now disclosed confirm the trends of the first half of the year and are in line with the Guidance. The internationalization strategy is producing good results. The domestic business, however, is under pressure by the current economic situation.

In this context, we will strengthen the focus on international growth and on improvement of competitiveness in the operations in Portugal. Nevertheless, a high degree of uncertainty regarding the evolution of the macroeconomic conditions still remains.

**Consolidated Statement of Financial Position  
as at 30 September 2011**

	30.09.11	31.12.10
	(Thousands of Euros)	
<b>Assets</b>		
Tangible assets	9,543	9,836
Intangible assets	31,279	31,229
Financial investments	2,247	1,697
Deferred income tax assets	10,702	10,396
Other non-current assets	-	69
<b>Total Non-Current Assets</b>	<b>53,771</b>	<b>53,227</b>
Inventories	7,895	10,403
Trade debtors and accrued income	101,410	92,432
Other debtors and prepaid expenses	13,792	12,100
Derivative financial instruments	220	197
Cash and cash equivalents	9,587	28,088
<b>Total Current Assets</b>	<b>132,904</b>	<b>143,220</b>
<b>Assets for continuing operations</b>	<b>186,675</b>	<b>196,447</b>
<b>Assets for discontinued operations</b>	<b>65</b>	<b>49</b>
<b>Total Assets</b>	<b>186,740</b>	<b>196,496</b>
<b>Shareholders' Equity</b>		
Share capital	15,701	15,701
Treasury shares	(490)	(603)
Share premium	43,560	43,560
Reserves and retained earnings	31,111	21,063
Net profit	4,657	13,053
<b>Total Shareholders' Equity</b>	<b>94,539</b>	<b>92,774</b>
<b>Non-controlling interests</b>	<b>4,394</b>	<b>5,724</b>
<b>Total Equity</b>	<b>98,933</b>	<b>98,498</b>
<b>Liabilities</b>		
Non-current borrowings	5,443	6,200
Finance lease liabilities	1,736	1,679
Provisions	1,197	1,633
Deferred income tax liabilities	100	909
Other non-current liabilities	308	927
<b>Total Non-Current Liabilities</b>	<b>8,784</b>	<b>11,348</b>
Current borrowings	3,410	4,272
Trade payables	23,415	20,183
Other creditors and accruals	32,146	38,290
Derivative financial instruments	316	353
Deferred income	19,014	22,807
<b>Total Current Liabilities</b>	<b>78,301</b>	<b>85,905</b>
<b>Total Liabilities for cont. operations</b>	<b>87,085</b>	<b>97,253</b>
<b>Total Liabilities for discount. operations</b>	<b>722</b>	<b>745</b>
<b>Total Liabilities</b>	<b>87,807</b>	<b>97,998</b>
<b>Total Equity and Liabilities</b>	<b>186,740</b>	<b>196,496</b>
<b>Net Cash</b>	<b>3,136</b>	<b>21,115</b>

**Consolidated Income Statement  
for the period of 9 months ended 30 September 2011**

	30.09.11	30.09.10	Var. %
	(Thousands of Euros)		
Sale of goods	74,634	82,726	
Cost of goods sold	(67,588)	(71,847)	
<b>Gross margin</b>	<b>7,046</b>	<b>10,879</b>	<b>-35.2 %</b>
<b>Other income</b>			
Services rendered	97,916	96,726	
Supplementary income	187	675	
Other operating income	233	228	
	<b>98,336</b>	<b>97,629</b>	
	<b>105,382</b>	<b>108,508</b>	
<b>Other expenses</b>			
External supplies and services	(36,111)	(36,814)	
Employee benefit expense	(57,760)	(55,619)	
(Provisions) / Provisions reversal	819	1,011	
Other operating expenses	(650)	(500)	
	<b>(93,702)</b>	<b>(91,922)</b>	
<b>Gross Net Profit (EBITDA)</b>	<b>11,680</b>	<b>16,586</b>	<b>-29.6 %</b>
Depreciation and amortization	(4,459)	(4,067)	
<b>Operating Profit (EBIT)</b>	<b>7,221</b>	<b>12,519</b>	<b>-42.3 %</b>
Financial Gains / (Losses)	(706)	10	
<b>Net Profit before taxes (EBT)</b>	<b>6,515</b>	<b>12,529</b>	<b>-48.0 %</b>
Income tax expense	(1,473)	(2,509)	
<b>Non-controlling interests</b>	<b>(385)</b>	<b>(687)</b>	
<b>Attributable Net Profit</b>	<b>4,657</b>	<b>9,333</b>	<b>-50.1 %</b>
<b>Other information:</b>			
Turnover	172,550	179,452	<b>-3.8 %</b>
EBITDA margin	6.8 %	9.2 %	
EBT % on Turnover	3.8 %	7.0 %	
Net profit % on Turnover	2.7 %	5.2 %	

**Consolidated Income Statement by SEGMENTS**  
**for the period of 9 months ended 30 September 2011**

(Thousands of Euros)

	<b>Business Solutions</b>	<b>IMS</b>	<b>Digital TV</b>	<b>Venture Capital</b>	<b>NOVABASE</b>
Sale of goods	919	44,264	29,451	-	<b>74,634</b>
Cost of goods sold	(356)	(39,005)	(28,227)	-	<b>(67,588)</b>
<b>Gross margin</b>	<b>563</b>	<b>5,259</b>	<b>1,224</b>	<b>-</b>	<b>7,046</b>
<b>Other income</b>					
Services rendered	64,643	20,308	11,988	977	<b>97,916</b>
Supplementary income and subsidies	118	-	61	8	<b>187</b>
Other operating income	119	89	25	-	<b>233</b>
	<b>64,880</b>	<b>20,397</b>	<b>12,074</b>	<b>985</b>	<b>98,336</b>
	<b>65,443</b>	<b>25,656</b>	<b>13,298</b>	<b>985</b>	<b>105,382</b>
<b>Other expenses</b>					
External supplies and services	(17,472)	(12,271)	(6,039)	(329)	<b>(36,111)</b>
Employee benefit expense	(40,179)	(10,381)	(5,579)	(1,621)	<b>(57,760)</b>
(Provisions) / Provisions reversal	127	531	161	-	<b>819</b>
Other operating expenses	(284)	(223)	(128)	(15)	<b>(650)</b>
	<b>(57,808)</b>	<b>(22,344)</b>	<b>(11,585)</b>	<b>(1,965)</b>	<b>(93,702)</b>
<b>Gross Net Profit (EBITDA)</b>	<b>7,635</b>	<b>3,312</b>	<b>1,713</b>	<b>(980)</b>	<b>11,680</b>
Depreciation and amortization	(2,736)	(1,029)	(555)	(139)	<b>(4,459)</b>
<b>Operating Profit (EBIT)</b>	<b>4,899</b>	<b>2,283</b>	<b>1,158</b>	<b>(1,119)</b>	<b>7,221</b>
Financial Gains / (Losses)	35	(564)	(124)	(53)	<b>(706)</b>
<b>Net Profit / (Loss) before Taxes (EBT)</b>	<b>4,934</b>	<b>1,719</b>	<b>1,034</b>	<b>(1,172)</b>	<b>6,515</b>
Income tax expense	(604)	(1,876)	832	175	<b>(1,473)</b>
Non-controlling interests	(702)	69	-	248	<b>(385)</b>
<b>Attributable Net Profit / (Loss)</b>	<b>3,628</b>	<b>(88)</b>	<b>1,866</b>	<b>(749)</b>	<b>4,657</b>
<b>Other information :</b>					
Turnover	65,562	64,572	41,439	977	<b>172,550</b>
EBITDA	7,635	3,312	1,713	(980)	<b>11,680</b>
EBITDA % on Turnover	11.6%	5.1%	4.1%	-100.3%	<b>6.8%</b>
EBT % on Turnover	7.5%	2.7%	2.5%	-120.0%	<b>3.8%</b>