

Consolidated Results 6M11

Privileged Information

July 28, 2011

Highlights:

Turnover: 119.1 M€
(122.8 M€ in 6M10)

EBITDA: 8.2 M€
(11.6 M€ in 6M10)

Net Profit: 3.5 M€
(7.2 M€ in 6M10)

Net Cash: 13.5 M€
(21.1 M€ in 12M10)

Message from the CEO - Luís Paulo Salvado

"We set as priorities for 2011 international growth and the preservation of our position in the domestic market. Novabase's results in the first half of 2011 show that we are on the right track in terms of internationalization, but that our domestic business performance is below what we anticipated, due to the worsening of economic conditions in Portugal in recent months.

Turnover was 119 M€, 3% below the amount registered in the same period of the prior year. International growth was significant but failed to compensate for the decrease of the business in the domestic market. Still, outside of Portugal we operated in over 30 countries and grew an impressive 68%. Our international business now accounts for nearly 18% of the total business. In services we also had a positive performance, with an increase of 5%.

On the other hand, EBITDA reached 8.2 M€, a decrease of 30% compared to the same period of last year. This degradation of margin, in part already anticipated from the costs associated to internationalization, is due to the tremendous competitive pressure that continues to affect mainly the product components.

Net Profit stood at 3.5 M€, a 51% decrease compared to the same period of the prior year, primarily penalized by financial results. Cash generation was negative in 7.6 M€, 4 M€ of which were allocated to the dividend paid in June.

Given the significant deterioration in the economic environment in Portugal and the uncertainties as to its evolution, and based on the results now presented, we decided to downgrade our Guidance for 2011. Thus, the new Guidance indicates a Turnover of around 230 M€, with an EBITDA between 14 and 17 M€.

Despite the difficulties that we know that lie ahead, we will remain committed to the priorities outlined for 2011. We will continue to focus on international growth, allocating significant resources to this priority, and to give our best to preserve the domestic business. We feel confident that, in the medium term, this path will maximize the creation of value for the company."

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www.novabase.pt

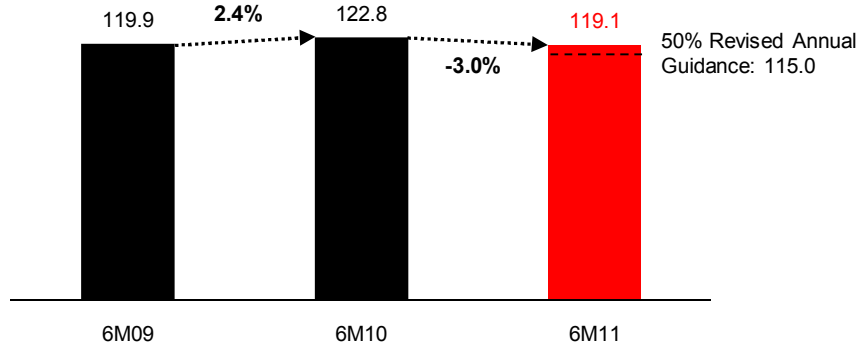
Novabase SGPS, S.A.
Public Company . Euronext code: NBA.AM .
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 . Share Capital: 15,700,697.00 € .
Head Office: Av. D. João II, Lote 1.03.2.3., 1998-031 Lisbon - PORTUGAL



1. Key Indicators Evolution

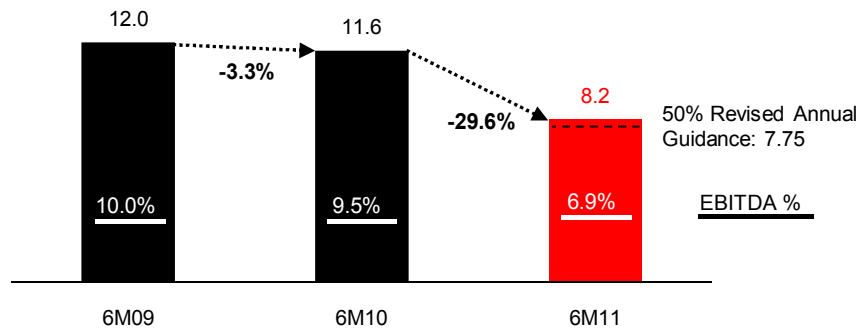
Turnover (M€)

Turnover above the linearized revised annual Guidance (+3.6%).

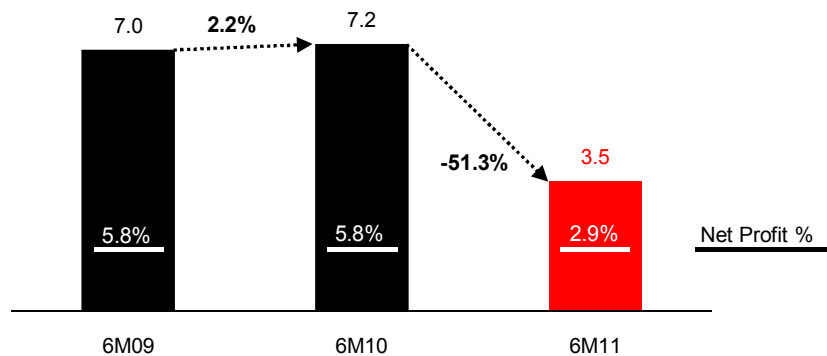


EBITDA (M€)

EBITDA above the linearized revised annual Guidance of 14-17 M€ and 6.7%: +5.8% above the middle of the range (+0.1 points %).

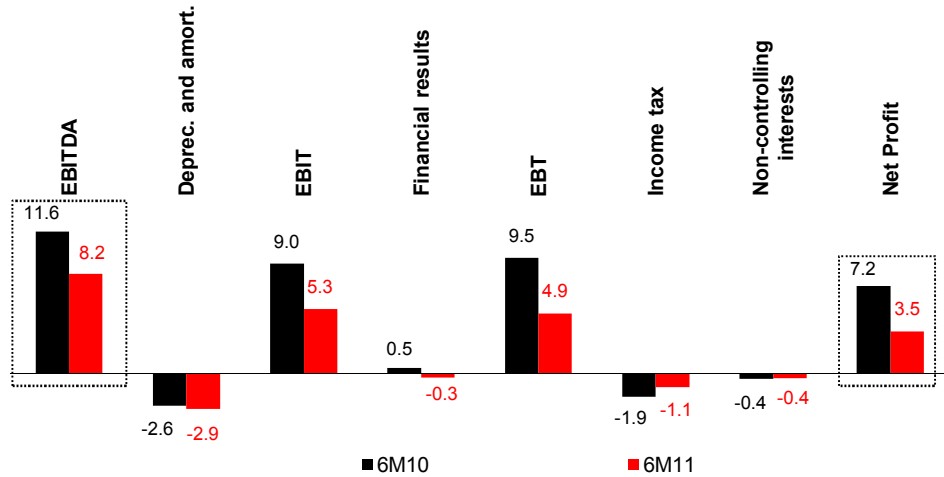


Net Profit (M€)



Earnings per share (EPS) in 6M11 reached 0.11 euros per share, registering a decrease towards the EPS from the previous year of 0.24 euros per share.

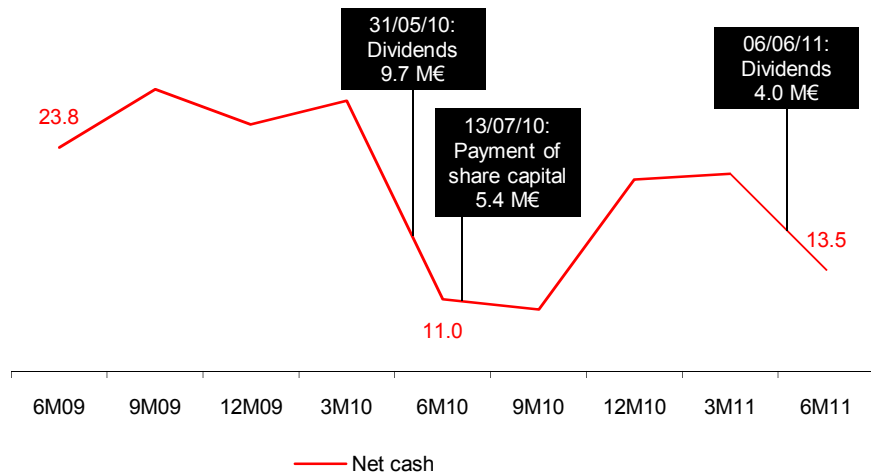
From EBITDA to Net Profit 6M11 Vs 6M10 (M€)



Financial Results reached a net negative value of 0.3 M€, below the net positive value of 0.5 M€ registered in the same period of the prior year, especially due to the recording in 6M11 of foreign exchange gains below those recorded in 6M10 (0.03 M€ which compares to 0.9 M€).

Net Cash (M€)

Cash use of 7.6 M€, considering dividends payment, investment in working capital and some acquisitions.



In the 6M11, Novabase shows a negative performance in cash generation, although without use of factoring since 6M09. Novabase ended the 6M11 with 13.5 M€ in net cash, which compares to 21.1 M€ in the 12M10.

However, it is to be noted that this cash amount reflects the payment of dividends in the amount of 4.0 M€.



2. Short Summary of the Activity

The first half of 2011 was marked by a worsening of the macroeconomic environment in Portugal, which has affected investments in both the public and private sector. The consequences of the economic crisis showed more intensely and 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.

In this semester a new offer structure was defined which is even more differentiated and closer to the needs of our customers. Novabase's activity is now 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	6M09	6M10
Turnover (M€)	4.104	4.181
EBITDA (M€)	0.457	0.234

The company's activity in the first half of 2011 was also marked by new strategic partnerships and entries 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.

Also in the first half of 2011, Novabase strengthened its focus on the Aerospace industry with acquisition of 100% stake in Evolvespace Solutions, which majority 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.

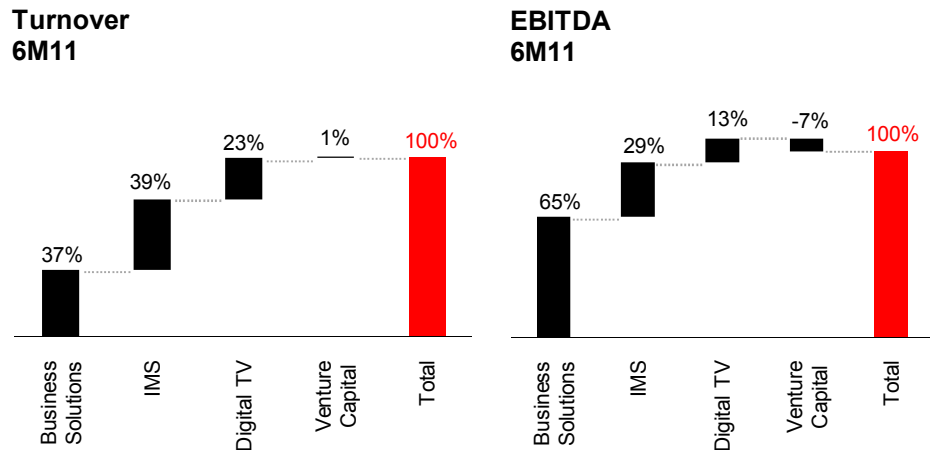


Investment in Feedzai reinforces the focus on innovative national companies, with strong perspectives of international growth.

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 Ventures ES (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 6M11, is as follows:



4.9% rise in services, in line with Novabase strategic orientation to increase the added value of its offers.

Of the overall Turnover generated in 6M11, the services rendered represents 55.9%, which compares to 51.7% in 6M10.

Of the 119.1 M€ Turnover, 17.6% is generated outside Portugal, that is 21.0 M€, which compares to the 12.5 M€ registered in 6M10.

Turnover by geography 6M10



Turnover by geography 6M11



International business increased 68.4%, reflecting a strong focus on markets outside Portugal.

Business outside Portugal generated in the Business Solutions area increased to 16.2% of the respective invoicing. In the IMS business area, international sales in 6M11 increased to 22.0% of the respective invoicing. The Digital TV area increased its international business, which represents 13.7% of the respective invoicing.

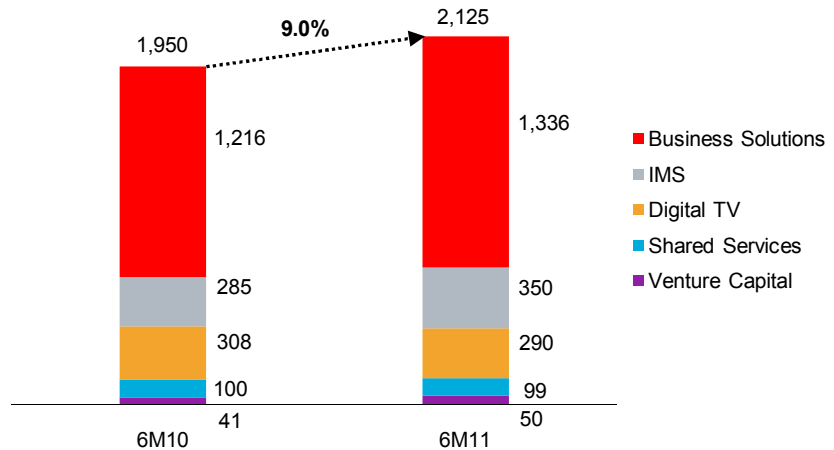


Novabase had on average, in the 6M11, 2,125 employees, which represents an increase of 9.0% compared to the 6M10 (1,950) and of 6.1% compared to FY10 (2,003).

Employee breakdown by business area, in 6M11, is as follows:

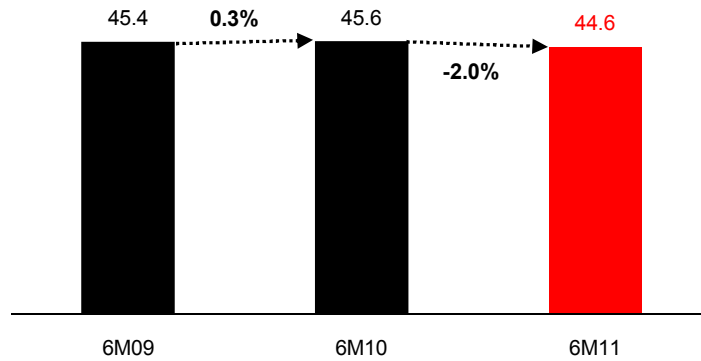
Average Number of Employees

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



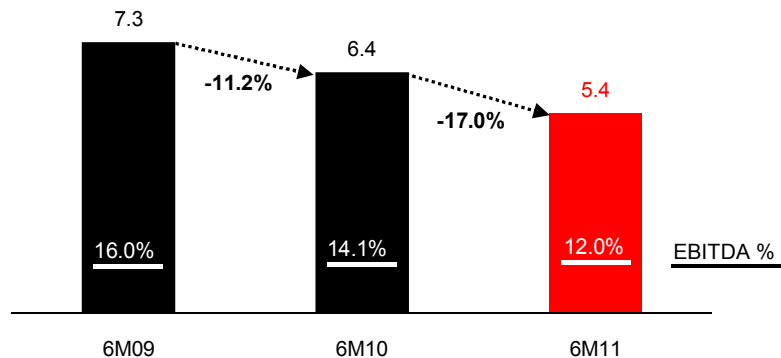
2.1. Business Solutions

Turnover Business Solutions (M€)



EBITDA Business Solutions (M€)

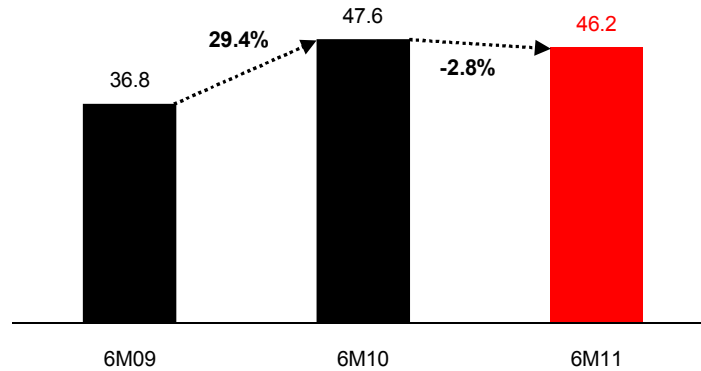
BS evolution reflects the conjunctural pressure on prices and, occasionally, the reduction in the allocation rates.





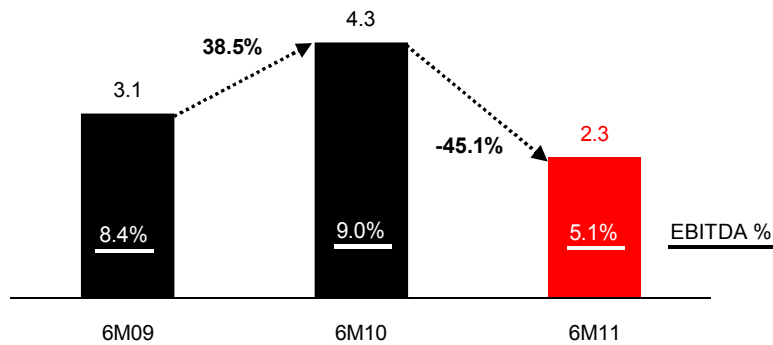
2.2. Infrastructures & Managed Services

Turnover IMS (M€)



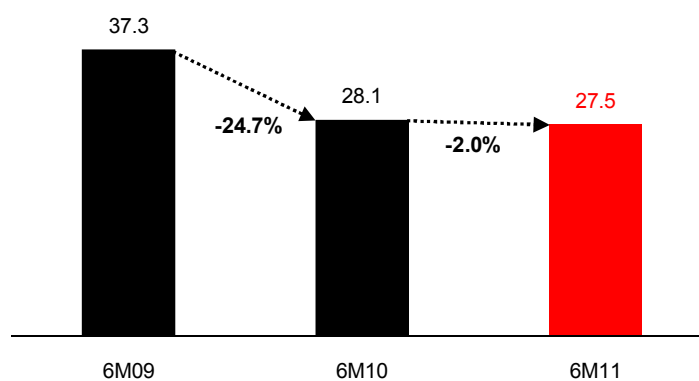
IMS evolution is mainly due to the pressure on prices, despite the growth in services and international sales. This area should be analysed for more extended periods of time.

EBITDA IMS (M€)



2.3. Digital TV

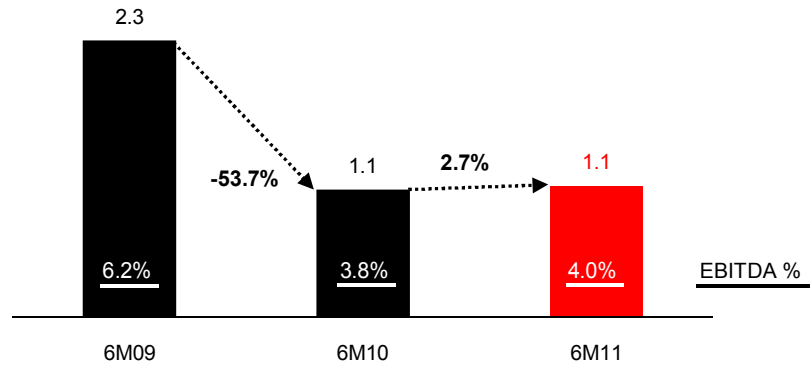
Turnover Digital TV (M€)



DTV evolution reflects the pressure on prices in the product sales component in Portugal, partially offset by the international business growth and by the execution of projects with higher added value. This area should be analysed for more extended periods of time.



EBITDA Digital TV (M€)



2.4. Venture Capital

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

Global Turnover in this area reached 0.7 M€, which represents a decrease of 54.3% compared to 6M10.

Venture Capital EBITDA in 6M11 decreased 330.7% year on year (from -0.1 M€ to -0.6 M€), reaching an EBITDA margin of -83.4%.

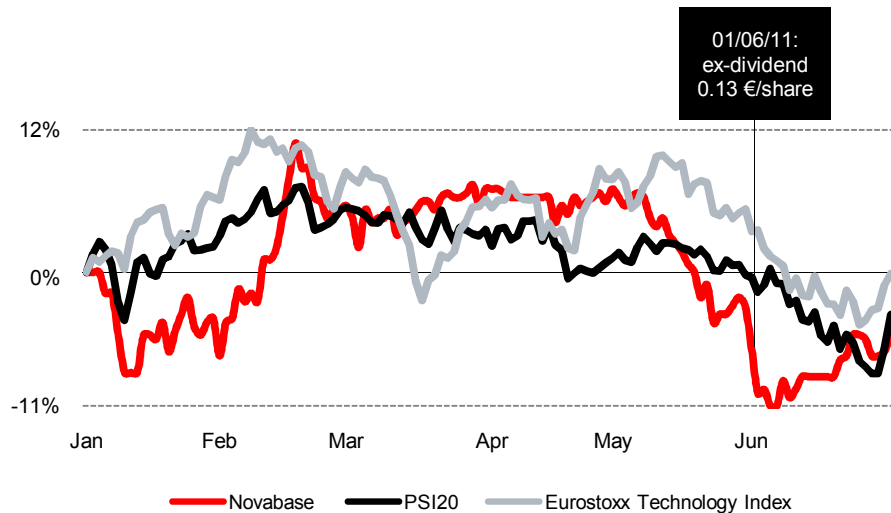
3. Stock Performance

Excluding the dividends payment, the depreciation of Novabase share price would be 0.7%.

Novabase share price in 6M11 lost 5.2%, comparing to a 3.5% loss in the PSI20 Index and a 0.1% loss in the EuroStoxx Technology Index.

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

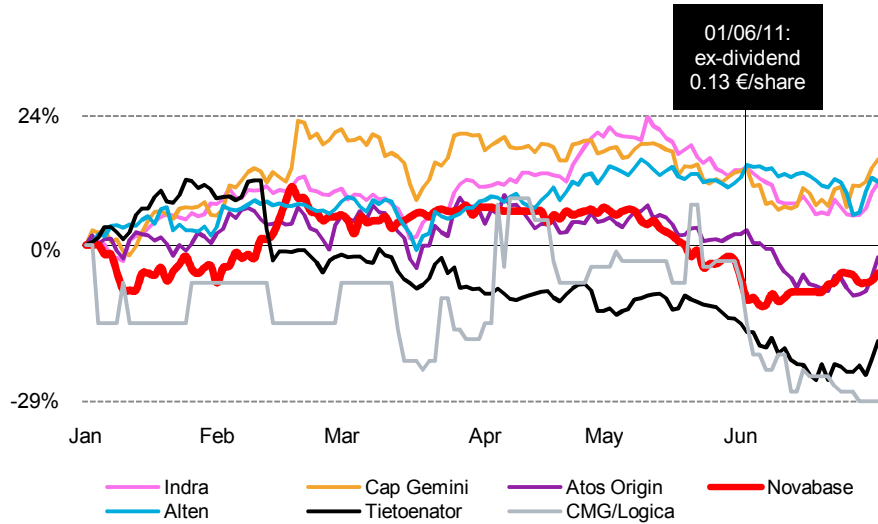
Novabase and the Market





When comparing Novabase share prices with other companies in the IT sector in Europe, we verify that Novabase share performance in 6M11 was in line with the values of the average performance of other IT.

Novabase and other TMT



Average upside of 66.1%, according to the analysts that cover Novabase.

The average price target disclosed by the analysts that cover Novabase is 4.57 euros, with unanimous recommendation to buy.

Rotation in 6M11 represented 10.7% of the capital and 3.4 million shares were traded, below the values that have occurred in 6M10 (rotation of 13.1% of the capital and 4.1 million shares traded).

Summary	2Q11	1Q11	4Q10	3Q10	2Q10
Minimum price (€)	2.58	2.66	2.79	3.17	3.34
Maximum price (€)	3.10	3.21	3.37	3.46	4.45
Volume weighted average price (€)	2.80	2.96	3.05	3.30	3.91
Closing price at the end of the Quarter (€)	2.75	3.10	2.90	3.20	3.44
Nr. of shares traded	1,491,268	1,883,117	1,948,307	1,000,218	2,194,905
Market cap in the last day (M€)	86.4	97.3	91.1	100.5	108.0

4. Outlook 2011

This half-year results reflect Novabase' strategic options in internationalization and development of new industries. International growth was expressive, but a substantial degradation of the operating profit occurred given the current context of recession in the domestic market.

Novabase informed the market of the review of Guidance for the year 2011, which is now:

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



This decision was based on the significant worsening of economic conditions in Portugal, with the consequent impact on results of 6M11, and the uncertainty as to the conjuncture evolution.

Novabase maintains as priorities for 2011 international growth and the preservation of its position in the domestic market.

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

	30.06.11	31.12.10
	(Thousands of Euros)	
Assets		
Tangible assets	10,023	9,836
Intangible assets	31,392	31,229
Financial investments	1,893	1,697
Deferred income tax assets	10,553	10,396
Other non-current assets	72	69
Total Non-Current Assets	53,933	53,227
Inventories	8,353	10,403
Trade debtors and accrued income	103,628	92,432
Other debtors and prepaid expenses	13,537	12,100
Derivative financial instruments	345	197
Cash and cash equivalents	21,919	28,088
Total Current Assets	147,782	143,220
Assets for continuing operations	201,715	196,447
Assets for discontinued operations	65	49
Total Assets	201,780	196,496
Shareholders' Equity		
Share capital	15,701	15,701
Treasury shares	(490)	(603)
Share premium	43,560	43,560
Reserves and retained earnings	30,949	21,063
Net profit	3,480	13,053
Total Shareholders' Equity	93,200	92,774
Non-controlling interests	6,108	5,724
Total Equity	99,308	98,498
Liabilities		
Non-current borrowings	6,004	6,200
Finance lease liabilities	1,896	1,679
Provisions	1,276	1,633
Deferred income tax liabilities	100	909
Other non-current liabilities	308	927
Total Non-Current Liabilities	9,584	11,348
Current borrowings	5,067	4,272
Trade payables	29,427	20,183
Other creditors and accruals	36,888	38,290
Derivative financial instruments	199	353
Deferred income	20,584	22,807
Total Current Liabilities	92,165	85,905
Total Liabilities for cont. operations	101,749	97,253
Total Liabilities for discount. operations	723	745
Total Liabilities	102,472	97,998
Total Equity and Liabilities	201,780	196,496
Net Cash	13,544	21,115

**Consolidated Income Statement
for the period of 6 months ended 30 June 2011**

	30.06.11	30.06.10	Var. %
	(Thousands of Euros)		
Sale of goods	52,551	59,307	
Cost of goods sold	(47,690)	(51,820)	
Gross margin	4,861	7,487	-35.1 %
Other income			
Services rendered	66,577	63,489	
Supplementary income	101	365	
Other operating income	140	74	
	66,818	63,928	
	71,679	71,415	
Other expenses			
External supplies and services	(24,898)	(22,927)	
Employee benefit expense	(38,686)	(36,916)	
(Provisions) / Provisions reversal	614	461	
Other operating expenses	(511)	(385)	
	(63,481)	(59,767)	
Gross Net Profit (EBITDA)	8,198	11,648	-29.6 %
Depreciation and amortization	(2,910)	(2,627)	
Operating Profit (EBIT)	5,288	9,021	-41.4 %
Financial Gains / (Losses)	(341)	463	
Net Profit before taxes (EBT)	4,947	9,484	-47.8 %
Income tax expense	(1,087)	(1,888)	
Non-controlling interests	(380)	(445)	
Attributable Net Profit	3,480	7,151	-51.3 %
Other information:			
Turnover	119,128	122,796	-3.0 %
EBITDA margin	6.9 %	9.5 %	
EBT % on Turnover	4.2 %	7.7 %	
Net profit % on Turnover	2.9 %	5.8 %	

Consolidated Income Statement by SEGMENTS
for the period of 6 months ended 30 June 2011

(Thousands of Euros)

	Business Solutions	IMS	Digital TV	Venture Capital	NOVABASE
Sale of goods	565	32,580	19,406	-	52,551
Cost of goods sold	(335)	(28,976)	(18,379)	-	(47,690)
Gross margin	230	3,604	1,027	-	4,861
Other income					
Services rendered	44,081	13,660	8,113	723	66,577
Supplementary income and subsidies	93	-	-	8	101
Other operating income	79	41	20	-	140
	44,253	13,701	8,133	731	66,818
	44,483	17,305	9,160	731	71,679
Other expenses					
External supplies and services	(12,063)	(8,353)	(4,219)	(263)	(24,898)
Employee benefit expense	(26,852)	(6,905)	(3,868)	(1,061)	(38,686)
(Provisions) / Provisions reversal	(53)	520	147	-	614
Other operating expenses	(160)	(222)	(119)	(10)	(511)
	(39,128)	(14,960)	(8,059)	(1,334)	(63,481)
Gross Net Profit (EBITDA)	5,355	2,345	1,101	(603)	8,198
Depreciation and amortization	(1,791)	(677)	(348)	(94)	(2,910)
Operating Profit (EBIT)	3,564	1,668	753	(697)	5,288
Financial Gains / (Losses)	44	(271)	(75)	(39)	(341)
Net Profit / (Loss) before Taxes (EBT)	3,608	1,397	678	(736)	4,947
Income tax expense	(450)	(1,577)	873	67	(1,087)
Non-controlling interests	(549)	(11)	-	180	(380)
Attributable Net Profit / (Loss)	2,609	(191)	1,551	(489)	3,480
Other information :					
Turnover	44,646	46,240	27,519	723	119,128
EBITDA	5,355	2,345	1,101	(603)	8,198
EBITDA % on Turnover	12.0%	5.1%	4.0%	-83.4%	6.9%
EBT % on Turnover	8.1%	3.0%	2.5%	-101.8%	4.2%