

## Consolidated Results 6M13

### Privileged Information

July 29, 2013

### Highlights:

**Turnover: 113.7 M€**

(108.6 M€ in 6M12)

**EBITDA: 8.1 M€**

(10.3 M€ in 6M12)

**Net Profit: 3.6 M€**

(4.5 M€ in 6M12)

**Net Cash: 24.7 M€**

(37.5 M€ in 12M12)

### Message from the CEO - Luís Paulo Salvado

"The results of the first half confirm that growth returned to the company and reflect a good execution of the strategy set for 2013.

The Turnover increased by 5%, with the international business representing nearly 1/3 of the total business. In line with the Guidance, EBITDA and Net Profit decreased by 21%, due to the allocation of additional resources to international expansion. Also as anticipated, the convergence of working capital to historical values led to a decrease of 13 M€ in Cash.

Noteworthy is the growth in the domestic market, especially taking into account the context of great adversity and uncertainty. The pressure on margins remains, with higher impact on the IMS business that managed to retrieve in the second quarter, though. On the international level, highlights include the official opening of operations in Mozambique. In the quarter, also worth mention that Novabase left the PSI20 Index.

Despite the current challenging market conditions, we feel confident in the compliance of the targets set for the year. In the second half, we will continue to intensify the strategic orientation in our most distinctive offerings, key to the sustainability of international expansion.

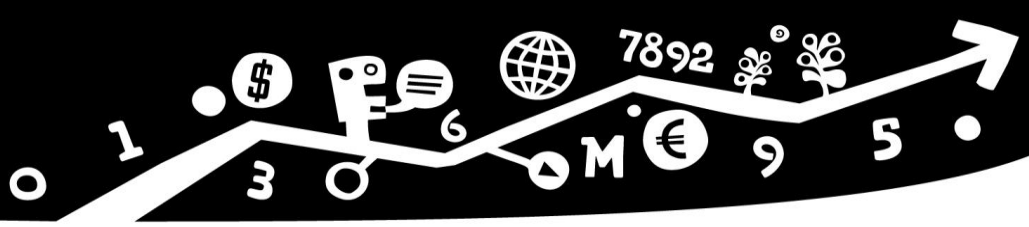
Finally, given the current strength of the company's balance sheet, we will propose the payment of an extraordinary dividend of 0.5€ per share to the General Meeting of Shareholders to be held in September. With this proposal Novabase will have, since 2010, distributed to its shareholders 1.26€ per share for a total amount of 40 M€."

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

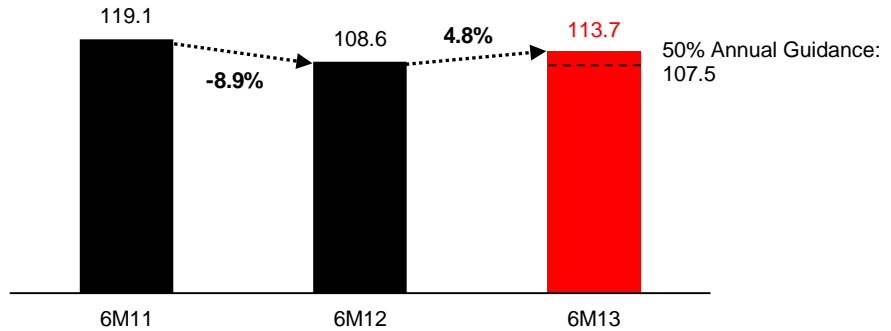
Novabase SGPS, S.A.  
Public Company - Euronext code: NBA.AM  
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 - Share Capital: 15,700,697.00 €.  
Head Office: Av. D. João II, Lote 1.03.2.3., 1998-031 Lisbon - PORTUGAL



## 1. Key Indicators Evolution

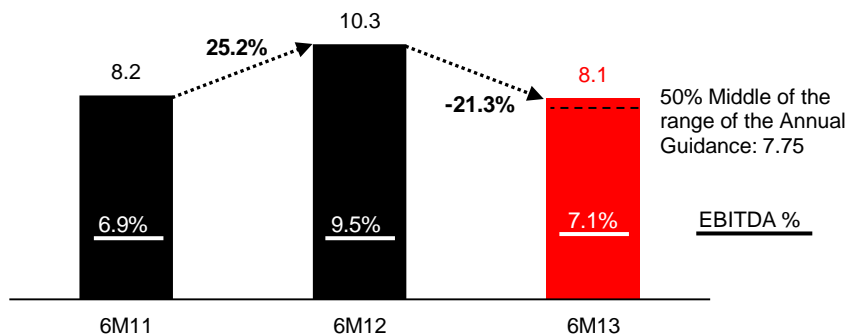
### Turnover (M€)

Turnover above the annual Guidance linearized of 215 M€ (+5.8%), emphasizing that Portugal is growing again.



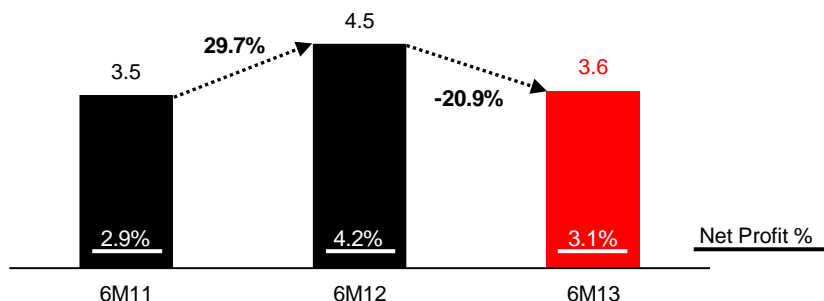
### EBITDA (M€)

EBITDA above the annual mean Guidance linearized of 14-17 M€ and 7.2%: +4.2% above the middle of the range.

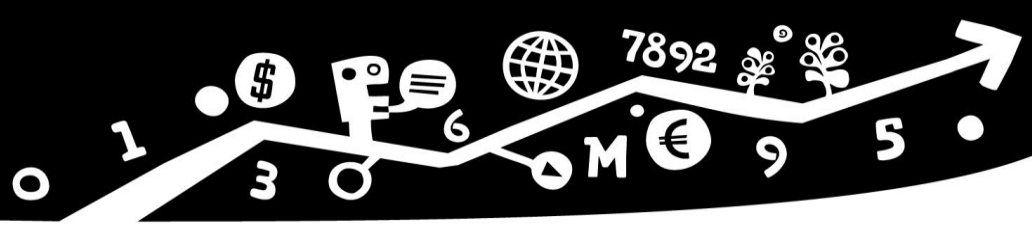


### Net Profit (M€)

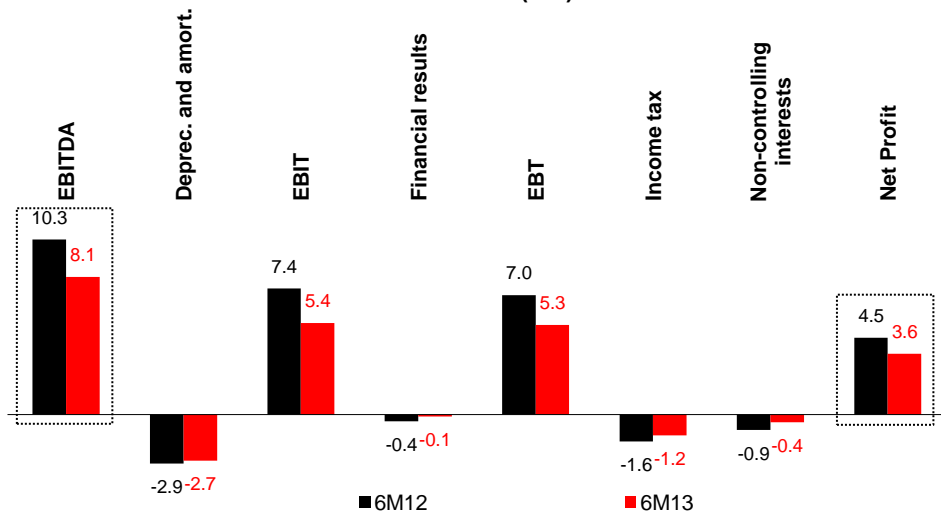
Evolution of profitability as expected, due to the costs associated to the reinforcement of the international expansion strategy and to an underperformance of IMS business.



Earnings per share (EPS) in 6M13 reached 0.12 euros per share, registering a decrease of 21.4% towards the EPS from the previous year of 0.15 euros per share.



**From EBITDA to Net Profit 6M13 Vs 6M12 (M€)**

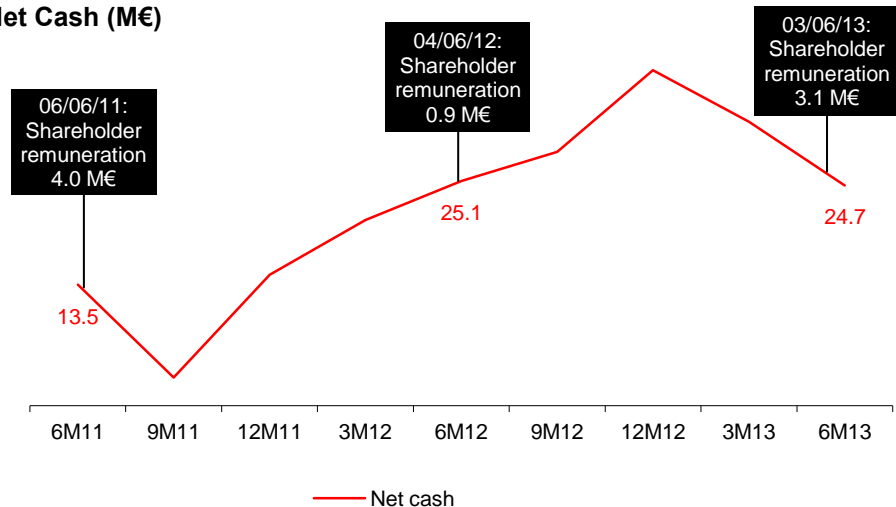


The Amortizations and the Financial Results registered an increase of 0.4 M€.

Non-controlling interests in 6M13 amounted to -0.4 M€, which compares to -0.9 M€ in 6M12. This variation is mainly due to the evolution of the results of subsidiaries with significant investments in international expansion.

**Net Cash (M€)**

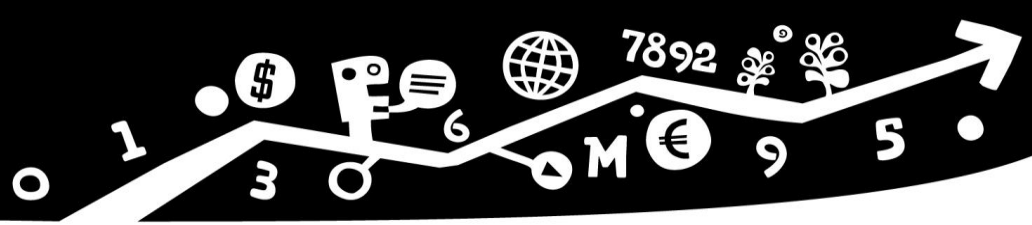
Cash use of 12.9 M€ in the first half of 2013, includes the payment of dividends and the expected increase of the investment in working capital, given the unusually lower levels recorded in the end of 2012.



In the 6M13, Novabase shows a negative evolution in cash generation. Considering the last 12 months, we observe a cash use of 0.5 M€.

Novabase ended the 6M13 with 24.7 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).



## 2. Short Summary of the Activity

The results of the first half 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 4.8%, with the international business representing 32.3% of the total business, but the EBITDA registered a decrease of 21.3%. The results of the first half remained above both the Turnover (+5.8%) and the EBITDA Guidance (+4.2% above the middle of the range), 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 6M11 and 6M12 related to each of the offerings, which were included in Digital TV area, and that were incorporated into the IMS and VC segments:

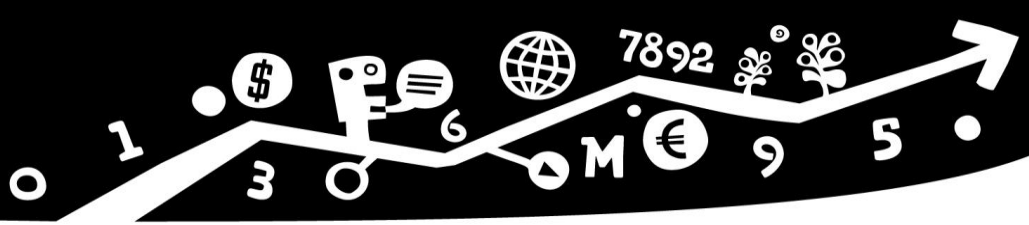
	TV operators Solutions		SIP Solutions	
	6M11	6M12	6M11	6M12
Turnover (M€)	23.835	12.789	3.684	7.028
EBITDA (M€)	2.027	0.832	-0.926	-0.962

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

Highlights include the official opening of operations in Mozambique in the first half of 2013. 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.

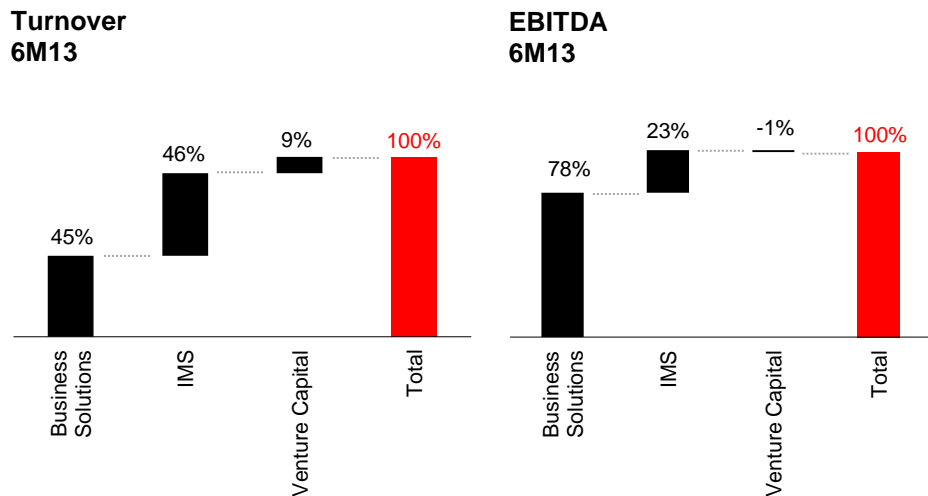
These investments reflect the strengthening of Novabase's strategic commitment to innovative technology-based SMEs focused on the international market.

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.



Also worthy of note in this first half of 2013, is the distinction of Collab who 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.

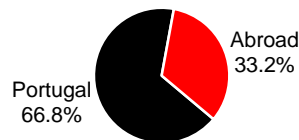
The percentage breakdown of Turnover and EBITDA by the different businesses, in the 6M13, is as follows:



Of the overall Turnover generated in 6M13, the services rendered represent 60.2%, which compares to 67.4% in 6M12.

Of the 113.7 M€ Turnover, 32.3% is generated outside Portugal, that is 36.7 M€, which compares to the 36.1 M€ registered in 6M12.

**Turnover by geography 6M12**

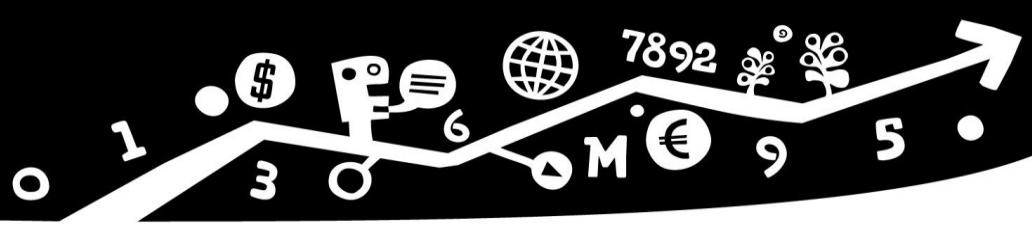


**Turnover by geography 6M13**



Business outside Portugal generated in the Business Solutions area increased to 32.3% of the respective invoicing (29.8% in 6M12). In the IMS business area, the international business in 6M13 decreased to 19.0% (26.0% in 6M12) and in the Venture Capital area increased to 96.4% (92.2% in 6M12).

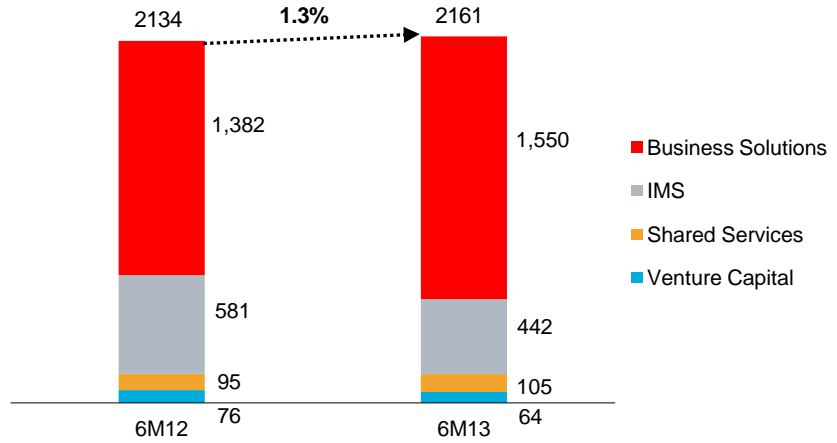
Novabase had on average, in the 6M13, 2161 employees, which represents an increase of 1.3% compared to the 6M12 (2134).



Employee breakdown by business area, in 6M13, is as follows:

**Average Number of Employees**

Average number of employees' evolution includes the talent renovation by the recruitment of 131 university graduates through Novabase Academy program, which had its first edition in Mozambique.



**Average Number of Employees by geography 6M12**

**Average Number of Employees by geography 6M13**

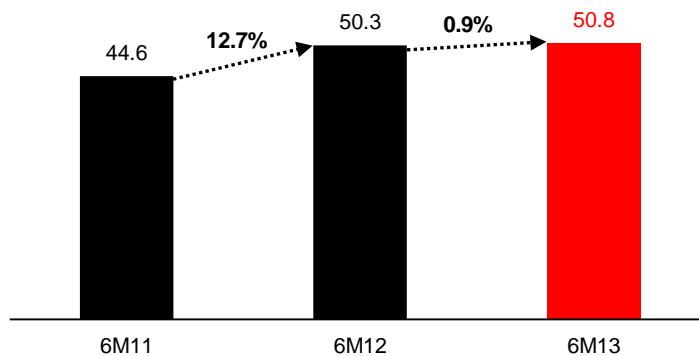
The international team grew 25.4%, in line with the focus of Novabase on markets outside Portugal.



**2.1. Business Solutions**

**Turnover Business Solutions (M€)**

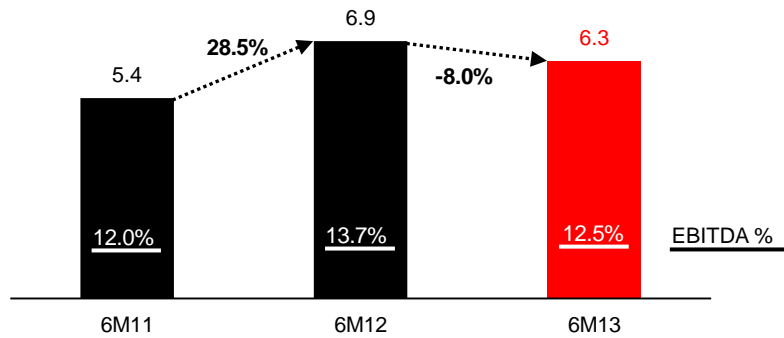
BS Turnover evolution primarily reflects the growth of the international component (+9.3%)





**EBITDA Business Solutions (M€)**

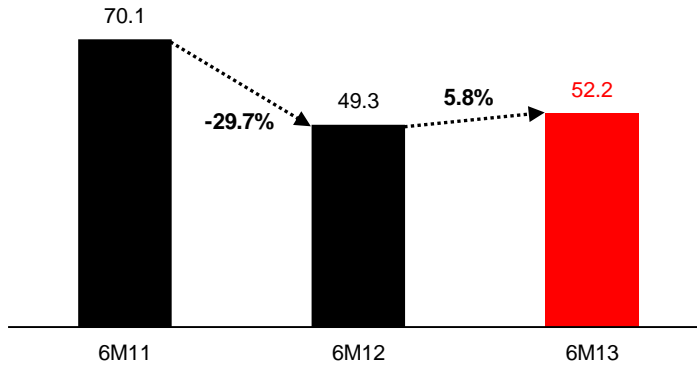
BS evolution reflects the costs associated to the intensification of the international expansion strategy.



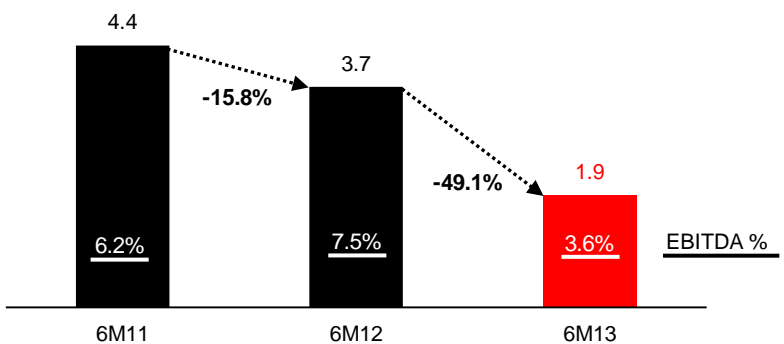
**2.2. Infrastructures & Managed Services**

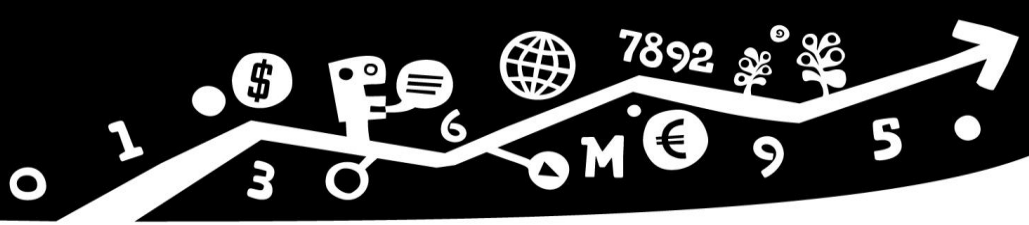
**Turnover IMS (M€)**

IMS evolution is mainly due to the strong pressure on margins. However, this area should be analysed for more extended periods of time.



**EBITDA IMS (M€)**

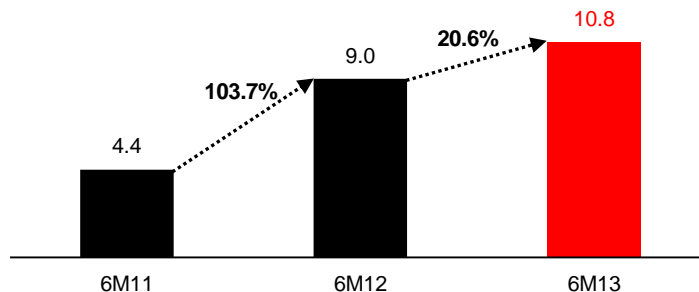




### 2.3. Venture Capital

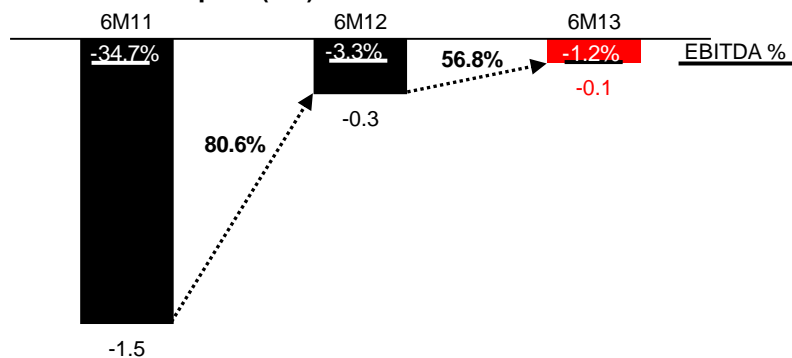
#### Turnover Venture Capital (M€)

VC Turnover positive evolution primarily reflects the growth of the international component (+26.1%).



#### EBITDA Venture Capital (M€)

VC EBITDA reflects the development stadium, strongly supported by R&D investments. This area should be analysed for more extended periods of time.



### 3. Stock Performance

Excluding the shareholder remuneration, the appreciation of Novabase share price would be 12.5%.

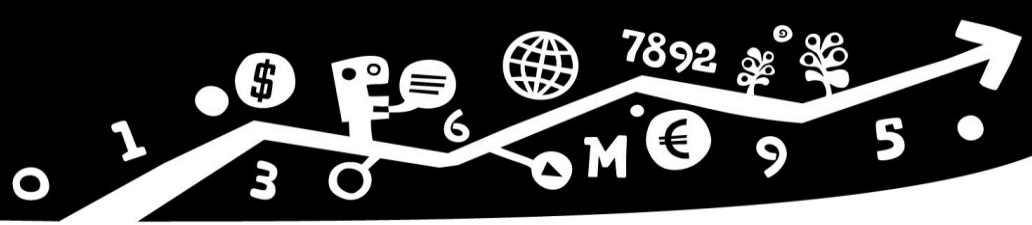
Novabase share price in 6M13 gained 8.3%, comparing to a 1.7% loss in the PSI20 Index and a 6.0% gain in the EuroStoxx Technology Index.

Novabase was included in PSI20 index as of March, 18, and left the referred index as of June, 24.

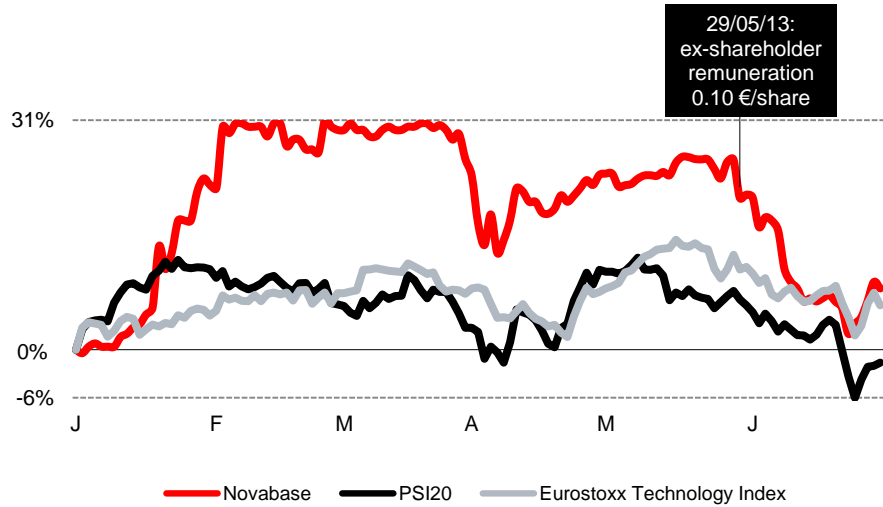
In this period, a dividend of 0.10€/share was distributed.

Given the strength of the company's balance sheet, the Board of Directors will propose to the Extraordinary General Meeting of Shareholders to be held on September, 25, the distribution to the shareholders of reserves and retained earnings in the amount of 15.7 M€, corresponding to 0.50€ per share.



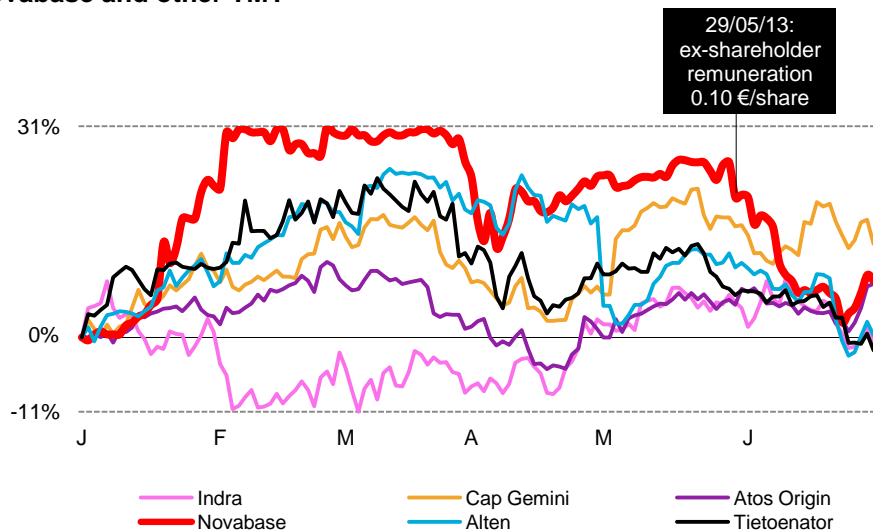


### Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 6M13, was as follows:

### Novabase and other TMT

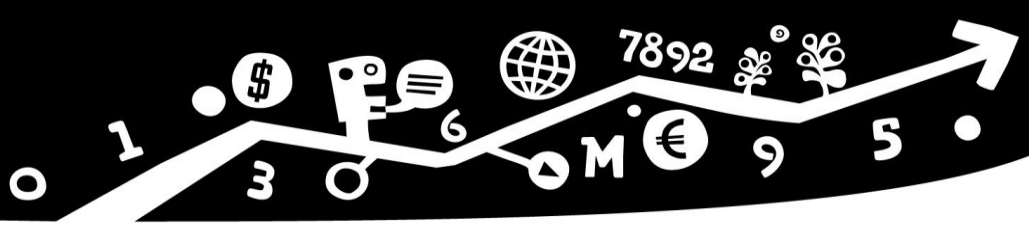


In the end of the second quarter of 2013, Novabase presented a Price to CF multiple of 5.41x and a Price to Sales multiple of 0.37x, which represents a discount of 41% and 40%, respectively, compared to the average of other companies in the sector in Europe.

Average upside of 64.7%, according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 4.10 euros, with unanimous recommendation to buy.

Rotation in 6M13 represented 13.0% of the capital and 4.1 million shares were traded, above the values in 6M12 (rotation of 8.1% of the capital and 2.5 million shares traded).



Summary	2Q13	1Q13	4Q12	3Q12	2Q12
Minimum price (€)	2.35	2.29	2.00	1.66	1.89
Maximum price (€)	2.90	3.01	2.30	2.03	2.30
Volume weighted average price (€)	2.67	2.85	2.15	1.92	2.03
Closing price at the end of the Quarter (€)	2.49	2.839	2.30	2.03	1.90
Nr. of shares traded	1,864,279	2,206,309	1,249,942	1,113,951	1,826,016
Market cap in the last day (M€)	78.2	89.1	72.2	63.7	59.7

## 4. Outlook 2013

The results of the first half of 2013 are in line with the management expectations, being 5.8% above the Turnover Guidance and 4.2% above the EBITDA mean Guidance. The Turnover registered an increase of 4.8% due to the growth of both national and international businesses. As anticipated, EBITDA decreased by 21.3%, 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 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 30 June 2013**

	30.06.13	31.12.12
	(Thousands of Euros)	
<b>Assets</b>		
Tangible assets	7,335	7,101
Intangible assets	30,912	31,660
Financial investments	2,834	2,586
Deferred income tax assets	12,195	12,249
Other non-current assets	-	-
<b>Total Non-Current Assets</b>	<b>53,276</b>	<b>53,596</b>
Inventories	8,870	4,474
Trade debtors and accrued income	90,831	89,668
Other debtors and prepaid expenses	21,901	20,695
Derivative financial instruments	142	216
Financial assets held for trading	14,884	9,855
Cash and cash equivalents	27,037	40,452
<b>Total Current Assets</b>	<b>163,665</b>	<b>165,360</b>
Assets for continuing operations	216,941	218,956
Assets for discontinued operations	-	-
<b>Total Assets</b>	<b>216,941</b>	<b>218,956</b>
<b>Shareholders' Equity</b>		
Share capital	15,701	15,701
Treasury shares	(299)	(371)
Share premium	43,560	43,560
Reserves and retained earnings	38,817	33,481
Net profit	3,571	7,906
<b>Total Shareholders' Equity</b>	<b>101,350</b>	<b>100,277</b>
Non-controlling interests	11,107	10,613
<b>Total Equity</b>	<b>112,457</b>	<b>110,890</b>
<b>Liabilities</b>		
Bank borrowings	13,365	10,270
Finance lease liabilities	976	1,017
Provisions	1,419	2,436
Deferred income tax liabilities	100	100
Other non-current liabilities	70	70
<b>Total Non-Current Liabilities</b>	<b>15,930</b>	<b>13,893</b>
Bank borrowings	5,392	4,195
Trade payables	24,457	23,456
Other creditors and accruals	36,294	38,266
Derivative financial instruments	76	34
Deferred income	22,015	27,902
<b>Total Current Liabilities</b>	<b>88,234</b>	<b>93,853</b>
<b>Total Liabilities for cont. operations</b>	<b>104,164</b>	<b>107,746</b>
<b>Total Liabilities for discount. operations</b>	<b>320</b>	<b>320</b>
<b>Total Liabilities</b>	<b>104,484</b>	<b>108,066</b>
<b>Total Equity and Liabilities</b>	<b>216,941</b>	<b>218,956</b>
<b>Net Cash</b>	<b>24,652</b>	<b>37,549</b>

**Consolidated Income Statement  
for the period of 6 months ended 30 June 2013**

	30.06.13	30.06.12	Var. %
	(Thousands of Euros)		
Sale of goods	45,244	35,369	
Cost of goods sold	(40,105)	(30,697)	
<b>Gross margin</b>	<b>5,139</b>	<b>4,672</b>	<b>10.0 %</b>
<b>Other income</b>			
Services rendered	68,505	73,184	
Supplementary income and subsidies	107	63	
Other operating income	714	345	
	<b>69,326</b>	<b>73,592</b>	
	<b>74,465</b>	<b>78,264</b>	
<b>Other expenses</b>			
External supplies and services	(27,291)	(28,572)	
Employee benefit expense	(40,079)	(38,502)	
(Provisions) / Provisions reversal	1,426	(701)	
Other operating expenses	(444)	(223)	
	<b>(66,388)</b>	<b>(67,998)</b>	
<b>Gross Net Profit (EBITDA)</b>	<b>8,077</b>	<b>10,266</b>	<b>-21.3 %</b>
Depreciation and amortization	(2,701)	(2,870)	
<b>Operating Profit (EBIT)</b>	<b>5,376</b>	<b>7,396</b>	<b>-27.3 %</b>
Financial results	(126)	(390)	
<b>Net Profit before taxes (EBT)</b>	<b>5,250</b>	<b>7,006</b>	<b>-25.1 %</b>
Income tax expense	(1,232)	(1,578)	
Non-controlling interests	(447)	(914)	
<b>Attributable Net Profit</b>	<b>3,571</b>	<b>4,514</b>	<b>-20.9 %</b>
<b>Other information:</b>			
Turnover	113,749	108,553	<b>4.8 %</b>
Gross margin from sales %	11.4 %	13.2 %	
EBITDA margin	7.1 %	9.5 %	
EBT % on Turnover	4.6 %	6.5 %	
Net profit % on Turnover	3.1 %	4.2 %	

**Consolidated Income Statement by SEGMENTS  
for the period of 6 months ended 30 June 2013**

(Thousands of Euros)

	<b>Business Solutions</b>	<b>IMS</b>	<b>Venture Capital</b>	<b>NOVABASE</b>
Sale of goods	1,050	36,375	7,819	<b>45,244</b>
Cost of goods sold	(332)	(33,075)	(6,698)	<b>(40,105)</b>
<b>Gross margin</b>	<b>718</b>	<b>3,300</b>	<b>1,121</b>	<b>5,139</b>
<b>Other income</b>				
Services rendered	49,724	15,778	3,003	<b>68,505</b>
Supplementary income and subsidies	64	7	36	<b>107</b>
Other operating income	684	23	7	<b>714</b>
	<b>50,472</b>	<b>15,808</b>	<b>3,046</b>	<b>69,326</b>
	<b>51,190</b>	<b>19,108</b>	<b>4,167</b>	<b>74,465</b>
<b>Other expenses</b>				
External supplies and services	(14,569)	(10,028)	(2,694)	<b>(27,291)</b>
Employee benefit expense	(29,870)	(8,323)	(1,886)	<b>(40,079)</b>
(Provisions) / Provisions reversal	(145)	1,257	314	<b>1,426</b>
Other operating expenses	(275)	(140)	(29)	<b>(444)</b>
	<b>(44,859)</b>	<b>(17,234)</b>	<b>(4,295)</b>	<b>(66,388)</b>
<b>Gross Net Profit (EBITDA)</b>	<b>6,331</b>	<b>1,874</b>	<b>(128)</b>	<b>8,077</b>
Depreciation and amortization	(1,844)	(549)	(308)	<b>(2,701)</b>
<b>Operating Profit (EBIT)</b>	<b>4,487</b>	<b>1,325</b>	<b>(436)</b>	<b>5,376</b>
Financial results	(10)	(91)	(25)	<b>(126)</b>
<b>Net Profit / (Loss) before Taxes (EBT)</b>	<b>4,477</b>	<b>1,234</b>	<b>(461)</b>	<b>5,250</b>
Income tax expense	(748)	(832)	348	<b>(1,232)</b>
Non-controlling interests	(357)	(53)	(37)	<b>(447)</b>
<b>Attributable Net Profit / (Loss)</b>	<b>3,372</b>	<b>349</b>	<b>(150)</b>	<b>3,571</b>
Other information :				
<b>Turnover</b>	50,774	52,153	10,822	<b>113,749</b>
<b>EBITDA</b>	6,331	1,874	(128)	<b>8,077</b>
<b>EBITDA % on Turnover</b>	12.5%	3.6%	-1.2%	<b>7.1%</b>
<b>EBT % on Turnover</b>	8.8%	2.4%	-4.3%	<b>4.6%</b>