

Consolidated Results 9M13

Privileged Information

November 7, 2013

Highlights:

Turnover: 157.8 M€

(155.6 M€ in 9M12)

EBITDA: 11.4 M€

(14.2 M€ in 9M12)

Net Profit: 4.6 M€

(6.0 M€ in 9M12)

Net Cash: 25.0 M€

(37.5 M€ in 12M12)

Message from the CEO - Luís Paulo Salvado

"The accumulated results of the third quarter are positive and reflect Novabase's strategic priorities set for this year, namely the focus on the international expansion.

The 10% increase of the international business, that represents nearly 1/3 of the total business, enabled overall Turnover to maintain its growth trend. As anticipated, EBITDA and Net Profit decreased by 20% and 24%, respectively, due to the allocation of additional resources to international expansion. The Cash position remained stable during the quarter.

The domestic market conditions remain very challenging, and we expect that the high pressure on margins will continue. Still, we have managed to hold our activity in Portugal, and therefore, we believe in the compliance of the global targets set for 2013.

Finally, we highlight the appreciation of the share price by 34% since the beginning of the year, and the increase of its liquidity to nearly double over the same period of last year."

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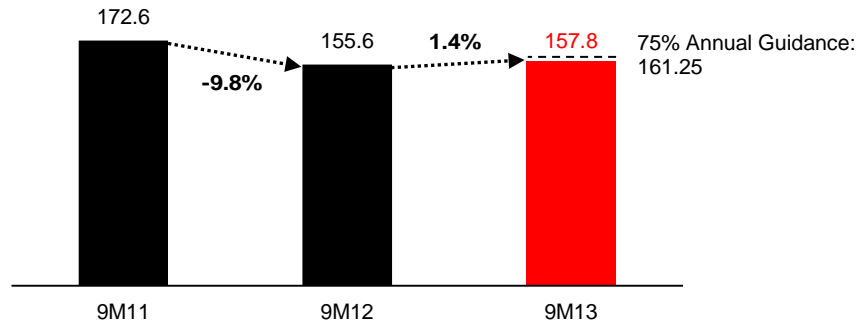
Novabase SGPS, S.A.
Public Company . Euronext code: NBA.AM .
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 . Share Capital: 15,700,697.00 € .
Head Office: Av. D. João II, Lote 1.03.2.3., 1998-031 Lisbon - PORTUGAL



1. Key Indicators Evolution

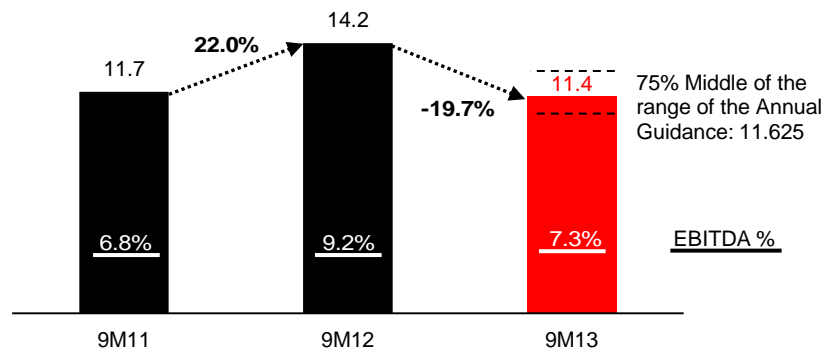
Turnover (M€)

Turnover in line with the annual Guidance linearized of 215 M€ (-2.2%), highlighting the international component growth.



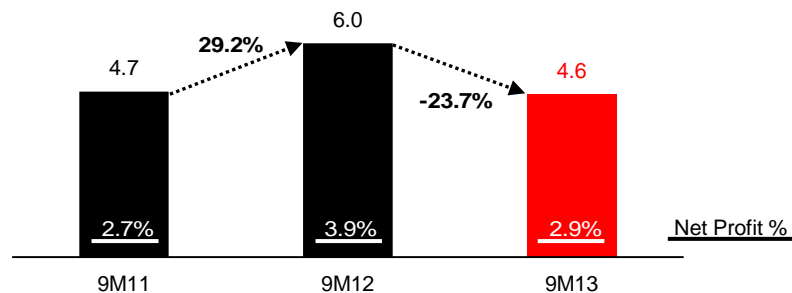
EBITDA (M€)

EBITDA within the range of the annual Guidance linearized of 14-17 M€ and 6.5%-7.9% of margin: -1.6% below the middle of the range (+0.1 percentage points).



Net Profit (M€)

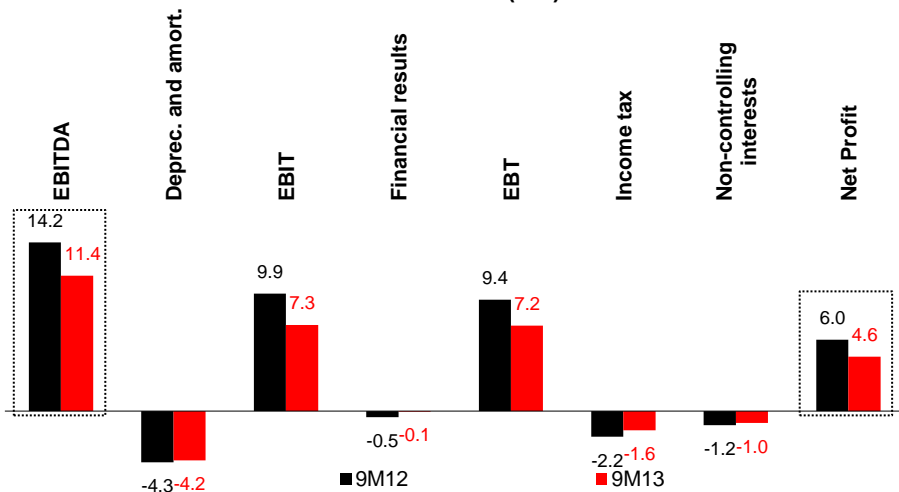
Evolution of profitability as expected, due to the costs associated to the reinforcement of the international expansion strategy.



Earnings per share (EPS) in 9M13 reached 0.15 euros per share, registering a decrease of 24.1% towards the EPS from the previous year of 0.20 euros per share.



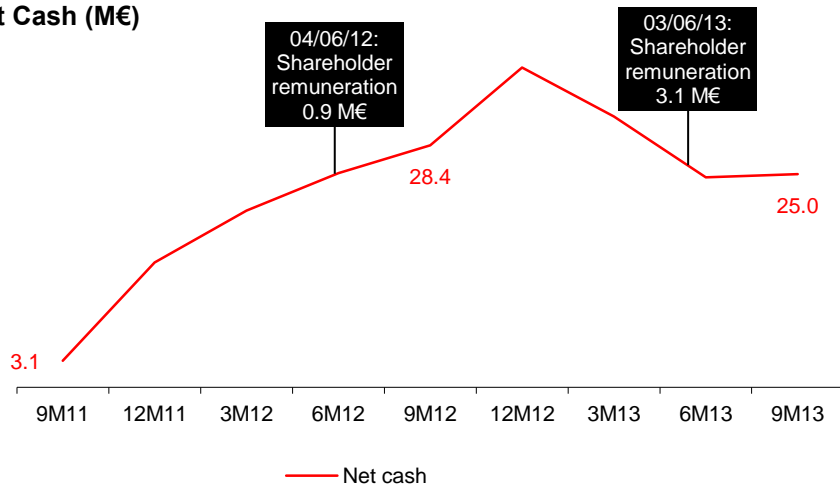
From EBITDA to Net Profit 9M13 Vs 9M12 (M€)



The Amortizations and the Financial Results registered an increase of 0.6 M€.

Non-controlling interests in 9M13 amounted to -1.0 M€, which compares to -1.2 M€ in 9M12. This variation is mainly due to the evolution of the results of subsidiaries with significant investments in international expansion.

Net Cash (M€)

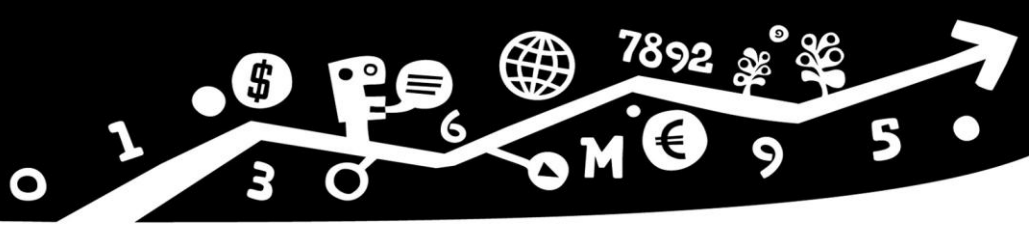


Cash use of 12.5 M€ in the nine months of 2013, includes the payment of the recurring dividend and the expected increase of the investment in working capital, given the unusually lower levels recorded in the end of 2012.

In the 9M13, Novabase shows a negative evolution in cash generation. Considering the last 12 months, we observe a cash use of 3.4 M€.

Novabase ended the 9M13 with 25.0 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 nine months 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 the international business representing 32.1% of the total business, but the EBITDA registered a decrease of 19.7%. The results of the nine months are in line with the Turnover Guidance (-2.2%), and within the range of the EBITDA Guidance (-1.6% in value and +0.1 percentage points compared to the middle of the range).

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

Highlights include the official opening of operations in Mozambique in the second quarter of 2013. Novabase Mozambique aspires to be a key technology partner for leading banks and mobile operators, and play an active role in the government's structural projects. Another goal is to expand its position to the rest of the African market.

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

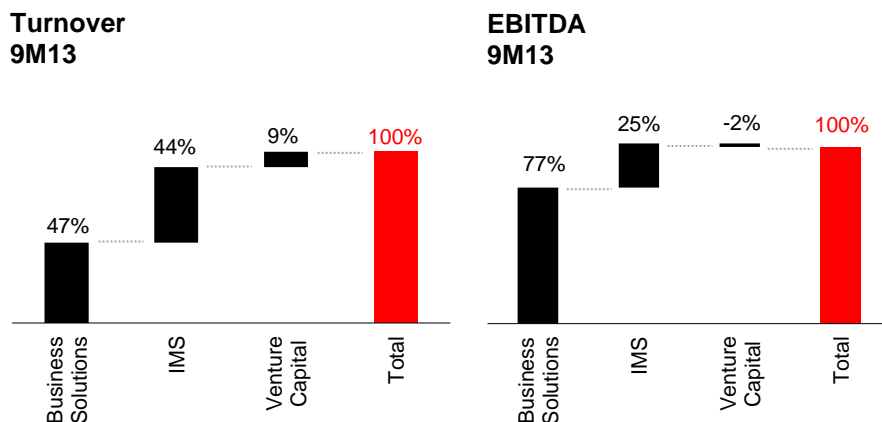
In the Venture Capital area, the Venture Capital Fund Novabase Capital Inovação e Internacionalização invested in the companies SmartGeo Solutions, a company specialising in the deployment of Geographic Information Systems (GIS), Power Data, a company focused on developing innovative solutions for the 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 these first nine months of 2013, is the distinction of Collab which 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 9M13, is as follows:



Of the overall Turnover generated in 9M13, the services rendered represent 63.6%, in line with the 65.5% in 9M12.

Of the 157.8 M€ Turnover, 32.1% is generated outside Portugal, that is 50.6 M€, which compares to the 46.2 M€ registered in 9M12.

Turnover by geography 9M12



Turnover by geography 9M13



International business increased 9.5%, reflecting a strong focus on markets outside Portugal.

Business outside Portugal generated in the Business Solutions area increased to 31.2% of the respective invoicing (26.7% in 9M12). In the IMS business area, the international business in 9M13 decreased to 21.6% (24.6% in 9M12) and in the Venture Capital area increased to 91.9% (85.2% in 9M12).

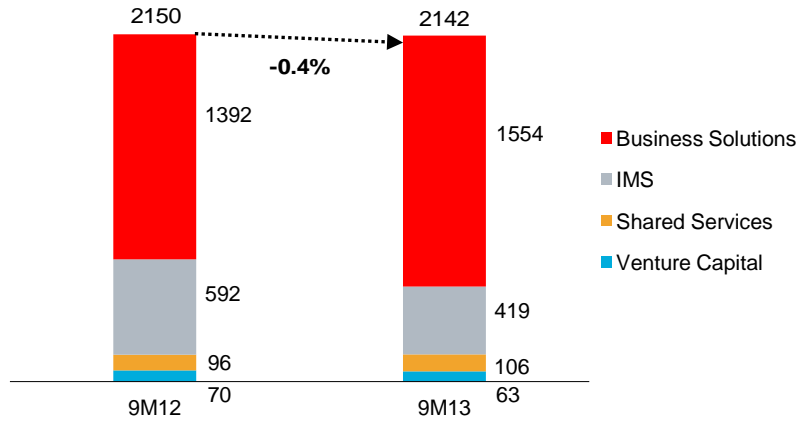
Novabase had on average, in the 9M13, 2142 employees, which represents a decrease of 0.4% compared to the 9M12 (2150).



Employee breakdown by business area, in 9M13, is as follows:

Average Number of Employees

Average number of employees' evolution includes the talent renovation by the recruitment of 140 university graduates through Novabase Academy program, which had its first edition in Mozambique.



Average Number of Employees by geography 9M12

The international team grew 23.2%, in line with the focus of Novabase on markets outside Portugal.



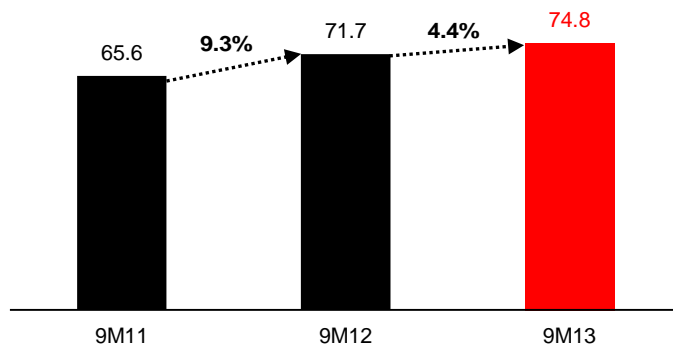
Average Number of Employees by geography 9M13



2.1. Business Solutions

Turnover Business Solutions (M€)

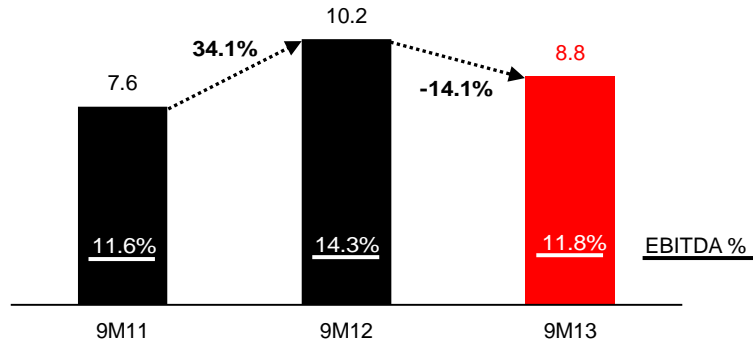
BS Turnover evolution primarily reflects the growth of the international component (+22.0%)





EBITDA Business Solutions (M€)

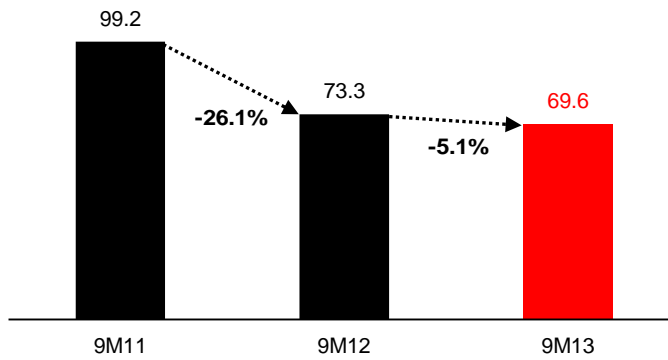
BS evolution reflects the costs associated to the intensification of the international expansion strategy, as anticipated.



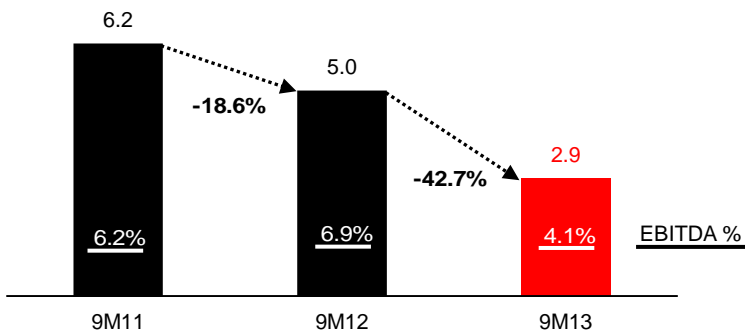
2.2. Infrastructures & Managed Services

Turnover IMS (M€)

IMS evolution is mainly due to the strong market pressure. However, we already observe a trend towards recovery.



EBITDA IMS (M€)

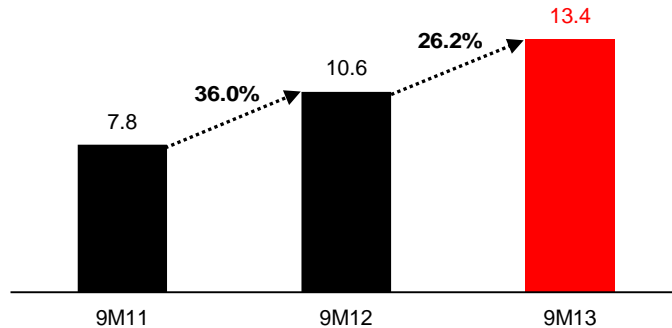




2.3. Venture Capital

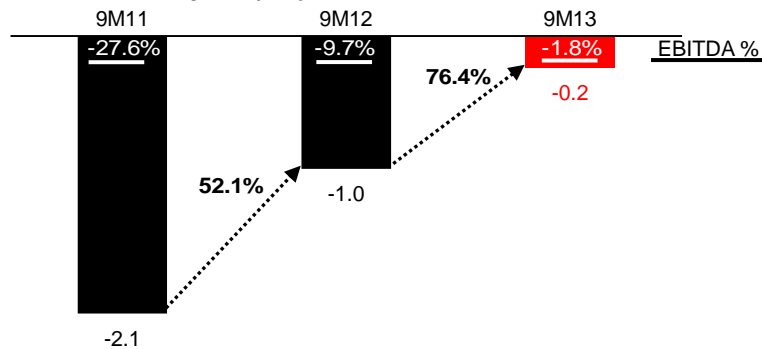
Turnover Venture Capital (M€)

VC Turnover positive evolution primarily reflects the growth of the international component (+36.0%).



EBITDA Venture Capital (M€)

Positive evolution of the VC EBITDA, typical of a stage of development with significant investments in R&D.



3. Stock Performance

Excluding the shareholder remuneration, the appreciation of Novabase share price would be 38.2%.

Novabase share price in 9M13 gained 33.9%, comparing to a 5.3% gain in the PSI20 Index and a 20.6% gain in the EuroStoxx Technology Index.

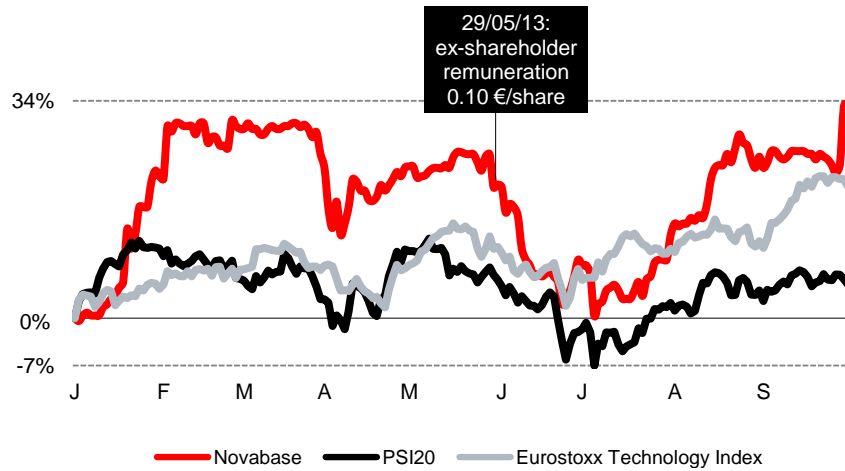
In this period, a dividend of 0.10€/share was distributed.

The Extraordinary General Meeting of Shareholders of September 25, 2013, approved the distribution to the shareholders of reserves and retained earnings in the amount of 15.7 M€, corresponding to 0.50€ per share. This payment to shareholders occurred in October 2013.

Also to be noted that Novabase was included in PSI20 index as of March, 18, and left the referred index as of June, 24.

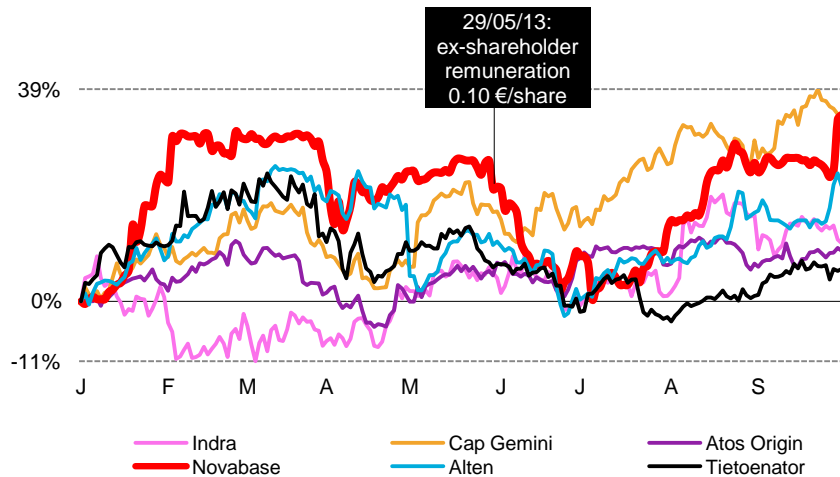


Novabase and the Market



The evolution of Novabase share prices compared to other companies in the IT sector in Europe, in 9M13, was as follows:

Novabase and other TMT

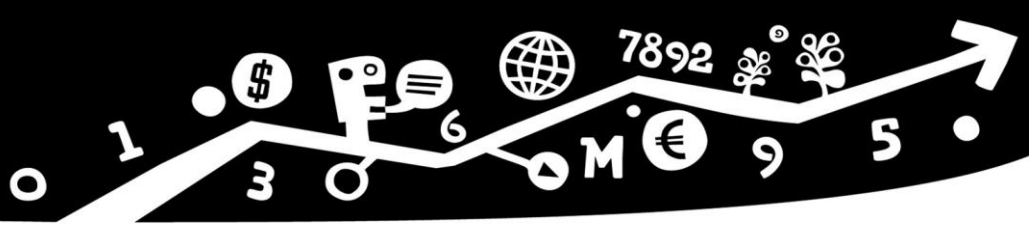


In the end of the third quarter of 2013, Novabase presented a Price to CF multiple of 6.6x and a Price to Sales multiple of 0.45x, which in both cases represents a discount of 34%, compared to the average of other companies in the sector in Europe.

Average upside of 26.6%, according to the analysts who cover Novabase.

The average price target disclosed by the analysts who cover Novabase is 3.90 euros, with unanimous recommendation to buy.

Rotation in 9M13 represented 19.1% of the capital and 6.0 million shares were traded, above the values in 9M12 (rotation of 11.6% of the capital and 3.7 million shares traded).



Summary	3Q13	2Q13	1Q13	4Q12	3Q12
Minimum price (€)	2.31	2.35	2.29	2.00	1.66
Maximum price (€)	3.08	2.90	3.01	2.30	2.03
Volume weighted average price (€)	2.74	2.67	2.85	2.15	1.92
Closing price at the end of the Quarter (€)	3.08	2.49	2.839	2.30	2.03
Nr. of shares traded	1,929,789	1,864,279	2,206,309	1,249,942	1,113,951
Market cap in the last day (M€)	96.7	78.2	89.1	72.2	63.7

4. Outlook 2013

The results of the nine months of 2013 are in line with the management expectations. The Turnover registered an increase of 1.4%, due to the growth of the international business (9.5%). As anticipated, EBITDA decreased by 19.7%, 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 September 2013**

	30.09.13	31.12.12
	(Thousands of Euros)	
Assets		
Tangible assets	7,026	7,101
Intangible assets	30,432	31,660
Financial investments	2,818	2,586
Deferred income tax assets	12,223	12,249
Other non-current assets	-	-
Total Non-Current Assets	52,499	53,596
Inventories	9,899	4,474
Trade debtors and accrued income	81,100	89,668
Other debtors and prepaid expenses	23,690	20,695
Derivative financial instruments	499	216
Financial assets held for trading	5,015	9,855
Cash and cash equivalents	35,721	40,452
Total Current Assets	155,924	165,360
Assets for continuing operations	208,423	218,956
Assets for discontinued operations	-	-
Total Assets	208,423	218,956
Shareholders' Equity		
Share capital	15,701	15,701
Treasury shares	(295)	(371)
Share premium	43,560	43,560
Reserves and retained earnings	22,908	33,481
Net profit	4,594	7,906
Total Shareholders' Equity	86,468	100,277
Non-controlling interests	11,385	10,613
Total Equity	97,853	110,890
Liabilities		
Bank borrowings	12,070	10,270
Finance lease liabilities	1,058	1,017
Provisions	1,260	2,436
Deferred income tax liabilities	100	100
Other non-current liabilities	70	70
Total Non-Current Liabilities	14,558	13,893
Bank borrowings	5,476	4,195
Trade payables	17,667	23,456
Other creditors and accruals	50,453	38,266
Derivative financial instruments	191	34
Deferred income	21,905	27,902
Total Current Liabilities	95,692	93,853
Total Liabilities for cont. operations	110,250	107,746
Total Liabilities for discount. operations	320	320
Total Liabilities	110,570	108,066
Total Equity and Liabilities	208,423	218,956
Net Cash	25,007	37,549

**Consolidated Income Statement
for the period of 9 months ended 30 September 2013**

	30.09.13	30.09.12	Var. %
	(Thousands of Euros)		
Sale of goods	57,366	53,677	
Cost of goods sold	(49,457)	(47,503)	
Gross margin	7,909	6,174	28.1 %
Other income			
Services rendered	100,417	101,921	
Supplementary income and subsidies	145	62	
Other operating income	1,121	3,155	
	101,683	105,138	
	109,592	111,312	
Other expenses			
External supplies and services	(39,849)	(38,467)	
Employee benefit expense	(59,336)	(57,868)	
(Provisions) / Provisions reversal	1,715	(409)	
Other operating expenses	(681)	(322)	
	(98,151)	(97,066)	
Gross Net Profit (EBITDA)	11,441	14,246	-19.7 %
Depreciation and amortization	(4,164)	(4,325)	
Operating Profit (EBIT)	7,277	9,921	-26.7 %
Financial results	(58)	(515)	
Net Profit before taxes (EBT)	7,219	9,406	-23.3 %
Income tax expense	(1,627)	(2,181)	
Non-controlling interests	(998)	(1,206)	
Attributable Net Profit	4,594	6,019	-23.7 %
Other information:			
Turnover	157,783	155,598	1.4 %
Gross margin from sales %	13.8 %	11.5 %	
EBITDA margin	7.3 %	9.2 %	
EBT % on Turnover	4.6 %	6.0 %	
Net profit % on Turnover	2.9 %	3.9 %	

Consolidated Income Statement by SEGMENTS
for the period of 9 months ended 30 September 2013

(Thousands of Euros)

	Business Solutions	IMS	Venture Capital	NOVABASE
Sale of goods	1,164	46,423	9,779	57,366
Cost of goods sold	(351)	(41,370)	(7,736)	(49,457)
Gross margin	813	5,053	2,043	7,909
Other income				
Services rendered	73,656	23,190	3,571	100,417
Supplementary income and subsidies	103	4	38	145
Other operating income	1,060	49	12	1,121
	74,819	23,243	3,621	101,683
	75,632	28,296	5,664	109,592
Other expenses				
External supplies and services	(22,157)	(14,207)	(3,485)	(39,849)
Employee benefit expense	(44,136)	(12,493)	(2,707)	(59,336)
(Provisions) / Provisions reversal	(133)	1,523	325	1,715
Other operating expenses	(410)	(232)	(39)	(681)
	(66,836)	(25,409)	(5,906)	(98,151)
Gross Net Profit (EBITDA)	8,796	2,887	(242)	11,441
Depreciation and amortization	(2,788)	(872)	(504)	(4,164)
Operating Profit (EBIT)	6,008	2,015	(746)	7,277
Financial results	(169)	195	(84)	(58)
Net Profit / (Loss) before Taxes (EBT)	5,839	2,210	(830)	7,219
Income tax expense	(1,289)	(1,014)	676	(1,627)
Non-controlling interests	(527)	(312)	(159)	(998)
Attributable Net Profit / (Loss)	4,023	884	(313)	4,594
Other information :				
Turnover	74,820	69,613	13,350	157,783
EBITDA	8,796	2,887	(242)	11,441
EBITDA % on Turnover	11.8%	4.1%	-1.8%	7.3%
EBT % on Turnover	7.8%	3.2%	-6.2%	4.6%