

Novabase

Report and Accounts

1st Quarter 2010

Report & Accounts

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Consolidated Results on March 31, 2010

Privileged Information (IFRS/IAS)

May 4, 2010

Turnover reaches 58.0 M€
(58.9 M€ in 3M09)

EBITDA reaches 6.2 M€
(6.7 M€ in 3M09)

Net Profit: 4.0 M€
(4.2 M€ in 3M09)

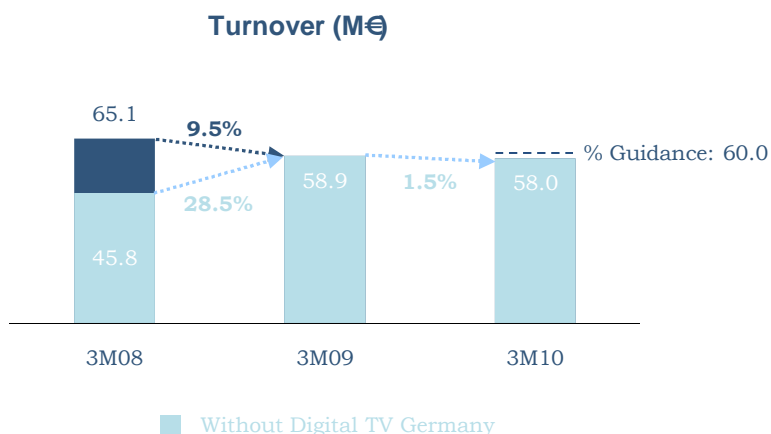
1. Key Indicators

The turnover and EBITDA consider the TV business in Germany only in the first nine months of 2008 (last period considered in the consolidation perimeter).

1.1. Turnover

The Consolidated Sales and Services rendered in 1st quarter of 2010 (3M10) reached 58.0 M€ (million euros), which represents a decrease of 1.5% vs. the 58.9 M€ in 3M09.

The chart below shows Turnover variation compared to the prior periods.



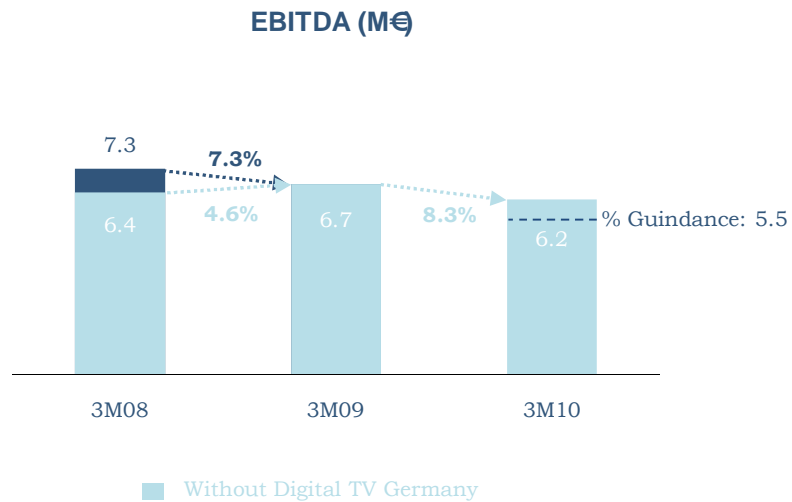
Novabase SGPS, S.A.
Public Company
Euronext code: NBA.AM
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182
Capital: 15,700,697.00 €
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1.2. EBITDA

EBITDA reached 6.2 M€ in 3M10 which represents a decrease of 8.3% compared to the 6.7 M€ in the 3M09.

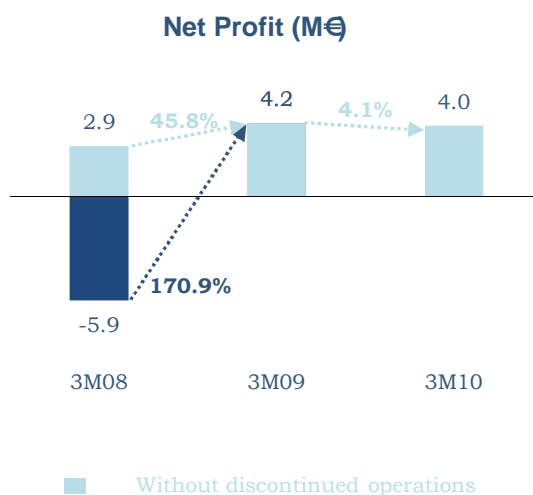
The chart below shows EBITDA variation compared to the prior periods.



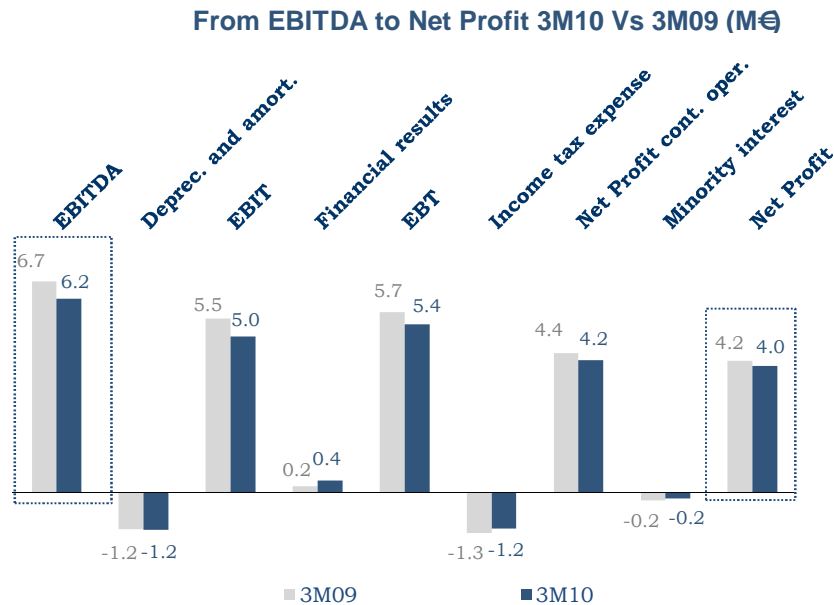
EBITDA margin in 3M10 was 10.6%, below the 11.4% margin in 3M09.

1.3. Net Profit

The Consolidated Net Results, after minority interests and results from discontinued operations, reached 4.0 M€, showing a decrease of 4.1% vs. the 4.2 M€ in 3M09.



The reconciliation between EBITDA and Net Profit is as follows:



Depreciation and amortization reached -1.2 M€, in line with the amount registered in 3M09 (-1.2 M€).

Operating profit (EBIT), in the amount of 5.0 M€, decreased 10.3% compared to 3M09 (5.5 M€).

The Financial results reached a net positive value of 0.4 M€, above the net positive value of 0.2 M€ registered in the same period of the prior year.

EBT reached 5.4 M€ in this period, registering a decrease of 6.6% vs. the 5.7 M€ booked in the same period of the prior year.

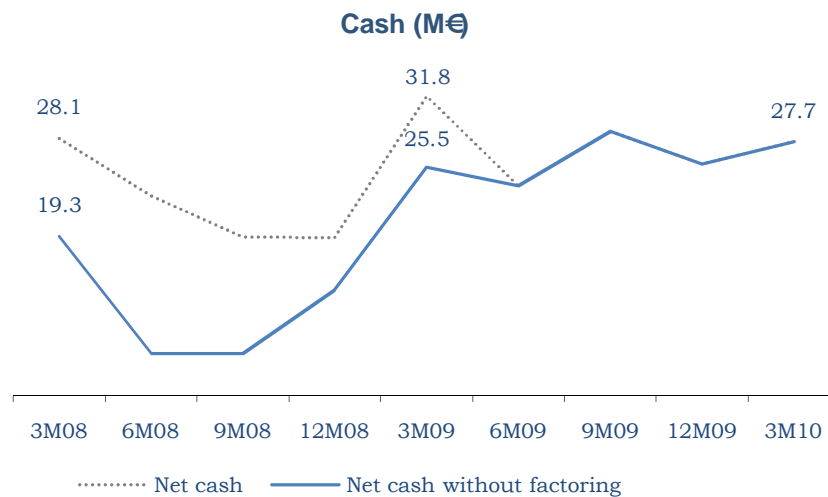
Income tax expense in the 3M10 reached -1.2 M€, above the -1.3 M€ in 3M09.

Minority interest in 3M10 amounted to -0.2 M€, which compares to a similar value in 3M09.

Earnings per share (EPS) decreased 2.9%, from 0.138 to 0.134 euros per share.

1.4. Cash

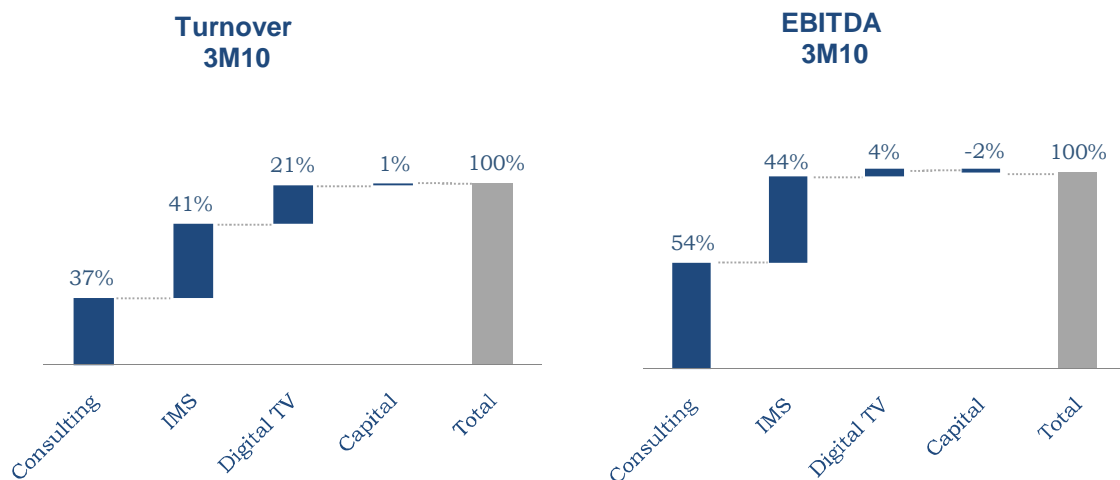
In the 3M10 Novabase presents a positive performance in cash generation, without use of factoring for the fourth consecutive quarter. Novabase ended the 3M10 with 27.7 M€ in net cash which compares to 25.7 M€ in the 12M09.



2. Short Summary of the Activity

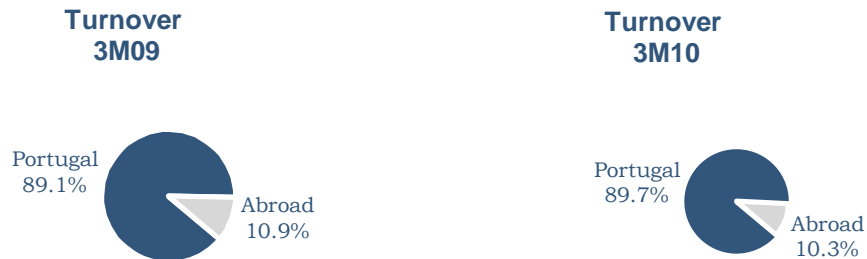
The 1st quarter of 2010 shows a good performance given the current economic context. These results reflect the value-oriented management focused on the Novabase core business (in the areas of Consulting, IMS and Digital TV) and the preparation for a new phase of growth with strategic stakes in the future.

The percentage breakdown of turnover and EBITDA by the different businesses in the 3M10 is as follows:



Of Novabase overall turnover generated in 3M10, the services rendered represents 54.1%, which compares to 53.2% in 3M09.

Of the 58.0 M€ turnover, 10.3% is generated outside Portugal, that is 6.0 M€, which represents a decrease of 6.8% towards the 6.4 M€ registered in 3M09.

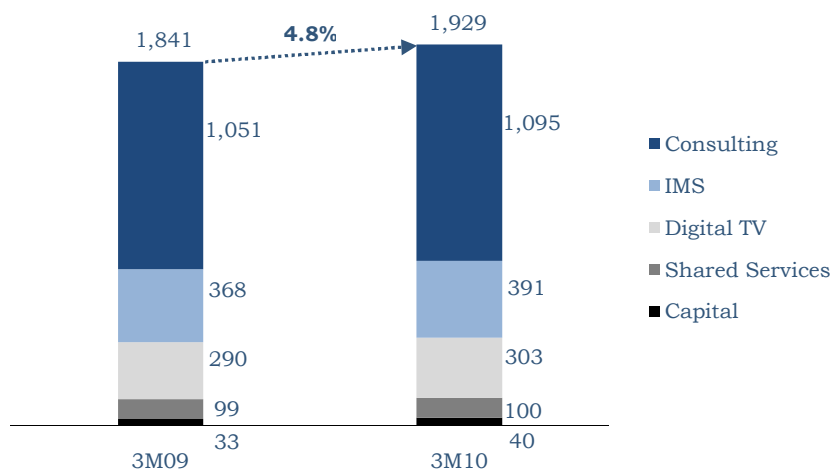


Business outside Portugal is generated mainly in the Novabase IMS business area, with international sales in 3M10 representing 11.5% of the respective turnover, and in the Novabase Consulting business area, with international sales representing 10.8% of the respective turnover. Novabase Digital TV business area increased the relative weight of the international component, which represents 4.6% of the respective turnover (compared to 3.4% in 3M09).

In terms of Human Resources, Novabase had on average in the 3M10, 1,929 employees, which represents an increase of 4.8% compared to the 3M09 (1,841) and an increase of 3.7% compared to FY09 (1,861).

The distribution by business area is as follows:

Average Number of Employees



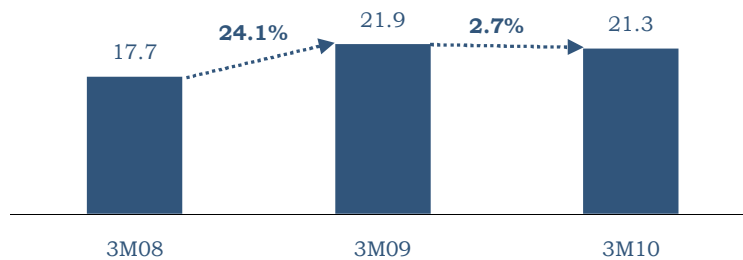
2.1. Novabase Consulting

Novabase Consulting is organized around the following competency areas:

- Business & IT Consulting
- Advanced Custom Development
- Business Intelligence
- Enterprise Applications & Integration
- IT Contracting

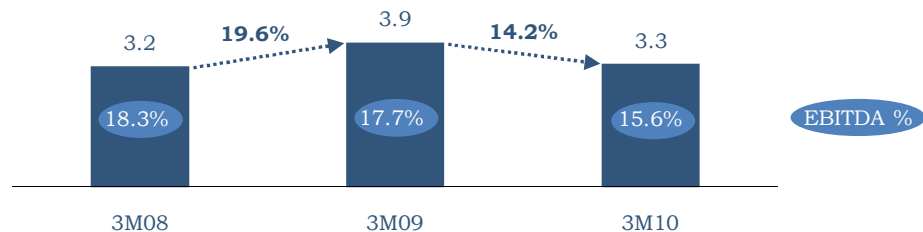
Global turnover in this business area reached 21.3 M€, which represents a decrease of 2.7% compared to 3M09.

Turnover Novabase Consulting (M€)



Novabase Consulting EBITDA in 3M10 decreased 14.2% year on year (from 3.9 M€ to 3.3 M€), reaching an EBITDA margin of 15.6% (which compares to 17.7% in 3M09 and a margin of 14.6% in FY09).

EBITDA Novabase Consulting (M€)



Operational profitability of this area is above the comparables in the sector internationally and can be regarded as remarkable in the current market conditions.

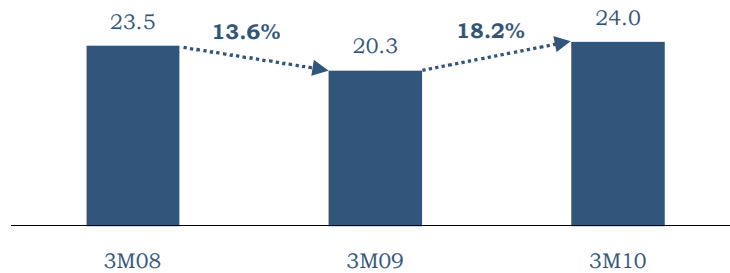
2.2. Novabase IMS

Novabase IMS includes three lines of business:

- Outsourcing: including Application Outsourcing and Infrastructure Outsourcing;
- IT Infrastructure: solutions including IT infrastructures ranging from physical components (cabling, routers, etc.) to business communications services, including videoconferencing and video on demand;
- Ticketing and Transport Solutions: core product and service offer for transports, covering the devices and systems for the whole ticket lifecycle, from production to back office revenue accounting.

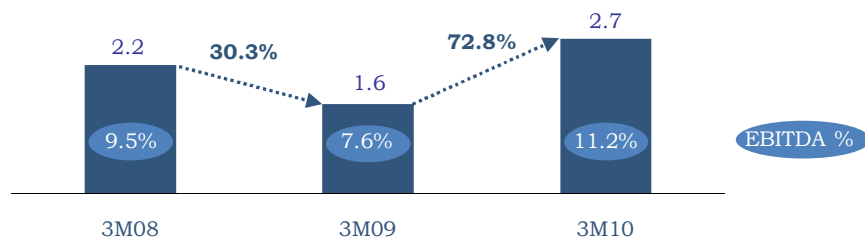
Global turnover in this business area reached 24.0 M€, which represents an increase of 18.2% compared to 3M09.

Turnover Novabase IMS (M€)



Novabase IMS EBITDA in 3M10 increased 72.8% year on year (from 1.6 M€ to 2.7 M€), reaching an EBITDA margin of 11.2% (which compares to 7.6% in 3M09 and a margin of 8.0% in FY09).

EBITDA Novabase IMS (M€)



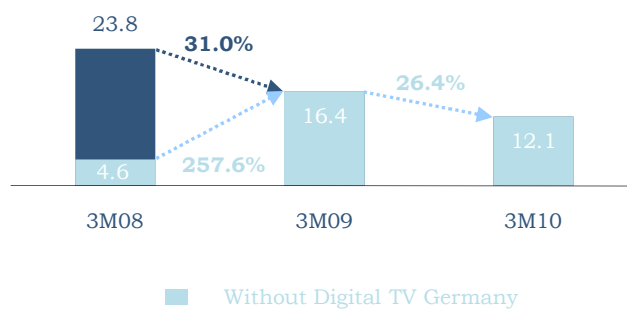
This reflects a strategy of focusing on projects with higher technological complexity and higher added value as a measure to offset the adverse economic situation and consequent pressure on prices. However, this area should be analyzed for time periods longer than a quarter.

2.3. Novabase Digital TV

The business of Novabase Digital TV has a profound know-how and an offer oriented to the operators business, complemented with licensing solutions and Chips-on-board (COB).

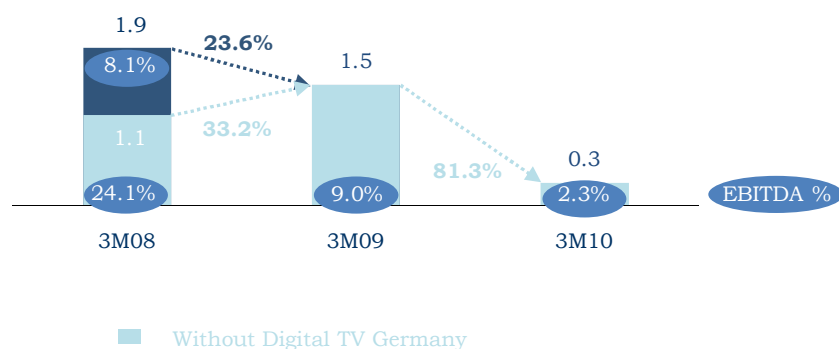
Global turnover in this business area reached 12.1 M€, which represents a 26.4% decrease compared to 3M09.

Turnover Novabase Digital TV (M€)



Novabase Digital TV EBITDA in 3M10 decreased 81.3% year on year (from 1.5 M€ to 0.3 M€), reaching an EBITDA margin of 2.3% (which compares to 9.0% in 3M09 and a margin of 4.5% in FY09).

EBITDA Novabase Digital TV (M€)



This negative evolution is mainly due to the product maturity stage and the development of new technologies for the COB's business. However, this area should be analyzed for time periods longer than a quarter.

2.4. Novabase Capital

This area of Novabase develops a Corporate Venture Capital activity and supports strategic and M&A projects of the Group.

Global turnover in this business area reached 0.5 M€, which represents an increase of 161.8% compared to 3M09.

Novabase Capital EBITDA in 3M10 decreased 36.3% year on year (from -0.2 M€ to -0.1 M€) reaching an EBITDA margin of -21.4%.

This result was affected by the current phase of investment in international expansion and also product development of the subsidiary Collab (software company that develops solutions for IP multimedia contact centers).

In 3M10 it was released that Novabase Capital, under COMPETE Program and the Lisbon Regional Operating Program (POR Lisboa), has received approval to establish three new Venture Capital Funds, up to a total of 30.91 M€, which will focus on investments in technology-based SMEs in the area of ICTs. The approval of the financial contribution of COMPETE and POR Lisboa Programs depends on the submission of the project applications to the QREN.

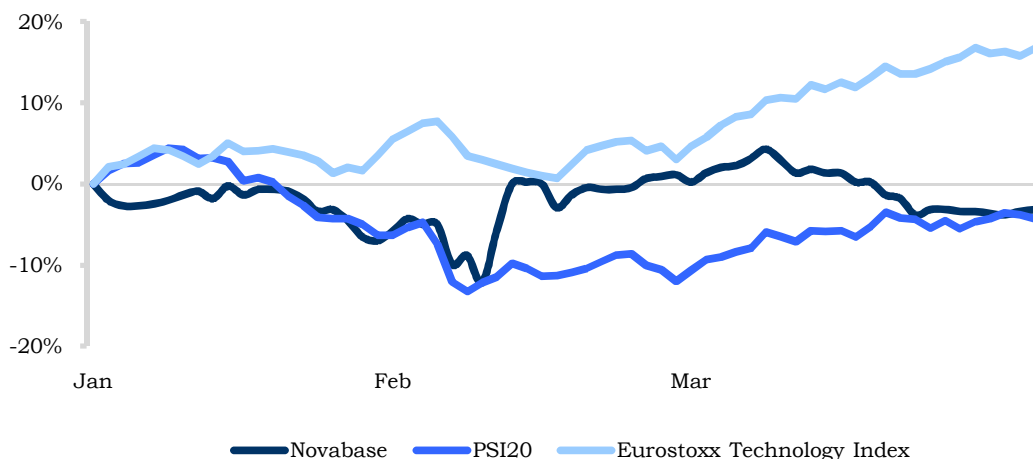
3. Stock Performance

The three months of 2010 were marked by a gain in the EuroStoxx Technology Index of 16.7%.

Novabase share price in 3M10 lost 3.2%, comparing with 4.3% loss in the PSI20 Index.

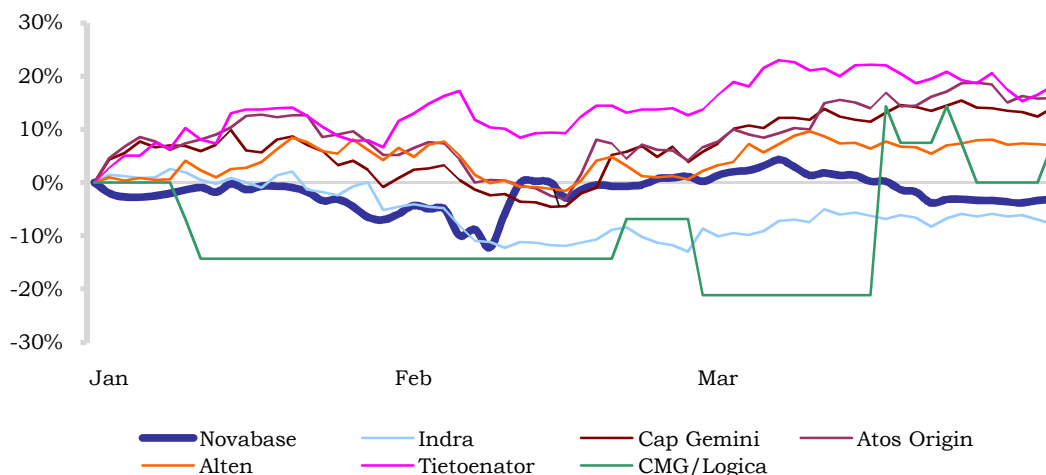
Rotation in 3M10 represented 6.1% of the capital and 1.9 million shares were traded, below the values that have occurred in 3M09 (rotation of 8.3% of the capital and 2.7 million shares traded), reflecting the current negative situation in the stock market.

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 3M10 is within the lower values of the average performance of other IT.

Novabase and other TMT



The average price, weighted by volume, of Novabase shares during 3M10, was 4.38 euros per share. Approximately 1.9 million shares were traded in all the 63 Stock Exchange sessions in the 3M10, corresponding to a transaction value of 8.4 M€.

The average daily number of shares traded in 3M10 was approximately 30.4 thousand shares, corresponding to a daily average value of approximately 0.1 M€.

The price in the stock Exchange in the last tradable day of the 3M10, March 31, 2010, was 4.30 euros, which represents a loss of approximately 3.2% compared to the 4.44 euros which was Novabase's share price at the end of 2009.

The maximum closing price which took place during 3M10 was 4.63 euros, while the minimum price registered was 3.90 euros. The market capitalization at the end of 3M10 was 135.0 M€.

Summary	1Q10	4Q09	3Q09	2Q09	1Q09
Mínimum price (€)	3.90	4.33	4.46	4.09	3.21
Máximum price (€)	4.63	4.96	4.90	5.05	4.50
Volume weighted average price (€)	4.38	4.65	4.63	4.67	3.94
Closing price at the end of the Quarter (€)	4.30	4.44	4.80	4.86	4.15
Nr. of shares traded	1,916,989	1,925,349	1,390,806	2,541,391	2,620,634
Market cap in the last day of the period (M€)	135.0	139.4	150.7	152.6	130.3

Novabase

Consolidated Statement of Financial Position as at 31 March 2010

	31.03.10	31.12.09
	(Thousands of Euros)	
Assets		
Tangible assets	8,797	8,721
Intangible assets	29,044	28,778
Financial investments	1,921	1,939
Deferred income tax assets	7,517	8,341
Other non-current assets	136	134
Total Non-Current Assets	47,415	47,913
Inventories	9,663	8,593
Trade debtors and accrued income	89,745	99,183
Other debtors and prepaid expenses	15,998	13,219
Derivative financial instruments	96	58
Cash and cash equivalents	26,132	24,972
Total Current Assets	141,634	146,025
Assets for continuing operations	189,049	193,938
Assets for discontinued operations	435	826
Total Assets	189,484	194,764
Shareholders' Equity		
Share capital	15,701	15,701
Treasury shares	(652)	(723)
Share premium	49,213	49,213
Reserves and retained earnings	29,906	16,425
Net profit	4,022	12,882
Total Shareholders' Equity	98,190	93,498
Minority interest	5,829	5,644
Total Equity	104,019	99,142
Liabilities		
Non-current borrowings	2,500	2,500
Finance lease liabilities	1,525	1,468
Provisions	2,233	2,245
Deferred income tax liabilities	100	100
Other non-current liabilities	528	1,123
Total Non-Current Liabilities	6,886	7,436
Current borrowings	1,493	3,162
Trade payables	23,823	28,852
Other creditors and accruals	36,325	35,552
Derivative financial instruments	111	139
Deferred income	16,064	19,662
Total Current Liabilities	77,816	87,367
Total Liabilities for cont. operations	84,702	94,803
Total Liabilities for discont. operations	763	819
Total Liabilities	85,465	95,622
Total Equity and Liabilities	189,484	194,764
Net Cash	27,748	25,730

Consolidated Income Statement for the period of 3 Months ended 31 March 2010

	31.03.10	31.03.09	Var. %
	(Thousands of Euros)		
Sale of goods	26,647	27,547	
Cost of goods sold	(22,830)	(24,852)	
Gross margin	3,817	2,695	41.6 %
Other income			
Services rendered	31,356	31,352	
Supplementary income	30	185	
Other operating income	38	149	
	31,424	31,686	
	35,241	34,381	
Other expenses			
External supplies and services	(10,870)	(9,897)	
Employee benefit expense	(18,430)	(17,621)	
(Provisions) / Provisions reversal	274	(49)	
Other operating expenses	(48)	(91)	
	(29,074)	(27,658)	
Gross Net Profit (EBITDA)	6,167	6,723	-8.3 %
Depreciation and amortization	(1,195)	(1,178)	
Operating Profit (EBIT)	4,972	5,545	-10.3 %
Financial Gains / (Losses)	390	193	
Net Profit before taxes (EBT)	5,362	5,738	-6.6 %
Income tax expense	(1,155)	(1,299)	
Minority interest	(185)	(246)	
Attributable Net Profit	4,022	4,193	-4.1 %
Other information:			
Turnover	58,003	58,899	-1.5 %
EBITDA margin	10.6 %	11.4 %	
EBT % on Turnover	9.2 %	9.7 %	
Net profit % on Turnover	6.9 %	7.1 %	

Novabase

Consolidated Income Statement by SEGMENTS for the period of 3 Months ended 31 March 2010

(Thousands of Euros)

	Consulting	IMS	Digital TV	Novabase Capital	NOVABASE
Sale of goods	1,252	16,747	8,648	-	26,647
Cost of goods sold	(1,252)	(13,688)	(7,890)	-	(22,830)
Gross margin	-	3,059	758	-	3,817
<i>Other income</i>					
Services rendered	20,064	7,299	3,451	542	31,356
Supplementary income and subsidies	30	-	-	-	30
Other operating income	7	8	23	-	38
	20,101	7,307	3,474	542	31,424
	20,101	10,366	4,232	542	35,241
<i>Other expenses</i>					
External supplies and services	(5,047)	(3,501)	(2,238)	(84)	(10,870)
Employee benefit expense	(12,035)	(4,078)	(1,745)	(572)	(18,430)
(Provisions) / Provisions reversal	313	(71)	32	-	274
Other operating expenses	(10)	(31)	(5)	(2)	(48)
	(16,779)	(7,681)	(3,956)	(658)	(29,074)
Gross Net Profit (EBITDA)	3,322	2,685	276	(116)	6,167
Depreciation and amortization	(699)	(344)	(136)	(16)	(1,195)
Operating Profit (EBIT)	2,623	2,341	140	(132)	4,972
Financial Gains / (Losses)	(13)	187	222	(6)	390
Net Profit / (Loss) before Taxes (EBT)	2,610	2,528	362	(138)	5,362
Income tax expense	(382)	(756)	(96)	79	(1,155)
Minority interest	(199)	-	-	14	(185)
Attributable Net Profit / (Loss)	2,029	1,772	266	(45)	4,022
Other information :					
Turnover	21,316	24,046	12,099	542	58,003
EBITDA	3,322	2,685	276	(116)	6,167
EBITDA % on Turnover	15.6%	11.2%	2.3%	-21.4%	10.6%
EBT % on Turnover	12.2%	10.5%	3.0%	-25.5%	9.2%

**Condensed Consolidated Interim Financial Statements
for the 1st quarter 2010
(Unaudited)**

NOVABASE S.G.P.S., S.A.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the period of 3 Months ended 31 March 2010

NOVABASE S.G.P.S., S.A.

Condensed Consolidated Interim Statement of Financial Position as at 31 March 2010

(Amounts expressed in thousands of Euros)

	Note	31.03.10	31.12.09
<i>Assets</i>			
Non-current assets			
Property, plant and equipment		8,797	8,721
Intangible assets		29,044	28,778
Investments in associates		1,896	1,914
Available-for-sale financial assets		25	25
Deferred income tax assets	4	7,517	8,341
Other non-current assets		136	134
Total non-current assets		47,415	47,913
Current assets			
Inventories		9,663	8,593
Trade and other receivables	5	81,344	94,060
Accrued income		15,513	11,055
Income tax receivable		4,707	4,802
Derivative financial instruments		96	58
Other current assets		4,179	2,485
Cash and cash equivalents	6	26,132	24,972
Total current assets		141,634	146,025
Assets for discontinued operations		435	826
Total assets		189,484	194,764
<i>Equity</i>			
Share capital		15,701	15,701
Treasury shares		(652)	(723)
Share premium		49,213	49,213
Reserves and retained earnings		29,906	16,425
Profit for the period attributable to equity holders		4,022	12,882
Equity attributable to the company's equity holders		98,190	93,498
Minority interest	7	5,829	5,644
Total equity		104,019	99,142
<i>Liabilities</i>			
Non-current liabilities			
Borrowings	8	4,025	3,968
Provisions	9	2,233	2,245
Deferred income tax liabilities		100	100
Other non-current liabilities		528	1,123
Total non-current liabilities		6,886	7,436
Current liabilities			
Borrowings	8	2,597	4,502
Trade and other payables	10	58,555	62,774
Income tax payable		489	290
Derivative financial instruments		111	139
Deferred income and other current liabilities		16,064	19,662
Total current liabilities		77,816	87,367
Liabilities for discontinued operations		763	819
Total liabilities		85,465	95,622
Total equity and liabilities		189,484	194,764

THE ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NOVABASE S.G.P.S., S.A.

Condensed Consolidated Interim Statement of Comprehensive Income for the period of 3 Months ended 31 March 2010

(Amounts expressed in thousands of Euros)

	Note	3 M *	
		31.03.10	31.03.09
Sales	3	26,647	27,547
Services rendered	3	31,356	31,352
Cost of sales		(22,830)	(24,852)
External supplies and services		(10,870)	(9,897)
Employee benefit expense		(18,430)	(17,621)
Other gains/(losses) - net	11	294	194
Depreciation and amortisation		(1,195)	(1,178)
Operating profit		4,972	5,545
Finance income		1,916	1,182
Finance costs		(1,508)	(989)
Share of loss of associates		(18)	-
Profit before income tax		5,362	5,738
Income tax expense	12	(1,155)	(1,299)
Profit for the period		4,207	4,439
Other comprehensive income		-	-
Total comprehensive income for the period		4,207	4,439
Profit attributable to:			
Equity holders of the Company		4,022	4,193
Minority interest	7	185	246
		4,207	4,439
Total comprehensive income attributable to:			
Equity holders of the Company		4,022	4,193
Minority interest	7	185	246
		4,207	4,439
Earnings per share			
attributable to the equity holders of the Company (expressed in EUR per share)			
Basic earnings per share	13	0.13 euros	0.14 euros
Diluted earnings per share	13	0.13 euros	0.14 euros

3 M * - period of 3 months ended

THE ACCOUNTANT

THE BOARD OF DIRECTORS

NOVABASE S.G.P.S., S.A.

Condensed Consolidated Interim Statement of Changes in Equity for the period of 3 Months ended 31 March 2010

(Amounts expressed in thousands of Euros)

	Attributable to equity holders of the Company							Total Equity
	Share Capital	Treasury shares	Share premium	Legal reserves	Stock Options reserves	Retained earnings	Minority Interest	
Balance at January 1, 2009	15,701	(429)	49,213	1,276	854	16,818	5,165	88,598
Total comprehensive income for the period	-	-	-	-	-	4,193	246	4,439
Transactions with owners								
Treasury shares movements	-	(42)	-	-	-	(322)	-	(364)
Changes in consolidation universe	-	-	-	-	-	-	(1)	(1)
Transactions with owners	-	(42)	-	-	-	(322)	(1)	(365)
Changes in ownership interests in subsidiaries that do not result in a loss of control								
Transactions with minority interest	-	-	-	-	-	-	-	-
Balance at March 31, 2009	15,701	(471)	49,213	1,276	854	20,689	5,410	92,672
Balance at January 1, 2010	15,701	(723)	49,213	1,558	379	27,370	5,644	99,142
Total comprehensive income for the period	-	-	-	-	-	4,022	185	4,207
Transactions with owners								
Treasury shares movements	-	71	-	-	-	457	-	528
Share-based payments	-	-	-	-	142	-	-	142
Transactions with owners	-	71	-	-	142	457	-	670
Changes in ownership interests in subsidiaries that do not result in a loss of control								
Transactions with minority interest	-	-	-	-	-	-	-	-
Balance at March 31, 2010	15,701	(652)	49,213	1,558	521	31,849	5,829	104,019

THE ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NOVABASE S.G.P.S., S.A.

Condensed Consolidated Interim Statement of Cash Flows for the period of 3 Months ended 31 March 2010

(Amounts expressed in thousands of Euros)

	Note	3 M *	
		31.03.10	31.03.09
<i>Cash flows from operating activities</i>			
Net Cash generated in operating activities		4,808	19,311
<i>Cash flows from investing activities</i>			
Receipts:			
Interest received		93	280
		93	280
Payments:			
Acquisition of subsidiaries		-	(3,050)
Loans granted to associates		(65)	(493)
Purchases of property, plant and equipment		(666)	(454)
Purchases of intangible assets		(773)	(100)
		(1,504)	(4,097)
Net Cash used in investing activities		(1,411)	(3,817)
<i>Cash flows from financing activities</i>			
Receipts:			
Proceeds from borrowings		-	26
		-	26
Payments:			
Repayments of borrowings		(724)	(1,849)
Payment of finance lease liabilities		(409)	(396)
Interest paid		(158)	(181)
Purchase of treasury shares		-	(1,001)
		(1,291)	(3,427)
Net Cash used in financing activities		(1,291)	(3,401)
Cash, cash equivalents and bank overdrafts at beginning of period		24,026	19,796
Net increase / (decrease) of cash, cash equivalents and bank overdrafts		2,106	12,093
Cash, cash equivalents and bank overdrafts at end of period	6	26,132	31,889

3 M * - period of 3 months ended

THE ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NOVABASE S.G.P.S., S.A.
Selected Notes to the Condensed Consolidated Interim Financial Statements
for the period of 3 Months ended 31 March 2010

1. General Information

Novabase, S.G.P.S., SA (hereunder referred to as Novabase or the Company), with its head office in Av. D. João II, Lote 1.03.2.3, Parque das Nações - 1998-031 Lisboa - Portugal, holds and manages financial holdings in other companies as an indirect way of doing business, being the Holding Company of Novabase Group.

Novabase is listed on the Euronext Lisbon.

These condensed consolidated interim financial statements were authorized by the Board of Directors on May 27, 2010. In the opinion of the Board of Directors these financial statements fairly present the Group operations, as well as its financial position, financial performance, and cash flows.

2. Accounting Policies

These condensed consolidated interim financial statements for the period of three months ended March 31, 2010 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with IFRSs, as adopted by the European Union (EU).

These financial statements are presented in thousands of Euros.

These financial statements have not been audited.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those financial statements.

Taxes on income in this interim period were accrued using the tax rate that would be applicable to expected total annual earnings for the year 2010.

New standards, amendments and interpretations to existing standards

- IFRS 1 (amendment dated January 2010), First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters. The amendment to IFRS 1 is mandatory only for annual periods beginning on or after 1 July 2010. This amendment will not have an impact on the Group's financial statements.

3. Segment information

	Consulting	IMS	Digital TV	Novabase Capital	Novabase
At 31 March 2009					
Sales and services rendered	21,915	20,338	16,439	207	58,899
Operating profit/(loss)	3,134	1,252	1,352	(193)	5,545
Finance costs - net	419	(95)	(125)	(6)	193
Share of loss of associates	-	-	-	-	-
Income tax expense	(548)	(465)	(369)	83	(1,299)
Profit/(Loss) from operations	3,005	692	858	(116)	4,439
At 31 March 2010					
Sales and services rendered	21,316	24,046	12,099	542	58,003
Operating profit/(loss)	2,623	2,341	140	(132)	4,972
Finance costs - net	5	187	222	(6)	408
Share of loss of associates	(18)	-	-	-	(18)
Income tax expense	(382)	(756)	(96)	79	(1,155)
Profit/(Loss) from operations	2,228	1,772	266	(59)	4,207

4. Deferred income tax assets

The movement in the deferred income tax assets is as follows:

	31.03.10	31.12.09
Opening balance	8,341	10,092
Transfers	43	224
Profit or loss charge	(867)	(1,975)
Balance at the end of the period	<u>7,517</u>	<u>8,341</u>

The movement in deferred tax assets during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax losses	Tax incentives	Provisions	Total
Balance at 1 January 2009	4,121	4,380	1,591	10,092
Profit or loss charge	(1,026)	(966)	17	(1,975)
Transfers	219	-	5	224
Balance at 31 December 2009	3,314	3,414	1,613	8,341
Profit or loss charge	(43)	(824)	-	(867)
Transfers	-	-	43	43
Balance at 31 March 2010	<u>3,271</u>	<u>2,590</u>	<u>1,656</u>	<u>7,517</u>

5. Trade and other receivables

	31.03.10	31.12.09
Trade receivables	77,451	91,580
Allowance for impairment of trade receivables	(3,219)	(3,452)
	<u>74,232</u>	<u>88,128</u>
Prepayments to suppliers	1,190	1,011
Employees	214	151
V.A.T.	2,140	2,167
Receivables from related parties (note 14)	961	896
Financial investments disposal	151	149
Other receivables	6,052	5,313
Allowance for impairment of other receivables	(3,596)	(3,755)
	<u>7,112</u>	<u>5,932</u>
	<u>81,344</u>	<u>94,060</u>

Movements in allowances for impairment of trade and other receivables are as follows:

	Trade receivables		Other receivables		Total	
	31.03.10	31.12.09	31.03.10	31.12.09	31.03.10	31.12.09
Opening balance	3,452	2,693	3,755	3,960	7,207	6,653
Impairment	-	978	-	66	-	1,044
Impairment reversal	(156)	(219)	(159)	(225)	(315)	(444)
Transfers	-	-	-	(232)	-	(232)
Write-offs	(77)	-	-	186	(77)	186
	<u>3,219</u>	<u>3,452</u>	<u>3,596</u>	<u>3,755</u>	<u>6,815</u>	<u>7,207</u>

6. Cash and cash equivalents

With reference to the Consolidated Statement of Cash Flows, the detail and description of **Cash, cash equivalents and bank overdrafts** is analysed as follows:

	31.03.10	31.12.09
- Cash	12	4
- Short term bank deposits	26,120	24,968
Cash and cash equivalents	<u>26,132</u>	<u>24,972</u>
- Overdrafts	-	(946)
	<u>26,132</u>	<u>24,026</u>

7. Minority interest

	31.03.10	31.12.09
Opening balance	5,644	5,165
Transactions with minority interest	-	455
Change in consolidation universe (*)	-	(142)
Minority interest in profit for the period	185	166
	<u>5,829</u>	<u>5,644</u>

(*) In 2009, Contactless was dissolved, being lapsed the balance of minority interest (EUR 142 thousand).

8. Borrowings

	31.03.10	31.12.09
Non-current		
Bank borrowings	2,500	2,500
Finance lease liabilities	1,525	1,468
	<u>4,025</u>	<u>3,968</u>
Current		
Bank borrowings	1,493	3,162
Finance lease liabilities	1,104	1,340
	<u>2,597</u>	<u>4,502</u>
Total borrowings	<u>6,622</u>	<u>8,470</u>

The contractual repricing dates of the current bank borrowings at the end of the reporting period are as follows:

	<u>31.03.10</u>	<u>31.12.09</u>
6 months or less	993	1,980
6 to 12 months	500	1,182
	<u>1,493</u>	<u>3,162</u>

The maturity of non-current bank borrowings is as follows:

	<u>31.03.10</u>	<u>31.12.09</u>
Between 1 and 2 years	1,000	1,000
Between 2 and 5 years	1,500	1,500
	<u>2,500</u>	<u>2,500</u>

The effective interest rates at the reporting date were as follows:

	<u>31.03.10</u>	<u>31.12.09</u>
Bank borrowings	2.723%	2.658%
Bank overdrafts	N/A	2.016%

Gross finance lease liabilities – minimum lease payments:

	<u>31.03.10</u>	<u>31.12.09</u>
No later than 1 year	1,577	1,817
Between 1 and 5 years	2,068	1,989
	<u>3,645</u>	<u>3,806</u>
Future finance charges on finance leases	(1,016)	(998)
Present value of finance lease liabilities	<u>2,629</u>	<u>2,808</u>

The present value of finance lease liabilities is as follows:

	<u>31.03.10</u>	<u>31.12.09</u>
No later than 1 year	1,104	1,340
Between 1 and 5 years	1,525	1,468
	<u>2,629</u>	<u>2,808</u>

9. Provisions

Movements in **Provisions** are analyzed as follows:

	<u>Warranties</u>	<u>Legal claims</u>	<u>Other risks and charges</u>	<u>Total</u>
Balance at 1 January 2009	791	100	959	1,850
Additional provisions	626	15	460	1,101
Used during the year	(627)	-	(300)	(927)
Transfers	-	384	(163)	221
	<u>790</u>	<u>499</u>	<u>956</u>	<u>2,245</u>
Balance at 31 December 2009	790	499	956	2,245
Additional provisions	36	-	101	137
Used during the period	(47)	(15)	(87)	(149)
	<u>779</u>	<u>484</u>	<u>970</u>	<u>2,233</u>
Balance at 31 March 2010	779	484	970	2,233

10. Trade and other payables

	<u>31.03.10</u>	<u>31.12.09</u>
Trade payables	22,719	27,512
Remunerations, vacations and vacation and Christmas subsidies	9,183	7,468
Bonus	7,610	10,413
Ongoing projects	2,678	1,959
V.A.T.	4,871	7,000
Social security contributions	967	1,704
Income tax withholding	1,523	1,050
Employees	3,171	122
Prepayments from trade receivables	205	205
Acquisition of financial interests to minority interest (note 14)	713	646
Other accrued expenses	4,276	4,099
Other payables	639	596
	<u>58,555</u>	<u>62,774</u>

11. Other gains/(losses) - net

	<u>31.03.10</u>	<u>31.03.09</u>
Impairment and impairment reversal of trade and other receivables	315	(163)
Impairment and impairment reversal of inventories	(53)	(2)
Warranties provision	11	48
Legal claims provision	15	-
Provisions for other risks and charges	(14)	68
Operating subsidies	4	138
Other	16	105
	<u>294</u>	<u>194</u>

12. Income tax expense

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average rate applicable to profits of the consolidated entities as follows:

	<u>31.03.10</u>	<u>31.03.09</u>
Profit before income tax	5,362	5,738
Income tax expense at nominal rate	1,341	1,435
Tax benefit on the net creation of employment for young and long term unemployed people	(92)	(99)
Provisions and amortisations not considered for tax purposes	37	52
Associates' results reported net of tax	5	-
Autonomous taxation	120	120
Losses in companies where no deferred tax is recognised	(48)	-
Expenses not deductible for tax purposes	24	55
Research & Development tax benefit	(329)	(359)
Municipal surcharge	99	96
Other	(2)	(1)
Income tax expense	<u>1,155</u>	<u>1,299</u>

13. Earnings per share

	<u>31.03.10</u>	<u>31.03.09</u>
Weighted average number of ordinary shares in issue	30,002,673	30,431,742
Stock options adjustment	152,851	-
Adjusted weighted average number of ordinary shares in issue	<u>30,155,524</u>	<u>30,431,742</u>
Profit attributable to equity holders of the Company	4,022	4,193
Basic earnings per share (euro per share)	<u>0.13 euros</u>	<u>0.14 euros</u>
Diluted earnings per share (euro per share)	<u>0.13 euros</u>	<u>0.14 euros</u>

14. Related-party transactions

For reporting purposes, related-party consider subsidiaries, associates, shareholders with management influence and key elements in the Group management.

The following transactions were carried out with related parties:

i) Sales of goods and services rendered

	<u>31.03.10</u>	<u>31.03.09</u>
BES Group	2,506	2,941
	<u>2,506</u>	<u>2,941</u>

The above identified transactions were performed at arms length.

ii) Purchases of goods and services

	<u>31.03.10</u>	<u>31.03.09</u>
BES Group	76	53
	<u>76</u>	<u>53</u>

iii) Key management compensation

	<u>31.03.10</u>	<u>31.03.09</u>
Salaries and other short-term employee benefits	1,906	1,401
Stock options granted	142	-
	<u>2,048</u>	<u>1,401</u>

iv) Advanced payments / loans to key management

	<u>31.03.10</u>	<u>31.12.09</u>
Advanced payments	90	98
	<u>90</u>	<u>98</u>

v) Balances arising from purchases/sales of goods/services

	<u>31.03.10</u>	<u>31.12.09</u>
Receivables from related parties		
BES Group	2,557	6,607
	<u>2,557</u>	<u>6,607</u>
Payables from related parties		
BES Group	-	-
	<u>-</u>	<u>-</u>

vi) Acquisition of financial interests to related parties

	<u>31.03.10</u>	<u>31.12.09</u>
Minority interest Novabase Infraestruturas, SGPS	-	180
Minority interest NB Digital TV, S.A., Novabase Interactive TV and OnTV	-	(206)
Minority interest Collab	-	15
	<u>-</u>	<u>(11)</u>

vii) Balances arising from acquisitions of financial interests to related parties

	<u>Non-current</u>		<u>Current (note 10)</u>		<u>Total</u>	
	<u>31.03.10</u>	<u>31.12.09</u>	<u>31.03.10</u>	<u>31.12.09</u>	<u>31.03.10</u>	<u>31.12.09</u>
Min. interest Novabase Consulting SGPS	306	612	307	307	613	919
Min. interest Novabase Infraestruturas, SGPS	-	-	50	50	50	50
Min. interest NB Dig. TV, NB ITV and OnTV	-	179	246	178	246	357
Min. interest NB A. C. D.	157	235	78	78	235	313
Min. interest SAF	65	97	32	33	97	130
	<u>528</u>	<u>1,123</u>	<u>713</u>	<u>646</u>	<u>1,241</u>	<u>1,769</u>

viii) Other balances with related parties

	<u>31.03.10</u>	<u>31.12.09</u>
Loan to Mind	259	259
Loan to Forward	22	22
Loan to NB Atlântico	624	559
Loans to other associates	56	56
Receivables from related parties (note 5)	<u>961</u>	<u>896</u>
Provisions for loans provided to associates	<u>(259)</u>	<u>(259)</u>
	<u>702</u>	<u>637</u>

ix) Bank deposits and finance investments (including overdrafts)

	<u>31.03.10</u>	<u>31.12.09</u>
BES Group	7,560	7,692

15. Contingencies

Given the disclosed in the annual financial statements for the year 2009, there are no material changes in the judicial processes.

16. Events after the reporting period

No events worthy of note happened until the date of conclusion of this report.

17. Seasonality

The activity of Consulting and IMS is usually lower in 3rd quarter due to holiday period.