

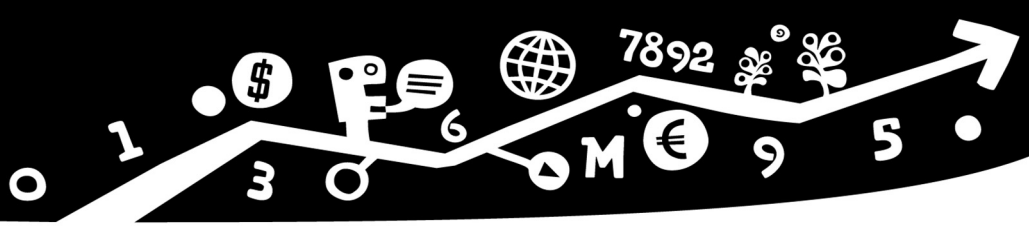
REPORT AND ACCOUNTS - 1ST QUARTER 2011

I - Consolidated Board of Directors' Report

- 1. Key Indicators Evolution**
- 2. Short Summary of the Activity**
- 3. Stock Performance**
- 4. Outlook 2011**

II - Consolidated Financial Statements

III - Condensed Consolidated Accounts



Consolidated Results

March 31, 2011

Privileged Information (IFRS/IAS)

May 11, 2011

Highlights:

Turnover: 59.3 M€

(58.0 M€ in 3M10)

EBITDA: 4.9 M€

(6.2 M€ in 3M10)

Net Profit: 2.2 M€

(4.0 M€ in 3M10)

Cash: 21.6 M€

(21.1 M€ in 12M10)

Message from the CEO - Luís Paulo Salvado

"In 2011 we began a new cycle, where internationalization is the central objective. The first quarter results show us that this was the right choice, especially given the current macro-economic context of our domestic market which has proved more challenging than we anticipated:

- Turnover exceeded 59 M€, which means that this was our best first quarter ever in the current business perimeter, with an increase above 2%. This growth was only possible thanks to the contribution of international activity, which grew a massive 115%, now representing about 22% of total business. In services we also had a good performance with an increase of almost 7%.
- EBITDA amounted to 4.9 M€, which represents a decrease of 21% year on year. This degradation of margin, partly already expected by the additional costs of internationalization, was even more pronounced due to high competitive pressure which affected mainly the product components.
- Net profit was 2.2 M€, a decrease of 44% compared to the same period of the prior year, penalized by the headings of non-controlling interests and financial results.
- Cash generation continued positive, with a value close to 0.5 M€.

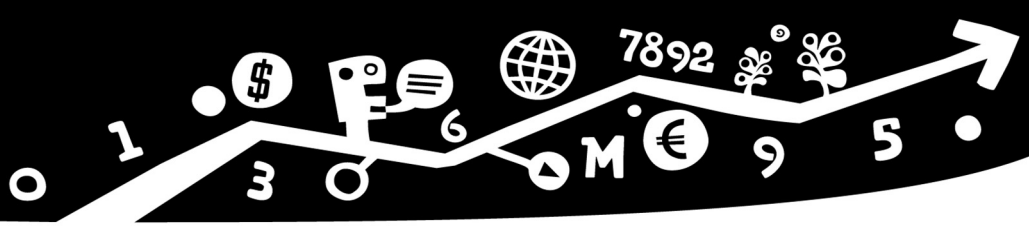
We believe that the environment will continue to be very challenging and will require of us a renewed commitment to keep the ambitious goals we have set for this year.

The international results we have achieved, central to our strategy, are the best encouragement we could have received to continue to give our best, in an objective we know to be medium term."

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Report available on website :
www.novabase.pt

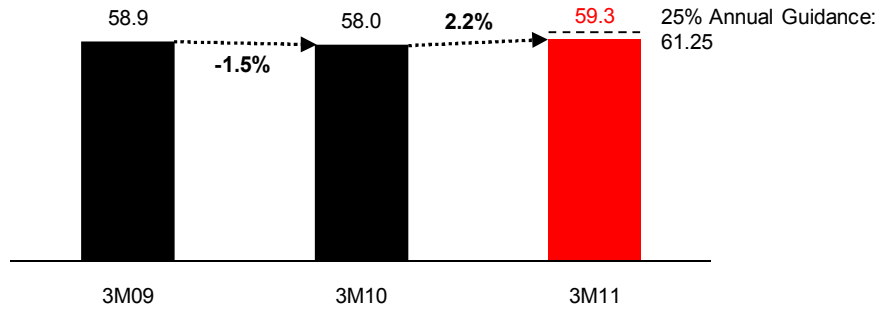
Novabase SGPS, S.A.
Public Company - Euronext code: NBA.AM
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 - Share Capital: 15,700,697.00 €.
Head Office: Av. D. João II, Lote 1.03.2.3., 1998-031 Lisbon - PORTUGAL



1. Key Indicators Evolution

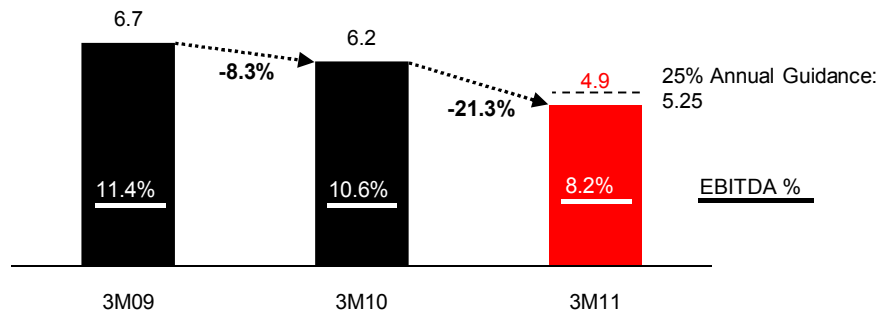
Turnover (M€)

Turnover below the annual Guidance linearized (-3.2%), but above the amount registered in 3M10.

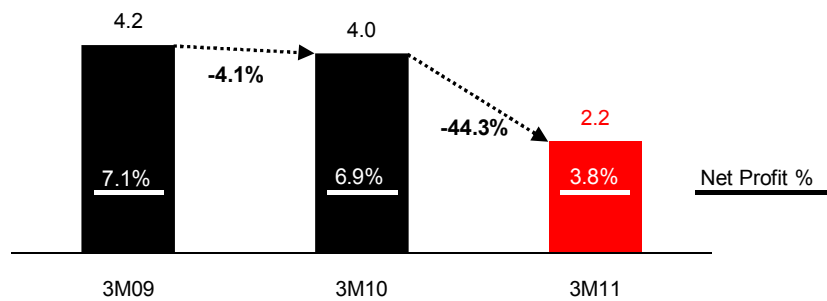


EBITDA (M€)

EBITDA below the annual Guidance linearized of 20-22 M€ and 8.6%: -7.6% below the middle of the range (-0.4 points %).



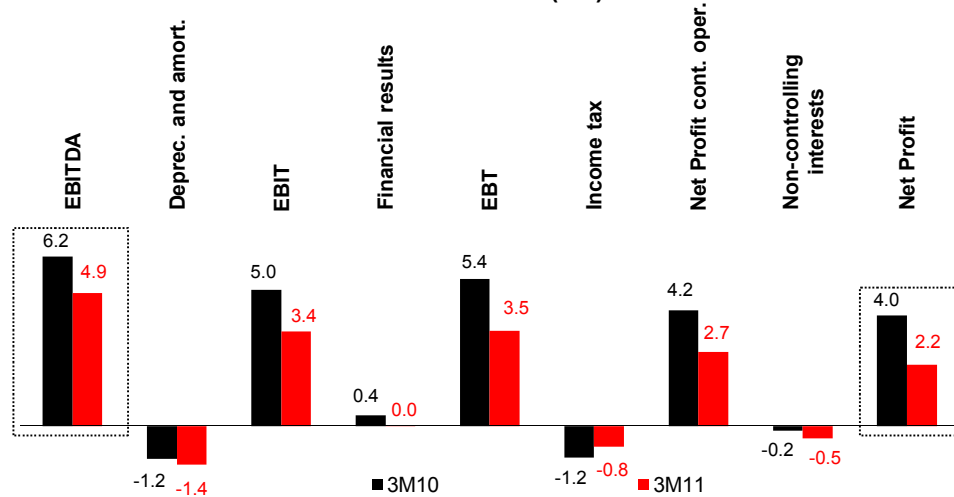
Net Profit (M€)





Earnings per share (EPS) in 3M11 reached 0.07 euros per share, registering a decrease towards the EPS from the previous year of 0.13 euros per share.

From EBITDA to Net Profit 3M11 Vs 3M10 (M€)

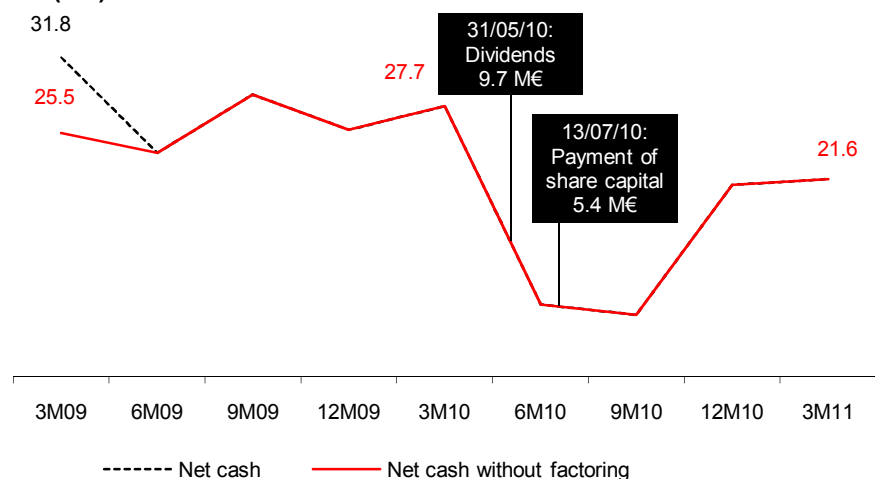


The Financial results reached a net positive value of 0.02 M€, below the net positive value of 0.4 M€ registered in the same period of the prior year, especially due to the recording in 3M11 of foreign exchange gains below those recorded in 3M10 (0.3 M€ which compares to 0.6 M€).

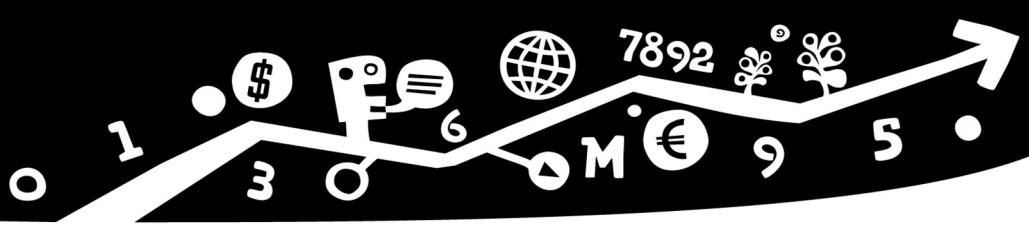
Non-controlling interests in 3M11 amounted to -0.5 M€, which compares to -0.2 M€ in 3M10. This evolution is due to the improvement of the results of subsidiary Celfocus comparatively to the same period of the prior year and to non-controlling interests related to NBASIT, in Angola, which was only incorporated in the second quarter of 2010.

Cash (M€)

Cash generation of 0.5 M€ in the first quarter of 2011.



In the 3M11, Novabase shows a positive performance in cash generation, without use of factoring since 6M09. Novabase ended the 3M11 with 21.6 M€ in net cash, which compares to 21.1 M€ in the 12M10.



2. Short Summary of the Activity

The first quarter of 2011 was marked by a worsening of the macroeconomic environment in Portugal, which has affected investments in the public sector and private sector. The consequences of the economic crisis continued to present, which required a special effort to mitigate the degradation of the operating performance.

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

In this quarter a new offer structure was defined 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 Industry & Services) and aggregated into four business areas (Business Solutions, Managed Services & Infrastructures, Digital TV and Venture Capital).

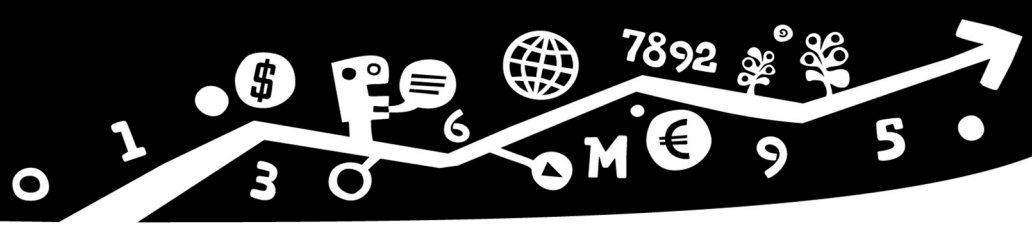
Business Solutions now includes the business of Novabase Consulting and the areas of Ticketing and Managed Services (application outsourcing strand) previously considered in Novabase IMS. The table below shows the Turnover and EBITDA for 2009 and 2010 included in Novabase IMS, which moved to the perimeter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

Ticketing & Managed Services	3M09	3M10
Turnover (M€)	2.027	1.864
EBITDA (M€)	0.088	0.017

The company's activity in the first quarter of 2011 was also marked by new strategic partnerships and decisions on new businesses.

Noteworthy is the partnership that Novabase established with Microsoft, under which the two companies will 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.

With regard to the 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 has 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€. These initiatives are integrated in the NSRF and are co-financed by the European Union via the ERDF.

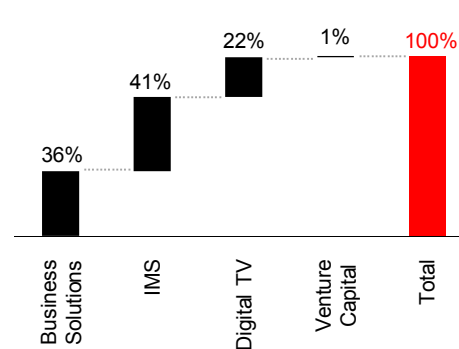


Novabase strengthens focus on the Aerospace industry .

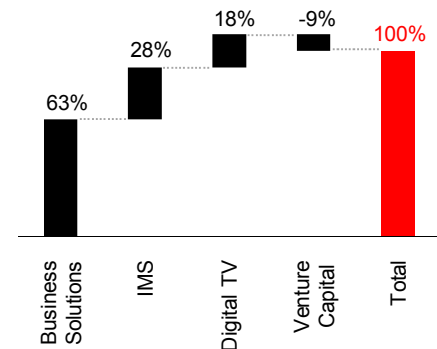
After the close of the first quarter, Novabase strengthened its focus on the Aerospace industry with acquisition of 100% stake in Evolvespace Solutions, which majority business is international in countries such as Germany, UK, France and Italy. This investment is part of Novabase’s growth strategy for the Aerospace & Transportation industry and internationalization efforts.

The percentage breakdown of Turnover and EBITDA by the different businesses, in the 3M11, is as follows:

Turnover 3M11



EBITDA 3M11



6.8% rise in services, in line with Novabase strategic orientation to increase the added value of its offers.

Of the overall Turnover generated in 3M11, the services rendered represents 56.5%, which compares to 54.1% in 3M10.

Of the 59.3 M€ Turnover, 21.8% is generated outside Portugal, that is 12.9 M€, which compares to the 6.0 M€ registered in 3M10.

Turnover by geography 3M10



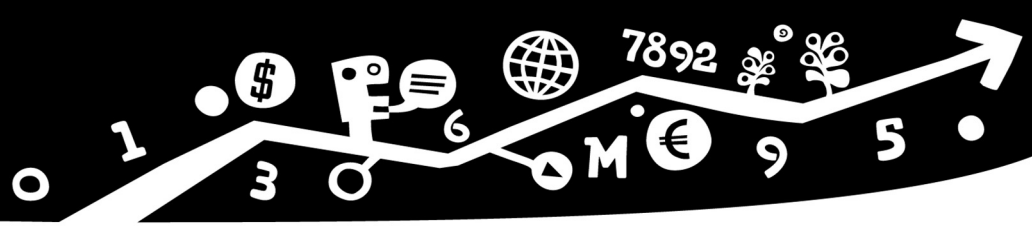
Turnover by geography 3M11



International business increased 115.0%, reflecting a strong focus on markets outside Portugal.

Business outside Portugal generated in the Business Solutions area represents 18.0% of the respective invoicing. In the IMS business area, international sales in 3M11 represents 29.9% of the respective invoicing. The Digital TV area increased the relative weight of international business, which represents 13.4% of the respective invoicing (compared to 4.6% in 3M10).

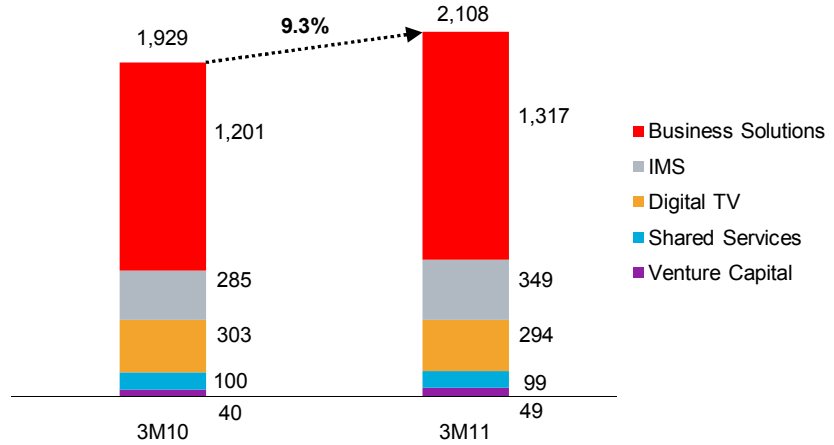
Novabase had on average, in the 3M11, 2,108 employees, which represents an increase of 9.3% compared to the 3M10 (1,929) and an increase of 5.2% compared to FY10 (2,003).



Employee breakdown by business area, in 3M11, is as follows:

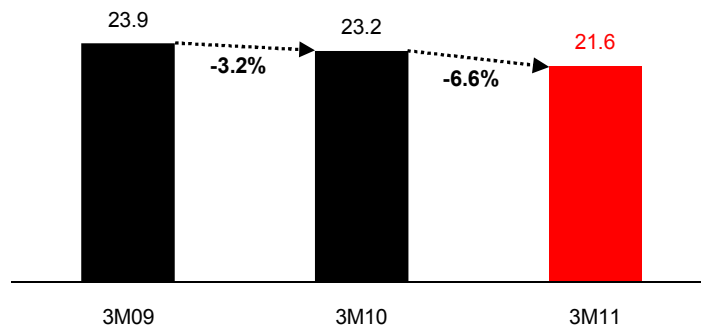
Average Number of Employees

Support to services growth and for strengthening of the strategy of international expansion and new industries.



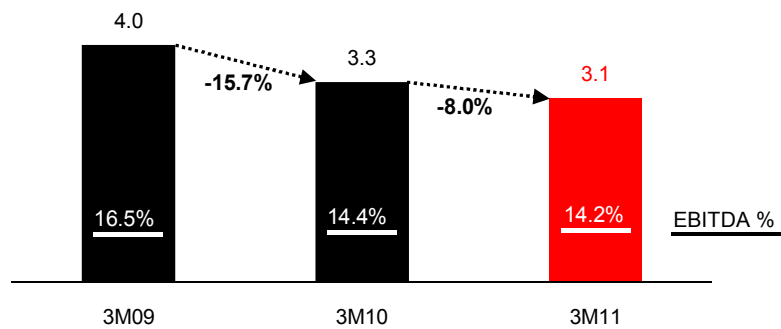
2.1. Business Solutions

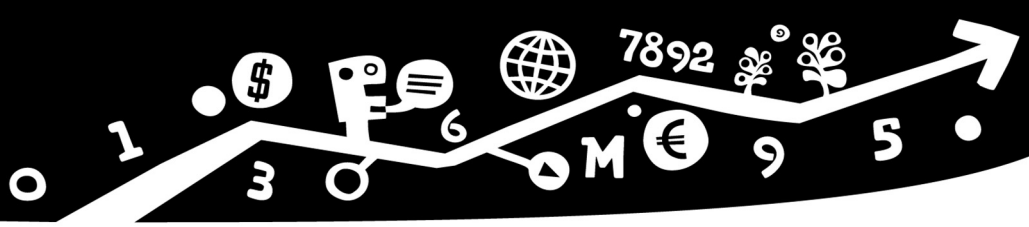
Turnover Business Solutions (M€)



EBITDA Business Solutions (M€)

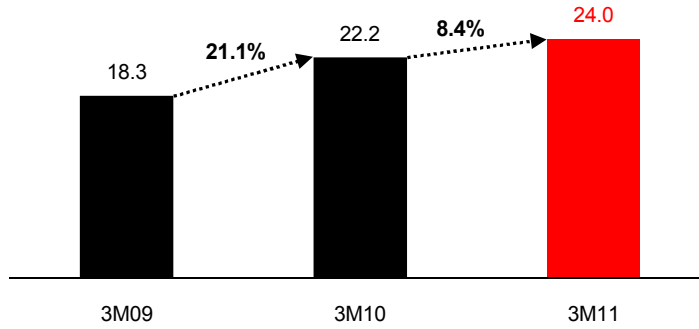
EBITDA % evolution reflects the conjunctural pressure on prices.





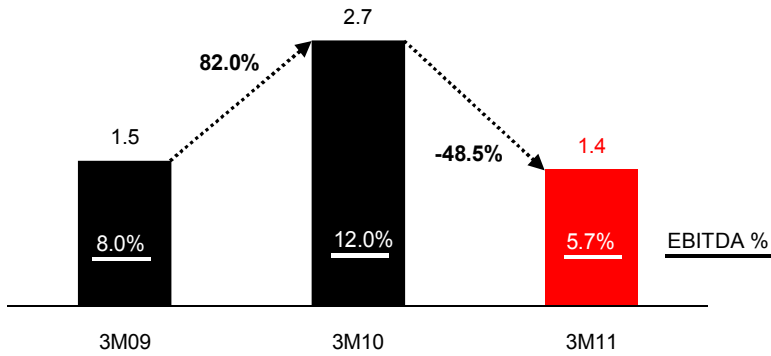
2.2. Infrastructures & Managed Services

Turnover IMS (M€)



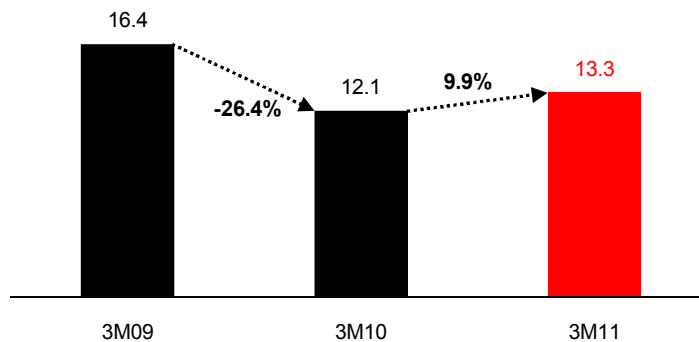
Evolution of IMS results is mainly due to the pressure on prices in the product sales component. However, this area should be analysed for time periods longer than a quarter.

EBITDA IMS (M€)



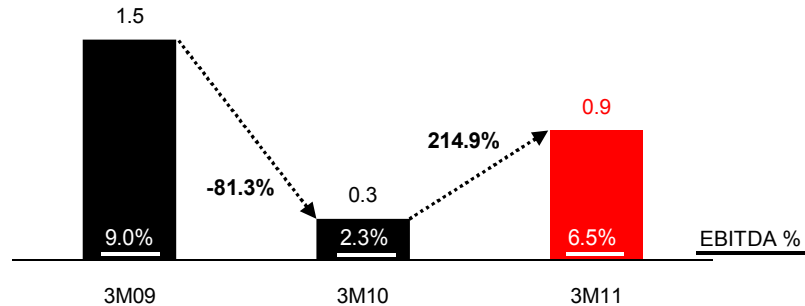
2.3. Digital TV

Turnover Digital TV (M€)



EBITDA Digital TV (M€)

Positive evolution of Digital TV indicators, with expressive growth of the international component. However, this area should be analysed for time periods longer than a quarter.



2.4. Venture Capital

The results of Venture Capital primarily reflect the performance of the subsidiary Collab in this quarter.

Global Turnover in this area reached 0.3 M€, which represents a decrease of 42.3% compared to 3M10.

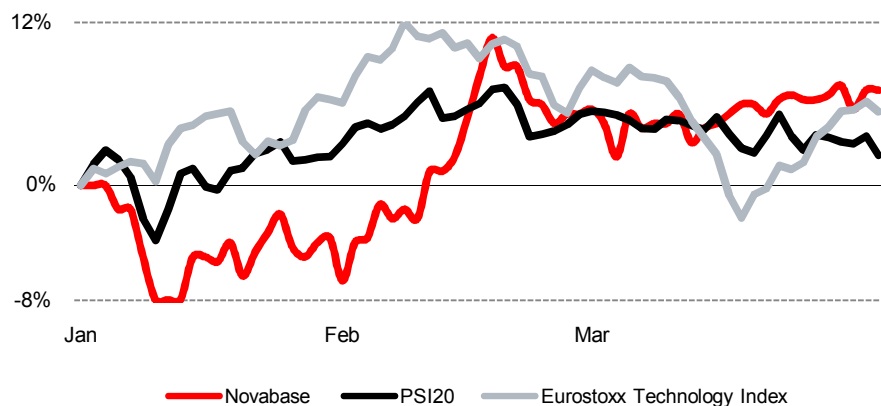
Venture Capital EBITDA in 3M11 decreased 299.1% year on year (from -0.1 M€ to -0.5 M€), reaching an EBITDA margin of -147.9%.

3. Stock Performance

Novabase share price in 3M11 gained 6.9%, comparing to a 2.2% gain in the PSI20 Index and a 5.3% gain in the EuroStoxx Technology Index.

Up to the date of issue of this report, it was approved in the General Meeting of Shareholders of May 5, 2011, the distribution of dividends to the shareholders in the amount of 4.1 M€, corresponding to 0.13€ per share. The payment of these dividends will occur in the second quarter of 2011.

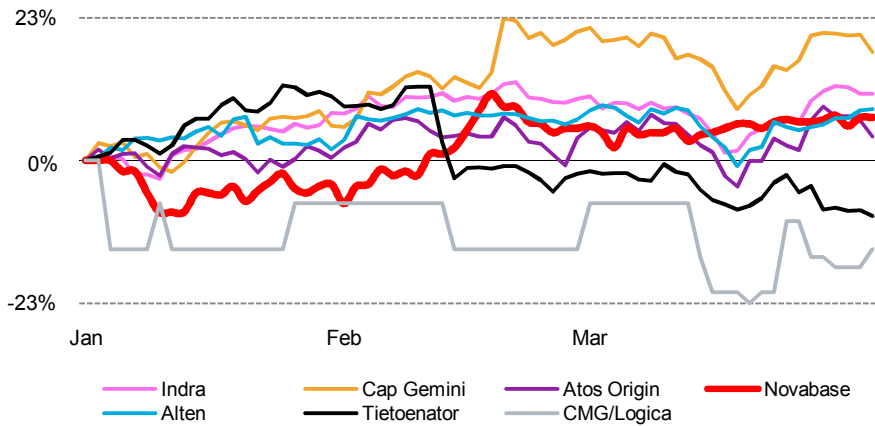
Novabase and the Market





When comparing Novabase share prices with other companies in the IT sector in Europe, we verify that Novabase share performance in 3M11 was in line with the values of the average performance of other IT.

Novabase and other TMT



Average upside of 51.6%, according to the analysts that cover Novabase.

The average price target disclosed by analysts that cover Novabase is 4.70 euros, with unanimous recommendation to buy.

Rotation in 3M11 represented 6.0% of the capital and 1.9 million shares were traded, in line with the values that have occurred in 3M10 (rotation of 6.1% of the capital and 1.9 million shares traded).

Summary	1Q11	4Q10	3Q10	2Q10	1Q10
Minimum price (€)	2.66	2.79	3.17	3.34	3.90
Maximum price (€)	3.21	3.37	3.46	4.45	4.63
Volume weighted average price (€)	2.96	3.05	3.30	3.91	4.38
Closing price at the end of the Quarter (€)	3.10	2.90	3.20	3.44	4.30
Nr. of shares traded	1,883,117	1,948,307	1,000,218	2,194,905	1,916,989
Market cap in the last day (M€)	97.3	91.1	100.5	108.0	135.0

4. Outlook 2011

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

Novabase remains committed to comply with the Guidance for 2011, maintaining as priorities international growth and the preservation of its position in the national market.

**Consolidated Statement of Financial Position
as at 31 March 2011**

	31.03.11	31.12.10
	(Thousands of Euros)	
Assets		
Tangible assets	9,849	9,836
Intangible assets	30,704	31,229
Financial investments	1,718	1,697
Deferred income tax assets	10,885	10,396
Other non-current assets	71	69
Total Non-Current Assets	53,227	53,227
Inventories	6,884	10,403
Trade debtors and accrued income	94,550	92,432
Other debtors and prepaid expenses	13,739	12,100
Derivative financial instruments	381	197
Cash and cash equivalents	28,593	28,088
Total Current Assets	144,147	143,220
Assets for continuing operations	197,374	196,447
Assets for discontinued operations	59	49
Total Assets	197,433	196,496
Shareholders' Equity		
Share capital	15,701	15,701
Treasury shares	(518)	(603)
Share premium	43,560	43,560
Reserves and retained earnings	34,566	21,063
Net profit	2,242	13,053
Total Shareholders' Equity	95,551	92,774
Non-controlling interests	6,076	5,724
Total Equity	101,627	98,498
Liabilities		
Non-current borrowings	5,838	6,200
Finance lease liabilities	1,659	1,679
Provisions	1,463	1,633
Deferred income tax liabilities	909	909
Other non-current liabilities	243	927
Total Non-Current Liabilities	10,112	11,348
Current borrowings	4,386	4,272
Trade payables	24,810	20,183
Other creditors and accruals	36,876	38,290
Derivative financial instruments	326	353
Deferred income	18,566	22,807
Total Current Liabilities	84,964	85,905
Total Liabilities for cont. operations	95,076	97,253
Total Liabilities for discount. operations	730	745
Total Liabilities	95,806	97,998
Total Equity and Liabilities	197,433	196,496
Net Cash	21,582	21,115

**Consolidated Income Statement
for the period of 3 Months ended 31 March 2011**

	31.03.11	31.03.10	Var. %
	(Thousands of Euros)		
Sale of goods	25,811	26,647	
Cost of goods sold	(23,226)	(22,830)	
Gross margin	2,585	3,817	-32.3 %
<i>Other income</i>			
Services rendered	33,490	31,356	
Supplementary income	31	30	
Other operating income	47	38	
	33,568	31,424	
	36,153	35,241	
<i>Other expenses</i>			
External supplies and services	(11,402)	(10,870)	
Employee benefit expense	(19,642)	(18,430)	
(Provisions) / Provisions reversal	(3)	274	
Other operating expenses	(255)	(48)	
	(31,302)	(29,074)	
Gross Net Profit (EBITDA)	4,851	6,167	-21.3 %
Depreciation and amortization	(1,409)	(1,195)	
Operating Profit (EBIT)	3,442	4,972	-30.8 %
Financial Gains / (Losses)	23	390	
Net Profit before taxes (EBT)	3,465	5,362	-35.4 %
Income tax expense	(763)	(1,155)	
Non-controlling interests	(460)	(185)	
Attributable Net Profit	2,242	4,022	-44.3 %
Other information:			
Turnover	59,301	58,003	2.2 %
EBITDA margin	8.2 %	10.6 %	
EBT % on Turnover	5.8 %	9.2 %	
Net profit % on Turnover	3.8 %	6.9 %	

**Consolidated Income Statement by SEGMENTS
for the period of 3 Months ended 31 March 2011**

(Thousands of Euros)

	Business Solutions	IMS	Digital TV	Venture Capital	NOVABASE
Sale of goods	208	16,730	8,873	-	25,811
Cost of goods sold	(140)	(14,590)	(8,496)	-	(23,226)
Gross margin	68	2,140	377	-	2,585
Other income					
Services rendered	21,440	7,317	4,420	313	33,490
Supplementary income and subsidies	31	-	-	-	31
Other operating income	38	5	4	-	47
	21,509	7,322	4,424	313	33,568
	21,577	9,462	4,801	313	36,153
Other expenses					
External supplies and services	(4,603)	(4,571)	(2,107)	(121)	(11,402)
Employee benefit expense	(13,804)	(3,434)	(1,997)	(407)	(19,642)
(Provisions) / Provisions reversal	(38)	19	261	(245)	(3)
Other operating expenses	(61)	(102)	(89)	(3)	(255)
	(18,506)	(8,088)	(3,932)	(776)	(31,302)
Gross Net Profit (EBITDA)	3,071	1,374	869	(463)	4,851
Depreciation and amortization	(874)	(327)	(162)	(46)	(1,409)
Operating Profit (EBIT)	2,197	1,047	707	(509)	3,442
Financial Gains / (Losses)	40	(58)	52	(11)	23
Net Profit / (Loss) before Taxes (EBT)	2,237	989	759	(520)	3,465
Income tax expense	(467)	(1,333)	909	128	(763)
Non-controlling interests	(421)	(207)	-	168	(460)
Attributable Net Profit / (Loss)	1,349	(551)	1,668	(224)	2,242
Other information :					
Turnover	21,648	24,047	13,293	313	59,301
EBITDA	3,071	1,374	869	(463)	4,851
EBITDA % on Turnover	14.2%	5.7%	6.5%	-147.9%	8.2%
EBT % on Turnover	10.3%	4.1%	5.7%	-166.1%	5.8%

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Condensed Consolidated Interim Financial Statements
1st quarter 2011
(Unaudited)

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

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

Condensed Consolidated Interim Statement of Financial Position as at 31 March 2011

(Amounts expressed in thousands of Euros)

	Note	<u>31.03.11</u>	<u>31.12.10</u>
Assets			
Non-Current Assets			
Property, plant and equipment	4	9,849	9,836
Intangible assets	4	30,704	31,229
Investments in associates		1,680	1,676
Available-for-sale financial assets		38	21
Deferred income tax assets	5	10,885	10,396
Other non-current assets		71	69
Total Non-Current Assets		<u>53,227</u>	<u>53,227</u>
Current Assets			
Inventories		6,884	10,403
Trade and other receivables	6	80,628	83,285
Accrued income		18,442	14,035
Income tax receivable		2,822	3,378
Derivative financial instruments		381	197
Other current assets		6,397	3,834
Cash and cash equivalents	7	28,593	28,088
Total Current Assets		<u>144,147</u>	<u>143,220</u>
Assets for discontinued operations		59	49
Total Assets		<u>197,433</u>	<u>196,496</u>
Equity			
Share capital		15,701	15,701
Treasury shares		(518)	(603)
Share premium		43,560	43,560
Reserves and retained earnings	8	34,566	21,063
Profit for the period		2,242	13,053
Total Equity attributable to owners of the parent		95,551	92,774
Non-controlling interests	9	6,076	5,724
Total Equity		<u>101,627</u>	<u>98,498</u>
Liabilities			
Non-Current Liabilities			
Borrowings	10	7,497	7,879
Provisions	11	1,463	1,633
Deferred income tax liabilities		909	909
Other non-current liabilities		243	927
Total Non-Current Liabilities		<u>10,112</u>	<u>11,348</u>
Current Liabilities			
Borrowings	10	5,457	5,333
Trade and other payables	12	60,153	57,101
Income tax payable		462	311
Derivative financial instruments		326	353
Deferred income and other current liabilities		18,566	22,807
Total Current Liabilities		<u>84,964</u>	<u>85,905</u>
Liabilities for discontinued operations		730	745
Total Liabilities		<u>95,806</u>	<u>97,998</u>
Total Equity and Liabilities		<u>197,433</u>	<u>196,496</u>

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 2011

(Amounts expressed in thousands of Euros)

	Note	3 M *	
		31.03.11	31.03.10
Sales	3	25,811	26,647
Services rendered	3	33,490	31,356
Cost of sales		(23,226)	(22,830)
External supplies and services		(11,402)	(10,870)
Employee benefit expense		(19,642)	(18,430)
Other gains/(losses) - net	13	(180)	294
Depreciation and amortisation		(1,409)	(1,195)
Operating Profit		3,442	4,972
Finance income		1,052	1,916
Finance costs		(983)	(1,508)
Share of loss of associates		(46)	(18)
Profit Before Income Tax		3,465	5,362
Income tax expense	14	(763)	(1,155)
Profit for the period		2,702	4,207
Other comprehensive income for the period		-	-
Total comprehensive income for the period		2,702	4,207
Profit attributable to:			
Owners of the parent		2,242	4,022
Non-controlling interests	9	460	185
		2,702	4,207
Total comprehensive income attributable to:			
Owners of the parent		2,242	4,022
Non-controlling interests	9	460	185
		2,702	4,207
Earnings per share			
attributable to owners of the parent (Euros per share)			
Basic earnings per share	15	0.07 Euros	0.13 Euros
Diluted earnings per share	15	0.07 Euros	0.13 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 2011

(Amounts expressed in thousands of Euros)

Note	Attributable to owners of the parent							Non- controlling interests	Total Equity
	Share capital	Treasury shares	Share premium	Legal reserves	Stock options reserves	Reserves and retained- earnings	Total		
Balance at 1 January, 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 non-controlling interests	-	-	-	-	-	-	-	-	
Balance at 31 March, 2010	15,701	(652)	49,213	1,558	521	31,849	5,829	104,019	
Balance at 1 January, 2011	15,701	(603)	43,560	2,365	1,076	30,675	5,724	98,498	
Total comprehensive income for the period	-	-	-	-	-	2,242	460	2,702	
Transactions with owners									
Treasury shares movements	-	85	-	-	-	479	-	564	
Share-based payments	-	-	-	-	83	-	-	83	
Foreign currency translation reserve	-	-	-	-	-	(105)	(108)	(213)	
Transactions with owners	-	85	-	-	83	374	(108)	434	
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests	8	-	-	-	-	(7)	-	(7)	
Balance at 31 March, 2011	15,701	(518)	43,560	2,365	1,159	33,284	6,076	101,627	

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

Condensed Consolidated Interim Statement of Cash Flows for the period of 3 months ended 31 March 2011

(Amounts expressed in thousands of Euros)

		3 M *	
	Note	31.03.11	31.03.10
<i>Cash flows from operating activities</i>			
Net Cash generated from operating activities		2,021	4,808
<i>Cash flows from investing activities</i>			
Receipts:			
Interest received		213	93
		213	93
Payments:			
Acquisition of subsidiaries and associates		(74)	-
Loans granted to associates		(94)	(65)
Purchases of property, plant and equipment		(555)	(666)
Purchases of intangible assets		(83)	(773)
		(806)	(1,504)
Net Cash used in investing activities		(593)	(1,411)
<i>Cash flows from financing activities</i>			
Receipts:			
Proceeds from borrowings		312	-
		312	-
Payments:			
Repayments of borrowings		(505)	(724)
Payment of finance lease liabilities		(403)	(409)
Interest paid		(249)	(158)
		(1,157)	(1,291)
Net Cash used in financing activities		(845)	(1,291)
Cash, cash equivalents and bank overdrafts at beginning of period		27,057	24,026
Net increase in cash, cash equivalents and bank overdrafts		583	2,106
Effect from exchange rate fluctuations on cash held		(22)	-
Cash, cash equivalents and bank overdrafts at end of period	7	27,618	26,132
3 M * - period of 3 months ended			

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THE BOARD OF DIRECTORS

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 2011

1. General information

Novabase, Sociedade Gestora de Participações Sociais, SA (hereunder referred to as Novabase or Group), 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.

In the first quarter of 2011, a new offer structure was defined even more differentiated and closer to the needs of the customers, aggregated into four business areas:

(i) **Business Solutions** - now includes the business of Novabase Consulting and the areas of Ticketing and Managed Services (application outsourcing strand) previously considered in Novabase IMS.

(ii) **Infrastructures & Managed Services (IMS)**

(iii) **Digital TV**

(iv) **Venture Capital**

Novabase is listed on the Euronext Lisbon.

These consolidated financial statements were approved for issue by the Board of Directors on May 5, 2011. 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. Significant accounting policies

These condensed consolidated interim financial statements for the period of three months ended 31 March 2011 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 2010, which have been prepared in accordance with IFRSs, as adopted by the European Union (EU).

These financial statements are presented in thousands of euros (EUR thousand).

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 2010, 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 2011.

3. Segment information

In the first quarter of 2011, a new offer structure was defined aggregated into four business areas: (i) Business Solutions (BS); (ii) Infrastructures & Managed Services (IMS); (iii) Digital TV and (iv) Venture Capital. BS segment now includes the business of Novabase Consulting and the areas of Ticketing and Managed Services (application outsourcing strand) previously considered in Novabase IMS segment.

The segment results presented below consider the new internal reporting organization, with the comparable values in the prior periods represented.

	Business Solutions	IMS	Digital TV	Venture Capital	Novabase
At 31 March 2010					
Sales and services rendered	23,180	22,182	12,099	542	58,003
Operating profit/(loss)	2,567	2,397	140	(132)	4,972
Finance costs – net	(15)	207	222	(6)	408
Share of loss of associates	(18)	-	-	-	(18)
Income tax expense	(347)	(791)	(96)	79	(1,155)
Profit/(Loss) from operations	2,187	1,813	266	(59)	4,207
At 31 March 2011					
Sales and services rendered	21,648	24,047	13,293	313	59,301
Operating profit/(loss)	2,197	1,047	707	(509)	3,442
Finance costs – net	74	(58)	52	1	69
Share of loss of associates	(34)	-	-	(12)	(46)
Income tax expense	(467)	(1,333)	909	128	(763)
Profit/(Loss) from operations	1,770	(344)	1,668	(392)	2,702

4. Property, plant and equipment and intangible assets

During the periods ended at 31 March 2011 and 31 March 2010, the movements in the net book value of property, plant and equipment and intangible assets, were as follows:

	Property, plant and equipment	Intangible assets
Net book value at 1 January 2010	8,721	28,778
Acquisitions / increases	775	772
Write off's / disposals	(10)	-
Transfers	2	(2)
Depreciation and amortisation	(691)	(504)
Net book value at 31 March 2010	8,797	29,044
Net book value at 1 January 2011	9,836	31,229
Acquisitions / increases	835	83
Write off's / disposals	(10)	-
Exchange differences	(11)	-
Depreciation and amortisation	(801)	(608)
Net book value at 31 March 2011	9,849	30,704

Property plant and equipment increases in 2011 refers essentially to finance lease contracts and vehicles acquired for the company NBASIT, in Angola, to construction works in the new facilities of the logistics unit of the Group and to basic equipment and furniture.

5. Deferred income tax assets

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

	31.03.11	31.12.10
Balance at 1 January	10,396	8,341
Transfers	-	(12)
Exchange differences	(15)	9
Profit or loss charge	504	2,058
Balance at the end of the period	10,885	10,396

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 / Adjustments	Total
Balance at 1 January 2010	3,314	3,414	1,613	8,341
Profit or loss charge	(939)	2,936	61	2,058
Transfers	(12)	-	-	(12)
Exchange differences	9	-	-	9
Balance at 31 December 2010	2,372	6,350	1,674	10,396
Profit or loss charge	(339)	914	(71)	504
Exchange differences	(15)	-	-	(15)
Balance at 31 March 2011	<u>2,018</u>	<u>7,264</u>	<u>1,603</u>	<u>10,885</u>

6. Trade and other receivables

	31.03.11	31.12.10
Trade receivables	78,305	80,409
Allowance for impairment of trade receivables	(2,197)	(2,012)
	<u>76,108</u>	<u>78,397</u>
Prepayments to suppliers	859	537
Employees	146	73
Value added tax	344	693
Receivables from related parties (note 16)	848	753
Financial investments disposal	151	150
Receivables from financed projects	1,559	2,113
Other receivables	4,100	4,011
Allowance for impairment of other receivables	(3,487)	(3,442)
	<u>4,520</u>	<u>4,888</u>
	<u>80,628</u>	<u>83,285</u>

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

	Trade receivables		Other receivables		Total	
	31.03.11	31.12.10	31.03.11	31.12.10	31.03.11	31.12.10
Balance at 1 January	2,012	3,452	3,442	3,755	5,454	7,207
Impairment	245	203	45	29	290	232
Impairment reversal	(60)	(1,033)	-	(216)	(60)	(1,249)
Transfers	-	79	-	32	-	111
Recovery of bad debts	-	16	-	-	-	16
Write off's	-	(705)	-	(158)	-	(863)
	<u>2,197</u>	<u>2,012</u>	<u>3,487</u>	<u>3,442</u>	<u>5,684</u>	<u>5,454</u>

7. 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:

	31.03.11	31.12.10
- Cash	29	7
- Short term bank deposits	28,564	28,081
Cash and cash equivalents	<u>28,593</u>	<u>28,088</u>
- Overdrafts	(975)	(1,031)
	<u>27,618</u>	<u>27,057</u>

8. Reserves and retained earnings

In 2011, the Group performed operations of acquisitions to non-controlling interests, with the following impact (see note 16):

	31.03.11			31.12.10		
	Acquisition/ disposal cost	Equity acquired/ (disposed)	Acquisition difference	Acquisition / disposal cost	Equity acquired/ (disposed)	Acquisition difference
(i) Acquisition of 12.73% in Novabase Infraest. SGPS	7	-	7	214	-	214
(i) Acquisition of Digital TV business	-	-	-	(246)	-	(246)
(ii) Acquisition of 10% in Novabase Internat. Solutions	-	-	-	1,093	742	351
	<u>7</u>	<u>-</u>	<u>7</u>	<u>1,061</u>	<u>742</u>	<u>319</u>

- (i) In the sequence of the transactions with non-controlling interests occurred in 2008, the acquisition cost was reviewed based on the achievement of goals by the subsidiary.
- (ii) Acquisition of 10% in Novabase International Solutions B.V. and, consequently, of the remaining financial holding in Novabase Solutions Middle East FZ-LLC and in Novabase E.A., S.A., and of 5.5% in Celfocus S.A..

In the operations described above, as the financial holdings were acquired to non-controlling interests in which the Group already had control, the Economic Entity Model Method was applied, and the difference between the acquisition cost and the net assets value of the subsidiaries acquired was booked in Equity, in the total amount of EUR 7 thousand.

9. Non-controlling interests

	31.03.11	31.12.10
Balance at 1 January	5,724	5,644
Transactions with non-controlling interests - see note 8	-	(742)
Changes in consolidation universe (*)	-	173
Foreign currency translation differences for foreign operations	(108)	10
Profit attributable to non-controlling interests	460	639
Balance at the end of the period	<u>6,076</u>	<u>5,724</u>

(*) In 2010, NBASIT - Sistema de Informação e Telecomunicações, S.A. (Angola) was incorporated.

10. Borrowings

	31.03.11	31.12.10
Non-current		
Bank borrowings	5,838	6,200
Finance lease liabilities	1,659	1,679
	<u>7,497</u>	<u>7,879</u>
Current		
Bank borrowings	4,386	4,272
Finance lease liabilities	1,071	1,061
	<u>5,457</u>	<u>5,333</u>
Total borrowings	<u>12,954</u>	<u>13,212</u>

The periods in which the current bank borrowings will be paid and negotiated with different conditions are as follows:

	31.03.11	31.12.10
6 months or less	3,161	3,097
6 to 12 months	1,225	1,175
	<u>4,386</u>	<u>4,272</u>

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

	<u>31.03.11</u>	<u>31.12.10</u>
Between 1 and 2 years	2,450	2,450
Between 2 and 5 years	3,288	3,600
Over 5 years	100	150
	<u>5,838</u>	<u>6,200</u>

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

	<u>31.03.11</u>	<u>31.12.10</u>
Bank borrowings	4.621%	4.299%
Bank overdrafts	1.503%	1.568%

Gross finance lease liabilities – minimum lease payments:

	<u>31.03.11</u>	<u>31.12.10</u>
No later than 1 year	1,530	1,526
Between 1 and 5 years	2,231	2,264
	<u>3,761</u>	<u>3,790</u>
Future finance charges on finance leases	(1,031)	(1,050)
Present value of finance lease liabilities	<u>2,730</u>	<u>2,740</u>

The present value of finance lease liabilities is analysed as follows:

	<u>31.03.11</u>	<u>31.12.10</u>
No later than 1 year	1,071	1,061
Between 1 and 5 years	1,659	1,679
	<u>2,730</u>	<u>2,740</u>

11. Provisions

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

	<u>Warranties</u>	<u>Legal Claims</u>	<u>Other Risks and Charges</u>	<u>Total</u>
Balance at 1 January 2010	790	499	956	2,245
Additional provisions	178	-	425	603
Used during the year	(588)	(15)	(612)	(1,215)
Balance at 31 December 2010	380	484	769	1,633
Additional provisions	23	-	160	183
Used during the period	(53)	-	(300)	(353)
Balance at 31 March 2011	<u>350</u>	<u>484</u>	<u>629</u>	<u>1,463</u>

12. Trade and other payables

	31.03.11	31.12.10
Trade payables	23,739	19,122
Remunerations, vacations and vacation and Christmas subsidies	10,092	8,240
Bonus	9,819	10,160
Ongoing projects	3,081	3,008
Value added tax	4,315	6,954
Social security contributions	1,102	1,954
Income tax withholding	1,623	1,391
Employees	38	181
Prepayments from trade receivables	28	24
Acquisition of financial interests to non-controlling interests (note 16)	802	683
Other accrued expenses	4,809	4,524
Other payables	705	860
	<u>60,153</u>	<u>57,101</u>

13. Other gains/(losses) - net

	31.03.11	31.03.10
Impairment and impairment reversal of trade and other receivables	(230)	315
Impairment and impairment reversal of inventories	57	(53)
Warranties provision	30	11
Legal claims provision	-	15
Provisions for other risks and charges	140	(14)
Operational subsidies	4	4
Other operational gains and losses	(181)	16
	<u>(180)</u>	<u>294</u>

14. 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:

	31.03.11	31.03.10
Profit before income tax	3,465	5,362
Income tax expense at nominal rate (25%)	866	1,341
Tax benefit on the net creation of employment for young and long term unemployed people	(125)	(92)
Provisions and amortisations not considered for tax purposes	51	37
Associates' results reported net of tax	11	5
Autonomous taxation	146	120
Losses in companies where no deferred tax is recognised	(63)	(48)
Expenses not deductible for tax purposes	71	24
Differential tax rate on companies located abroad	50	-
Research & Development tax benefit	(300)	(329)
Municipal surcharge	35	99
Impairment of Special Payment on Account and tax losses	25	-
Other	(4)	(2)
Income tax expense	<u>763</u>	<u>1,155</u>

15. Earnings per share

	31.03.11	31.03.10
Weighted average number of ordinary shares in issue	30,251,524	30,002,673
Stock options adjustment	-	152,851
Adjusted weighted average number of ordinary shares in issue	<u>30,251,524</u>	<u>30,155,524</u>
Profit attributable to owners of the parent	2,242	4,022
Basic earnings per share (Euros per share)	0.07 Euros	0.13 Euros
Diluted earnings per share (Euros per share)	<u>0.07 Euros</u>	<u>0.13 Euros</u>

16. Related-party transactions

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

The transactions with related parties below identified were performed at arm's length, and are detailed as follows:

i) Sales of goods and services rendered		31.03.11	31.03.10
	BES Group	2,245	2,506
		<u>2,245</u>	<u>2,506</u>
ii) Purchases of goods and services		31.03.11	31.03.10
	BES Group	175	76
		<u>175</u>	<u>76</u>
iii) Key management compensation		31.03.11	31.03.10
	Salaries and other short-term employee benefits	1,414	1,906
	Stock options granted	83	142
		<u>1,497</u>	<u>2,048</u>
iv) Balances arising from purchases / sales of goods and services		31.03.11	31.12.10
	Receivables from related parties		
	BES Group	2,246	3,835
		<u>2,246</u>	<u>3,835</u>
	Payables from related parties		
	BES Group	70	68
		<u>70</u>	<u>68</u>
v) Acquisition of financial interests to related parties (note 8)		31.03.11	31.12.10
	Acquisitions to former shareholders of Novabase Infraestructuras, SGPS	7	214
	Acquisitions to former shareholders of Novabase Digital TV, S.A.	-	(246)
	Acquisitions to former shareholders of Novabase International Solutions B.V.	-	1,093
		<u>7</u>	<u>1,061</u>

vi) Balances arising from acquisitions of financial interests to related parties (former shareholders)

	Non-current		Current (note 12)		Total	
	31.03.11	31.12.10	31.03.11	31.12.10	31.03.11	31.12.10
Novabase Consulting SGPS	-	306	348	307	348	613
Novabase A. C. D.	78	157	115	78	193	235
SAF	32	65	37	32	69	97
Novabase International Solutions B.V.	133	399	302	266	435	665
	<u>243</u>	<u>927</u>	<u>802</u>	<u>683</u>	<u>1,045</u>	<u>1,610</u>

vii) Other balances with related parties

	31.03.11	31.12.10
Loan to Mind	259	259
Loan to Forward	22	22
Loan to Novabase Atlântico	545	450
Loans to other associates	22	22
Receivables from related parties (note 6)	<u>848</u>	<u>753</u>
Provisions for loans granted to associates	<u>(259)</u>	<u>(259)</u>
	<u>589</u>	<u>494</u>

viii) Bank deposits and finance investments (including overdrafts)

	31.03.11	31.12.10
BES Group	14,805	11,351

17. Contingencies

The claim brought forward by Instituto de Gestão Financeira da Segurança Social against Celfocus regarding the alleged absence of payment of social security contributions (in the amount of EUR 61 thousand) was closed, with the cancellation of almost all the amounts allegedly missing and the payment of 100 Euros.

18. Events after the reporting period

After the close of the first quarter, 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. This investment is part of Novabase's growth strategy for the Aerospace & Transportation industry and internationalization efforts.

19. Seasonality

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