

REPORT AND ACCOUNTS - 1ST HALF 2011

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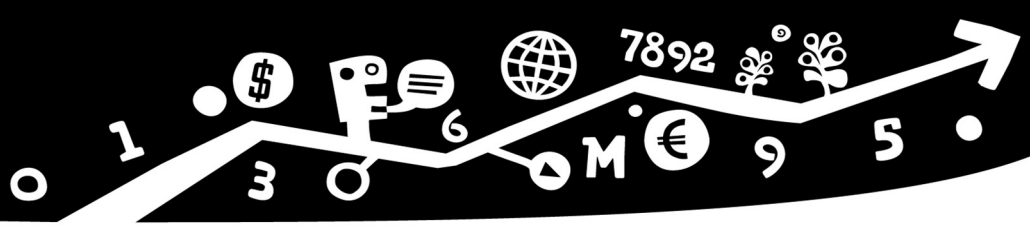
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Consolidated Results 6M11

Privileged Information

July 28, 2011

Highlights:

Turnover: 119.1 M€
(122.8 M€ in 6M10)

EBITDA: 8.2 M€
(11.6 M€ in 6M10)

Net Profit: 3.5 M€
(7.2 M€ in 6M10)

Net Cash: 13.5 M€
(21.1 M€ in 12M10)

Message from the CEO - Luís Paulo Salvado

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

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

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

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

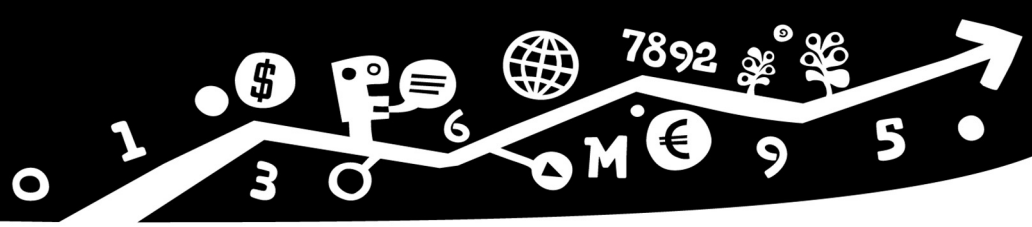
Given the significant deterioration in the economic environment in Portugal and the uncertainties as to its evolution, and based on the results now presented, we decided to downgrade our Guidance for 2011. Thus, the new Guidance indicates a Turnover of around 230 M€, with an EBITDA between 14 and 17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

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

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Report available on website :
www.novabase.pt

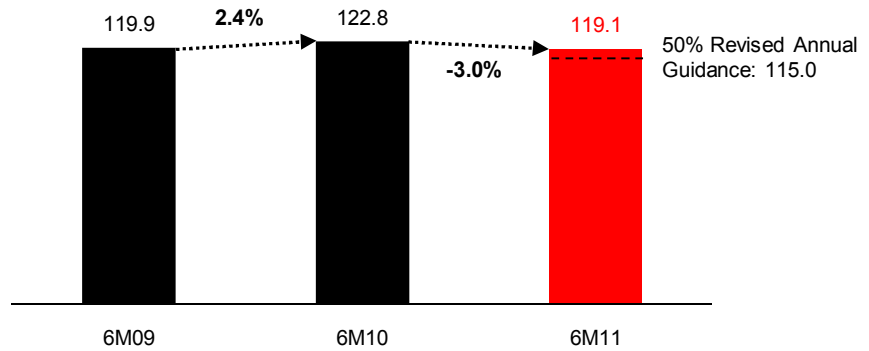
Novabase SGPS, S.A.
Public Company . Euronext code: NBA.AM .
Registered in TRO of Lisbon and Corporate Tax Payer nº 502.280.182 . Share Capital: 15,700,697.00 € .
Head Office: Av. D. João II, Lote 1.03.2.3., 1998-031 Lisbon - PORTUGAL



1. Key Indicators Evolution

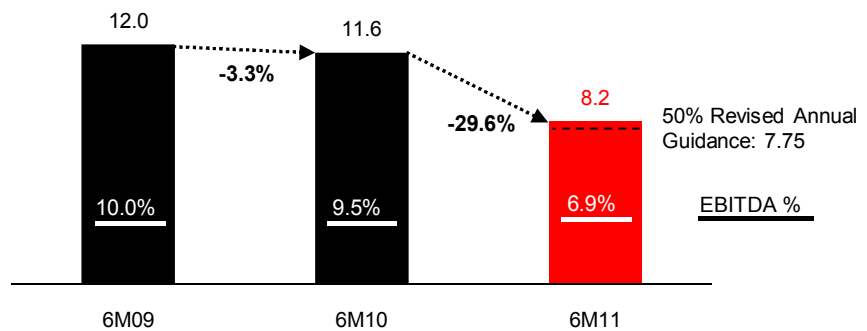
Turnover (M€)

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

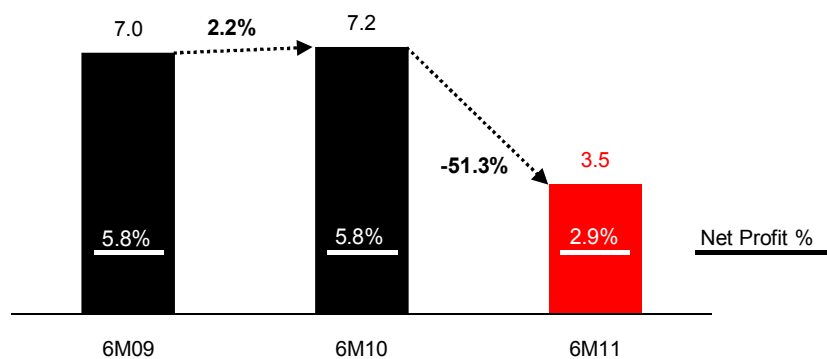


EBITDA (M€)

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

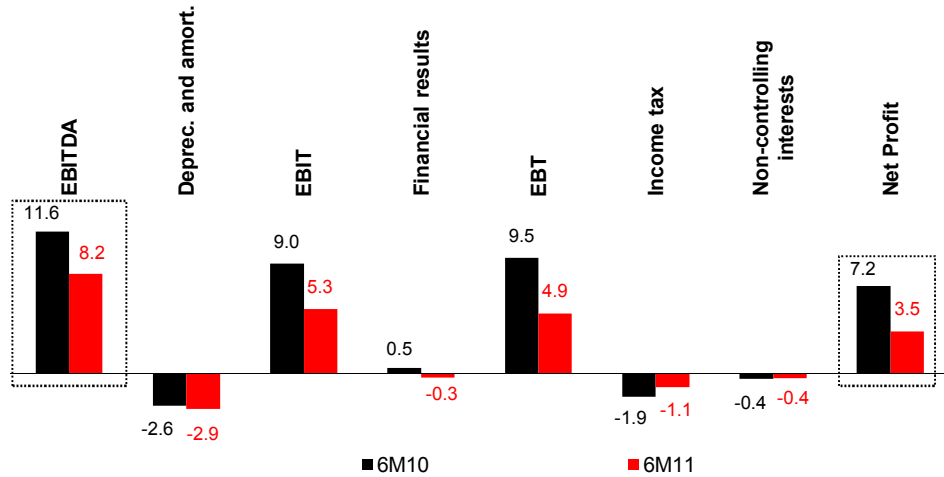


Net Profit (M€)



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

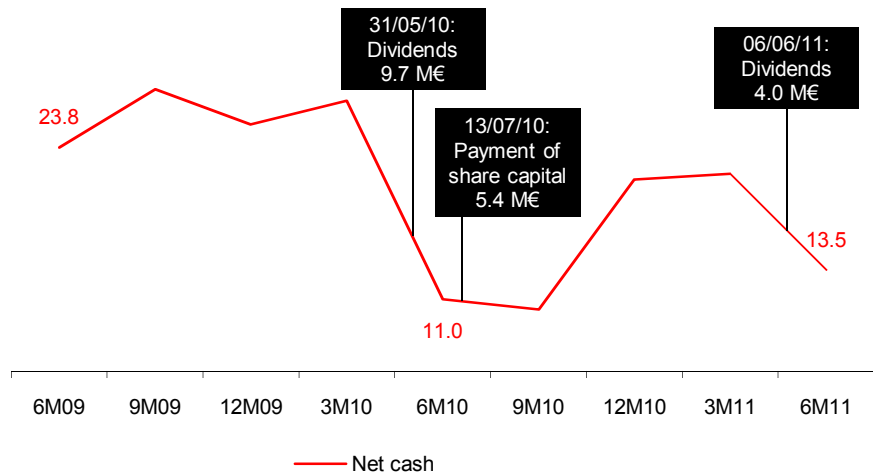
From EBITDA to Net Profit 6M11 Vs 6M10 (M€)



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

Net Cash (M€)

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



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

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



2. Short Summary of the Activity

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

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

In this semester a new offer structure was defined which is even more differentiated and closer to the needs of our customers. Novabase's activity is now structured around six industries (Telecoms & Media, Financial Services, Government & Healthcare, Energy & Utilities, Aerospace & Transportation and Manufacturing & Services) and aggregated into four business areas (Business Solutions - BS, Infrastructures & Managed Services - IMS, Digital TV - DTV - and Venture Capital - VC).

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

Ticketing & Managed Services	6M09	6M10
Turnover (M€)	4.104	4.181
EBITDA (M€)	0.457	0.234

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

Noteworthy is the partnership that Novabase established with Microsoft, under which the two companies will now deliver a joint offering of productivity solutions for large enterprises, in a cloud computing model. Also, Novabase signed a partnership with FICO (American multinational company specialising in decision support and predictive information analysis technology) to provide top solutions for decision support in Portugal.

Also in the first half of 2011, Novabase strengthened its focus on the Aerospace industry with acquisition of 100% stake in Evolvespace Solutions, which majority business is international in countries such as Germany, UK, France and Italy.

With regard to Venture Capital, it was decided to establish a new venture capital fund 'Novabase Capital Inovação e Internacionalização', up to a total of 11.36 M€. The referred fund will have two specific provisions, with a contribution from the COMPETE Program of 5.0 M€ and the POR Lisboa Program (focused on the Early Stage phase) of 0.5 M€. This initiative is integrated in the NSRF and is co-financed by the European Union via the ERDF.

Investment in Evolvespace Solutions fits into the internationalization and growth strategy for the Aerospace & Transportation industry.

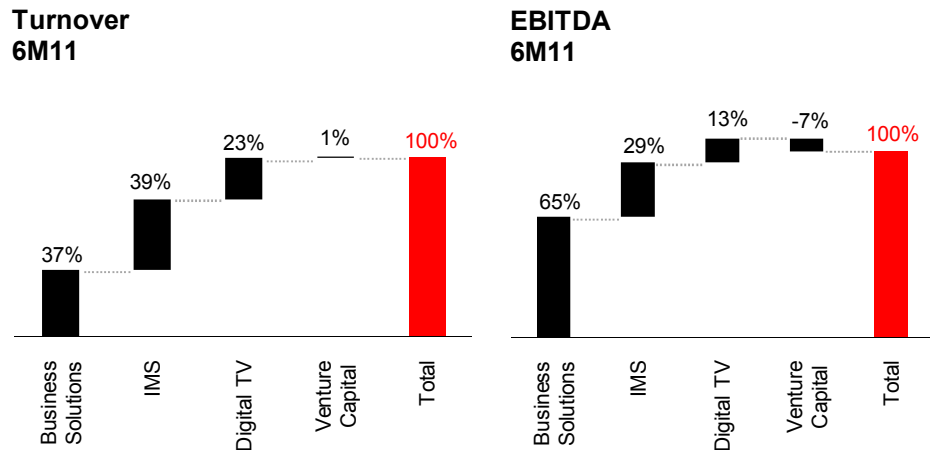


Investment in Feedzai reinforces the focus on innovative national companies, with strong perspectives of international growth.

Additionally, Novabase announced an investment of 330 thousand euros in FeedZai, being the first project for the new Venture Capital Fund of Novabase. FeedZai was incorporated in 2008 at the University of Coimbra, and it's a Spin-Off of the Carnegie Mellon University - Portugal program, in which Novabase participates as reference industrial partner and co-financier. Financing is made jointly with the venture capital company Ventures ES (Espírito Santo Group). Of the total invested by Novabase, 163.37 thousand euros will come from the COMPETE program, integrated in the NSRF and financed by the European Union via the ERDF.



The percentage breakdown of Turnover and EBITDA by the different businesses, in the 6M11, is as follows:



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

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

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

Turnover by geography 6M10



Turnover by geography 6M11



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

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

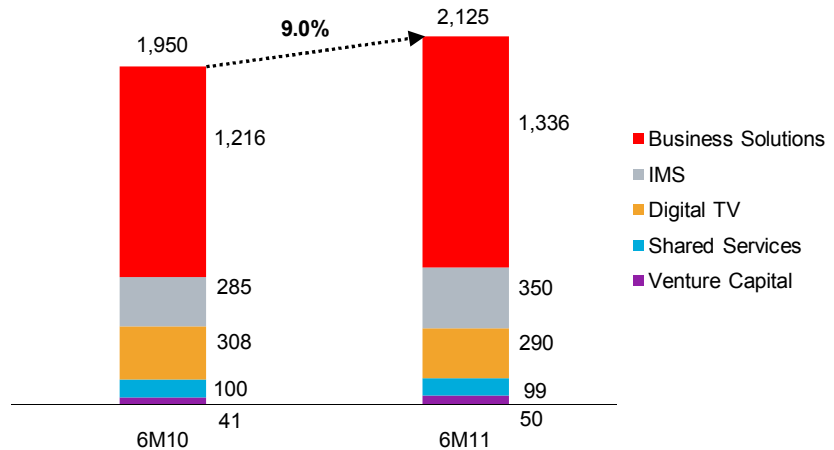


Novabase had on average, in the 6M11, 2,125 employees, which represents an increase of 9.0% compared to the 6M10 (1,950) and of 6.1% compared to FY10 (2,003).

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

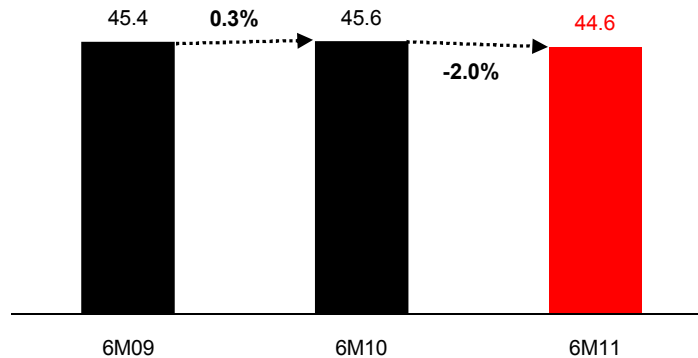
Average Number of Employees

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



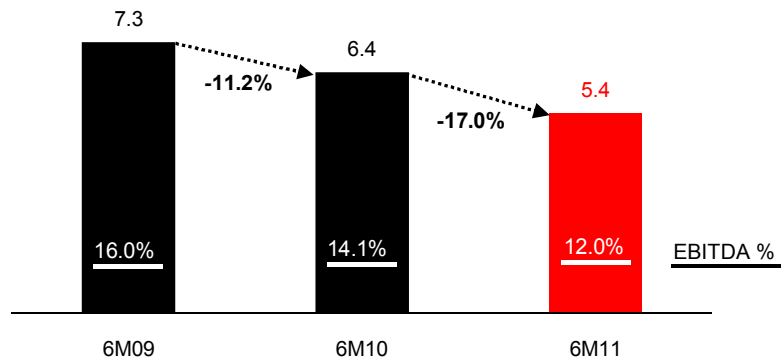
2.1. Business Solutions

Turnover Business Solutions (M€)



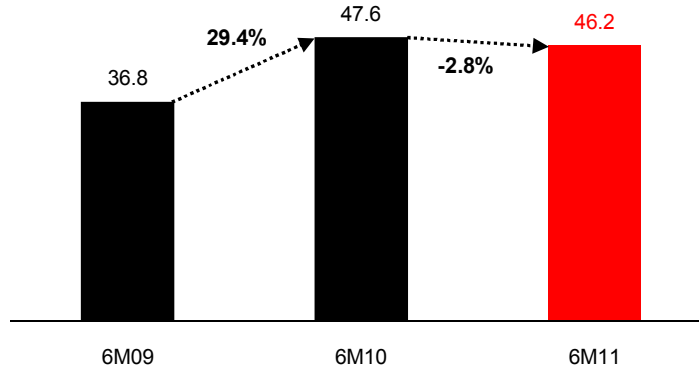
EBITDA Business Solutions (M€)

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



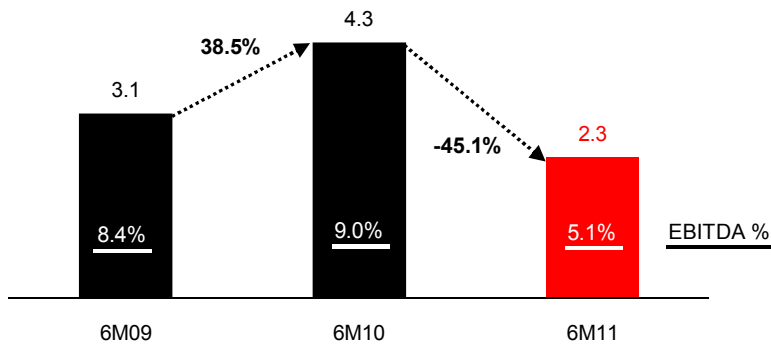
2.2. Infrastructures & Managed Services

Turnover IMS (M€)



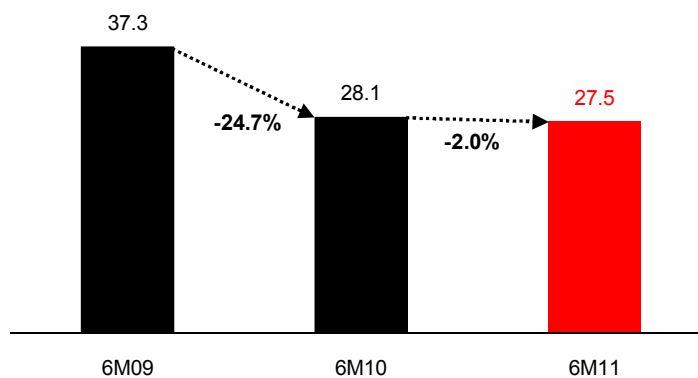
IMS evolution is mainly due to the pressure on prices, despite the growth in services and international sales. This area should be analysed for more extended periods of time.

EBITDA IMS (M€)



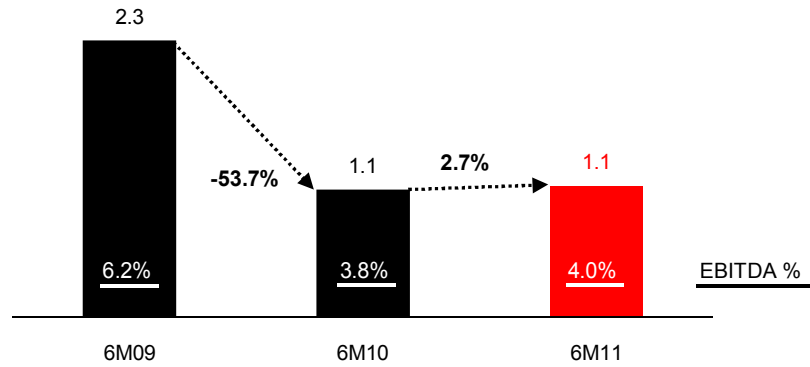
2.3. Digital TV

Turnover Digital TV (M€)



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

EBITDA Digital TV (M€)



2.4. Venture Capital

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

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

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

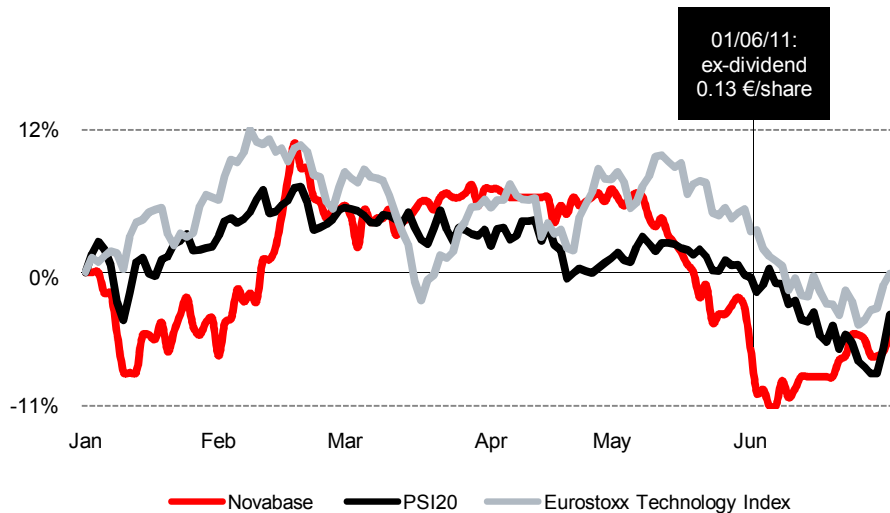
3. Stock Performance

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

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

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

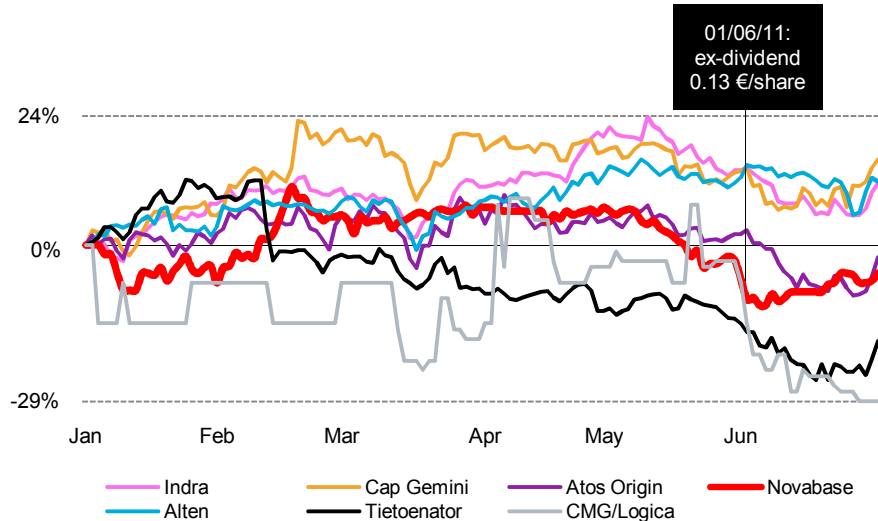
Novabase and the Market





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

Novabase and other TMT



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

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

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

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

4. Outlook 2011

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

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

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



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

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

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

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

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

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

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

(Thousands of Euros)

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

Annex I - Management Report

30 June 2011

Shareholding Structure and Qualified Holdings

Shareholdings of Members of the Corporate and Supervisory Boards (pursuant to Article 447/5 of the Company Code) ¹

Shareholders	#	%
	Shares	Capital and voting rights
José Afonso Oom Ferreira de Sousa	2,514,947	8.01%
Pedro Miguel Quinteiro Marques de Carvalho	2,170,679	6.91%
Luís Paulo Cardoso Salvado	1,918,040	6.11%
Rogério dos Santos Carapuça	1,884,787	6.00%
João Nuno da Silva Bento	1,799,793	5.73%
Álvaro José da Silva Ferreira	953,100	3.04%
Nuno Carlos Dias dos Santos Fórneas	103,324	0.33%
Manuel Alves Monteiro	9,000	0.03%
Luís Mira Amaral	6,305	0.02%
João Luís Correia Duque	500	0.00%
Total	11,360,475	36.18%

Shareholdings and Qualified Holdings (pursuant to Article 448/4 of the Company Code and Article 16 of the Securities Code - 'CVM') ¹

Shareholders	#	#	%
	Shares partial	Shares	Capital and voting rights
Partbleu, Sociedade Gestora de Participações Sociais, SA		3,180,444	10.13%
ES TECH VENTURES, SGPS, SA	1,792,144		
Espírito Santo Fundo de Pensões, SA	1,157,395		
Members of the Corporate Boards	100		
Grupo Banco Espírito Santo, SA (pursuant to Article 20/1 of CVM)		2,949,639	9.39%
José Afonso Oom Ferreira de Sousa		2,514,947	8.01%
Pedro Miguel Quinteiro Marques de Carvalho		2,170,679	6.91%
Luís Paulo Cardoso Salvado		1,918,040	6.11%
Rogério dos Santos Carapuça		1,884,787	6.00%
João Nuno da Silva Bento		1,799,793	5.73%
Fernando Fonseca Santos		1,575,020	5.02%
Fundo Santander Acções Portugal	1,234,775		
Fundo Santander PPA	191,663		
Fundo Santander Acções Europa	79,128		
Fundo Santander Seleção Acções	65,000		
Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, SA (pursuant to Article 20/1 of CVM)		1,570,566	5.00%
Álvaro José da Silva Ferreira		953,100	3.04%
Caixagest Acções Portugal	209,382		
Caixagest PPA	467,332		
Caixagest — Técnicas de Gestão de Fundos, SA (pursuant to Article 20/1 of CVM)		676,714	2.16%
Total		21,193,729	67.49%

¹ Shareholding of each Shareholder corresponds to the last position disclosed to the Company before 30 June 2011.

Novabase SGPS, S.A.

Public Company - Euronext Code: NBA.AM

Head Office: Av. D. João II, Lote 1.03.2.3 Parque das Nações 1998-031 Lisboa

Share Capital: 15,700,697.00 Euros

Corporate Tax Payer nº 502.280.182

Annex II - Management Report

30 June 2011

Management Transactions

List of Management Transactions (pursuant to Article 14/6 and 14/7 of the Portuguese Securities Commission Regulation nº 5/2008)

Director				Location	#	€
	Transaction	Date	Time		Shares	Share price
Nuno Carlos Dias dos Santos Fórneas	Acquisition	30-03-2011	-	Over-the-Counter	15,405	2.94
Nuno Carlos Dias dos Santos Fórneas	Acquisition	13-04-2011	-	Over-the-Counter	2,389	2.96
Nuno Carlos Dias dos Santos Fórneas	Acquisition	18-05-2011	-	Over-the-Counter	4,513	2.90
Total					22,307	

The above mentioned directors, as a result of such transactions, hold the following shareholdings in the Company's share capital:

Director	#	%
	Shares	Capital and voting rights
Nuno Carlos Dias dos Santos Fórneas	103,324	0.33%

Annex III - Management Report

30 June 2011

Own Shares Transactions

Information of transactions on own shares (pursuant to Article 66/5 d) of the Company Code)

Transaction	Date	Location	#	€
			Shares	Share price
Transfer	28-03-2011	Over-the-Counter	26,018	2.94
Transfer	28-03-2011	Over-the-Counter	24,539	2.94
Transfer	28-03-2011	Over-the-Counter	24,170	2.94
Transfer	28-03-2011	Over-the-Counter	15,405	2.94
Transfer	28-03-2011	Over-the-Counter	4,312	3.83
Transfer	28-03-2011	Over-the-Counter	4,312	3.83
Transfer	28-03-2011	Over-the-Counter	2,173	3.83
Transfer	28-03-2011	Over-the-Counter	5,493	3.83
Transfer	28-03-2011	Over-the-Counter	1,831	3.83
Transfer	28-03-2011	Over-the-Counter	24,826	3.71
Transfer	28-03-2011	Over-the-Counter	12,413	3.71
Transfer	28-03-2011	Over-the-Counter	12,413	3.71
Transfer	28-03-2011	Over-the-Counter	12,413	3.71
Transfer	13-04-2011	Over-the-Counter	4,035	2.96
Transfer	13-04-2011	Over-the-Counter	3,806	2.96
Transfer	13-04-2011	Over-the-Counter	3,749	2.96
Transfer	13-04-2011	Over-the-Counter	2,389	2.96
Transfer	13-04-2011	Over-the-Counter	669	3.83
Transfer	13-04-2011	Over-the-Counter	669	3.83
Transfer	13-04-2011	Over-the-Counter	337	3.83
Transfer	13-04-2011	Over-the-Counter	852	3.83
Transfer	13-04-2011	Over-the-Counter	284	3.83
Transfer	13-04-2011	Over-the-Counter	3,850	3.74
Transfer	13-04-2011	Over-the-Counter	1,925	3.74
Transfer	13-04-2011	Over-the-Counter	1,925	3.74
Transfer	13-04-2011	Over-the-Counter	1,925	3.74
Transfer	18-05-2011	Over-the-Counter	6,447	2.90
Transfer	18-05-2011	Over-the-Counter	4,513	2.90
Transfer	18-05-2011	Over-the-Counter	5,364	2.90
Transfer	18-05-2011	Over-the-Counter	6,447	2.90
Transfer	18-05-2011	Over-the-Counter	5,926	2.90
Transfer	18-05-2011	Over-the-Counter	686	2.90
		Total	226,116	

At 31 December 2010, Novabase S.G.P.S. held 1,206,643 own shares, representing 3.84% of its share capital.

During 1st half 2011, the company transferred 226,116 own shares at the average price of 3.26 euros.

Own shares transfers were used in the settlement of acquisitions to non-controlling interests occurred in 2008 and in 2010 and as bonuses to employees.

At 30 June 2011, Novabase S.G.P.S. held 980,527 own shares, representing 3.12% of its share capital.

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**Condensed Consolidated Interim Financial Statements
1st half 2011**

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

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I. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the period of 6 months ended 30 June 2011

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

Condensed Consolidated Interim Statement of Financial Position as at 30 June 2011

(Amounts expressed in thousands of Euros)

	Note	30.06.11	31.12.10
Assets			
Non-Current Assets			
Property, plant and equipment	7	10,023	9,836
Intangible assets	7	31,392	31,229
Investments in associates		1,642	1,676
Available-for-sale financial assets		251	21
Deferred income tax assets	8	10,553	10,396
Other non-current assets		72	69
Total Non-Current Assets		53,933	53,227
Current Assets			
Inventories		8,353	10,403
Trade and other receivables	9	85,710	83,285
Accrued income		23,126	14,035
Income tax receivable		2,233	3,378
Derivative financial instruments		345	197
Other current assets		6,096	3,834
Cash and cash equivalents	10	21,919	28,088
Total Current Assets		147,782	143,220
Assets for discontinued operations		65	49
Total Assets		201,780	196,496
Equity			
Share capital		15,701	15,701
Treasury shares		(490)	(603)
Share premium		43,560	43,560
Reserves and retained earnings	11	30,949	21,063
Profit for the period		3,480	13,053
Total Equity attributable to owners of the parent		93,200	92,774
Non-controlling interests	12	6,108	5,724
Total Equity		99,308	98,498
Liabilities			
Non-Current Liabilities			
Borrowings	13	7,900	7,879
Provisions	14	1,276	1,633
Deferred income tax liabilities	8	100	909
Other non-current liabilities		308	927
Total Non-Current Liabilities		9,584	11,348
Current Liabilities			
Borrowings	13	6,240	5,333
Trade and other payables	15	65,123	57,101
Income tax payable		19	311
Derivative financial instruments		199	353
Deferred income and other current liabilities		20,584	22,807
Total Current Liabilities		92,165	85,905
Liabilities for discontinued operations		723	745
Total Liabilities		102,472	97,998
Total Equity and Liabilities		201,780	196,496

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 6 months ended 30 June 2011

(Amounts expressed in thousands of Euros)

	Note	6 M *		3 M * (Unaudited)	
		30.06.11	30.06.10	30.06.11	30.06.10
Sales	5	52,551	59,307	26,740	32,660
Services rendered	5	66,577	63,489	33,087	32,133
Cost of sales		(47,690)	(51,820)	(24,464)	(28,990)
External supplies and services		(24,898)	(22,927)	(13,496)	(12,057)
Employee benefit expense		(38,686)	(36,916)	(19,044)	(18,486)
Other gains/(losses) - net	16	344	515	524	221
Depreciation and amortisation		(2,910)	(2,627)	(1 501)	(1 432)
Operating Profit		5,288	9,021	1,846	4,049
Finance income		2,187	4,451	1,135	2,535
Finance costs		(2,494)	(3,978)	(1,511)	(2,470)
Share of (loss)/profit of associates		(34)	(10)	12	8
Profit Before Income Tax		4,947	9,484	1,482	4,122
Income tax expense	17	(1,087)	(1,888)	(324)	(733)
Profit for the period		3,860	7,596	1,158	3,389
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		3,860	7,596	1,158	3,389
Profit attributable to:					
Owners of the parent		3,480	7,151	1,238	3,129
Non-controlling interests	12	380	445	(80)	260
		<u>3,860</u>	<u>7,596</u>	<u>1,158</u>	<u>3,389</u>
Total comprehensive income attributable to:					
Owners of the parent		3,480	7,151	1,238	3,129
Non-controlling interests	12	380	445	(80)	260
		<u>3,860</u>	<u>7,596</u>	<u>1,158</u>	<u>3,389</u>
Earnings per share					
attributable to owners of the parent (Euros per share)					
Basic earnings per share	18	<u>0.11 Euros</u>	<u>0.24 Euros</u>	<u>0.04 Euros</u>	<u>0.10 Euros</u>
Diluted earnings per share	18	<u>0.11 Euros</u>	<u>0.24 Euros</u>	<u>0.04 Euros</u>	<u>0.10 Euros</u>

6 M * - period of 6 months ended

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 6 months ended 30 June 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		
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		-	-	-	-	-	7,151	445	7,596
Transactions with owners									
Share capital reduction		(5,652)	-	-	-	-	217	-	(5,435)
Share capital increase		5,652	-	(5,652)	-	-	-	-	-
Dividends to equity holders	11	-	-	-	-	-	(9,662)	-	(9,662)
Legal reserve		-	-	-	807	-	(807)	-	-
Treasury shares movements		-	120	-	-	-	816	-	936
Share-based payments		-	-	-	-	284	-	-	284
Changes in consolidation universe		-	-	-	-	-	-	176	176
Foreign currency translation reserve		-	-	-	-	-	32	34	66
Transactions with owners		-	120	(5,652)	807	284	(9,404)	210	(13,635)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests	12	-	-	-	-	-	(549)	(742)	(1,291)
Balance at 30 June, 2010		15,701	(603)	43,560	2,365	663	24,568	5,557	91,811
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		-	-	-	-	-	3,480	380	3,860
Transactions with owners									
Dividends to equity holders	11	-	-	-	-	-	(3,955)	-	(3,955)
Legal reserve		-	-	-	140	-	(140)	-	-
Treasury shares movements		-	113	-	-	-	625	-	738
Share-based payments		-	-	-	-	166	-	-	166
Foreign currency translation reserve		-	-	-	-	-	4	4	8
Transactions with owners		-	113	-	140	166	(3,466)	4	(3,043)
Changes in ownership interests in subsidiaries that do not result in a loss of control									
Transactions with non-controlling interests		-	-	-	-	-	(7)	-	(7)
Balance at 30 June, 2011		15,701	(490)	43,560	2,505	1,242	30,682	6,108	99,308

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 6 months ended 30 June 2011

(Amounts expressed in thousands of Euros)

	Note	6 M *		3 M * (Unaudited)	
		30.06.11	30.06.10	30.06.11	30.06.10
Cash flows from operating activities					
Net Cash generated / (used) in operating activities		396	1,459	(1,625)	(3,349)
Cash flows from investing activities					
Receipts:					
Proceeds on disposal of subsidiaries and associates		3	-	3	-
Cash of Novabase Angola consolidated for the 1st time		-	349	-	349
Loan repayments received from associates		414	-	414	-
Interest received		393	121	180	28
		<u>810</u>	<u>470</u>	<u>597</u>	<u>377</u>
Payments:					
Acquisition of subsidiaries and associates		(338)	(430)	(264)	(430)
Loans granted to associates		(94)	(185)	-	(120)
Purchases of property, plant and equipment		(940)	(1,447)	(385)	(781)
Purchases of intangible assets		(1,290)	(1,599)	(1,207)	(826)
		<u>(2,662)</u>	<u>(3,661)</u>	<u>(1,856)</u>	<u>(2,157)</u>
Net Cash used in investing activities		<u>(1,852)</u>	<u>(3,191)</u>	<u>(1,259)</u>	<u>(1,780)</u>
Cash flows from financing activities					
Receipts:					
Proceeds from borrowings		2,393	-	2,081	-
		<u>2,393</u>	<u>-</u>	<u>2,081</u>	<u>-</u>
Payments:					
Repayments of borrowings		(1,320)	(771)	(815)	(47)
Dividends paid	11	(3,955)	(9,662)	(3,955)	(9,662)
Payment of finance lease liabilities		(886)	(864)	(483)	(455)
Interest paid		(430)	(227)	(181)	(69)
		<u>(6,591)</u>	<u>(11,524)</u>	<u>(5,434)</u>	<u>(10,233)</u>
Net Cash used in financing activities		<u>(4,198)</u>	<u>(11,524)</u>	<u>(3,353)</u>	<u>(10,233)</u>
Cash, cash equivalents and bank overdrafts at beginning of period		<u>27,057</u>	<u>24,026</u>	<u>27,618</u>	<u>26,132</u>
Net decrease in cash, cash equivalents and bank overdrafts		<u>(5,654)</u>	<u>(13,256)</u>	<u>(6,237)</u>	<u>(15,362)</u>
Effect from exchange rate fluctuations on cash held		<u>(29)</u>	<u>67</u>	<u>(7)</u>	<u>67</u>
Cash, cash equivalents and bank overdrafts at end of period	10	<u>21,374</u>	<u>10,837</u>	<u>21,374</u>	<u>10,837</u>

6 M * - period of 6 months ended

3 M * - period of 3 months ended

THE ACCOUNTANT

THE BOARD OF DIRECTORS

NOVABASE S.G.P.S., S.A.
Selected Notes to the Condensed Consolidated Interim Financial Statements
for the period of 6 months ended 30 June 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 half of 2011, a new offer structure was defined which is 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 area) previously considered within Novabase IMS.

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

(iii) **Digital TV**

(iv) **Venture Capital**

Novabase is listed on the Euronext Lisbon.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on July 25, 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 six months ended 30 June 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).

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.

Standards and interpretations that became effective as of 1 January 2011:

- **IAS 32 (amendment)**, 'Financial instruments: Presentation – classification of rights issue'. This amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. If such rights are issued pro rata to an Entity's existing shareholders for a fixed amount of any currency, it is considered a transaction with shareholders and classified as equity. Otherwise, it should be accounted for as derivative liabilities. This amendment does not have impact on the Group's financial statements.
- **IFRS 1 (amendment)**, 'First time adoption of IFRS'. This amendment provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7 - 'Financial Instruments: Disclosures', according to which, existing IFRS preparers were granted relief from presenting comparative information for fair value new three-level classification disclosures required by IFRS 7, if comparative period end before 31 December 2009. This amendment does not have impact on the Group's financial statements, as Novabase is already reporting under IFRSs.
- **IAS 24 (amendment)**, 'Related party disclosure'. The amended standard removes the general disclosure requirements for Government-related entities, being mandatory the disclosure of the relationship with the Government and any significant transaction occurred with the Government or other Government-related entities. Additionally, related party definition was amended to eliminate inconsistencies in identification and disclosures of related parties. This amendment does not have impact on the Group's financial statements.
- **Annual Improvements to IFRSs – 2010**, generally effective for annual periods beginning on or after 1 January 2011. The 2010 annual improvements affects: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13. These improvements were adopted by the Group, when applicable, not resulting in significant impacts on the Group's financial statements.
- **IFRIC 14 (amendment)**, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. IFRIC 14 clarifies that when asset surplus is a consequence of voluntary prepayments done on account of future minimum funding contribution, the surplus can be recognised as an asset. This interpretation has no impact on Group's financial statements.

• **IFRIC 19**, 'Extinguishing financial liabilities with equity instruments'. This interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments (shares) to the creditor. A gain or loss is recognised in the profit and loss account based on the fair value of the equity instruments compared to the carrying amount of the debt. Simple reclassification of debt amount to equity is not allowed.

New standards and amendments to existing standards, that although have been published, are only mandatory for annual periods beginning on or after 1 July 2011:

• **IFRS 1 (amendment)**, 'First time adoption of IFRS' (effective for annual periods beginning on or after 1 July 2011). This amendment is still subject to endorsement by European Union. This amendment creates an additional exemption when an entity that has been subject to severe hyperinflation presents for the first time, financial statements in accordance with IFRSs. The exemption allows an entity to elect to measure certain assets and liabilities at fair value; and to use that fair value as the deemed cost in the opening IFRS statement of financial position. Another change refers to the replacement of references to a fixed date with "the date of transition to IFRS" for retrospective adoption exemptions. This amendment will not have an impact on the Group's financial statements.

• **IFRS 7 (amendment)**, 'Financial instruments: Disclosures - transfers of financial assets' (effective for annual periods beginning on or after 1 July 2011). This amendment is still subject to endorsement by European Union. This amendment requires greater transparency in the reporting of asset's transfer transactions, regarding risk exposures and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. This amendment will not have an impact on the Group's financial statements.

• **IAS 12 (amendment)**, 'Income taxes' (effective for annual periods beginning on or after 1 January 2012). This amendment is still subject to endorsement by European Union. This amendment requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale, except for the investment properties measured at fair value model. The amendments also incorporate into IAS 12 the guidance previously contained in SIC 21, which is accordingly withdrawn. This amendment will not have an impact on the Group's financial statements.

• **IAS 1 (amendment)**, 'Presentation of financial statements' (effective for annual periods beginning on or after 1 July 2012). This amendment is still subject to endorsement by European Union. This amendment changes the disclosure of items presented in other comprehensive income (OCI), requiring entities to separate items in OCI on whether or not they may be recycled to profit or loss in the future and the related tax amount if OCI items presented before tax. This amendment will not have an impact on the Group's financial statements.

• **IFRS 9 (new)**, 'Financial instruments - classification and measurement' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IFRS 9 refers to the first part of financial instruments new standard and comprises two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The Group will apply IFRS 9 in the period it becomes effective.

• **IFRS 10 (new)**, 'Consolidated financial statements' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IFRS 10 replaces all the guidance on control and consolidation in IAS 27 and SIC 12, changing the definition of control and the criteria applied to determine control. The core principal that a consolidated entity presents a parent and its subsidiaries as a single entity remain unchanged. The Group will apply IFRS 10 in the period it becomes effective.

• **IFRS 11 (new)**, 'Joint arrangements' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IFRS 11, focus on the rights and obligations of the arrangements rather than its legal form. Joint arrangements can be Joint operations (rights to the assets and obligations) or Joint ventures (rights to net assets, applying equity method). Proportional consolidation of joint venture is no longer allowed. The Group will apply IFRS 11 in the period it becomes effective.

• **IFRS 12 (new)**, 'Disclosure of interest in other entities' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. This standard sets out the required disclosures for all forms of interests in other entities, including joint arrangements, associates and special purpose vehicles, to allow the evaluation of the nature, risks and financial effects associated with entity's interests. An entity can provide any or all of the disclosures without having to apply IFRS 12 in its entirety or IFRS 10 or 11, or amended IAS 27 or 28. The Group will apply this standard in the period it becomes effective.

• **IFRS 13 (new)**, 'Fair value measurement and disclosure' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IFRS 13 aims to improve consistency by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The Group will apply this standard in the period it becomes effective.

• **IAS 27 (revised 2011)**, 'Separate financial statements' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IAS 27 was revised after the issuance of IFRS 10 and contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the entity prepares separate financial statements. The Group will apply this standard in the period it becomes effective.

• **IAS 28 (revised 2011)**, 'Investments in associates and joint ventures' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to endorsement by European Union. IAS 28 was revised after the issuance of IFRS 11 and prescribes the accounting for investments in associates and sets out the requirements for the application of equity method. The Group will apply this standard in the period it becomes effective.

• **IAS 19 (amendment)**, 'Employee benefits' (effective for annual periods beginning on or after 1 January 2013). This amendment is still subject to endorsement by European Union. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to the disclosures for all employee benefits. Actuarial gains and losses are recognised immediately, and only in OCI (no corridor approach allowed). Finance cost for funded benefit plans are calculated on a net funding basis. The Group will apply this standard in the period it becomes effective.

3. Critical accounting estimates and judgements

The preparation of interim financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant estimates and judgments made are the same as those that applied to the consolidated financial statements for the year ended 31 December 2010.

4. Seasonality

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

5. Segment information

In the first half 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 previously considered in IMS segment.

The table below shows the amounts of Ticketing and Managed Services areas, included in IMS segment for the period ended 30 June 2010, which moved into Business Solutions segment in 2011.

	Ticketing & Business		Ticketing & Business		IMS (*)	
	Consulting (*)	Managed Serv.	Solutions	IMS (*)	Managed Serv.	IMS
At 30 June 2010						
Sales and services rendered	41,392	4,181	45,573	51,752	(4,181)	47,571
Operating profit/(loss)	4,660	89	4,749	3,807	(89)	3,718
Finance costs – net	30	(26)	4	195	26	221
Share of (loss)/profit of associates	(10)	-	(10)	-	-	-
Income tax expense	(1,292)	224	(1,068)	(917)	(224)	(1,141)
Profit/(Loss) from operations	3,388	287	3,675	3,085	(287)	2,798

(*) Amounts disclosed in the Report and Accounts for the 1st half of 2010.

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

	Business		Digital	Venture	
	Solutions	IMS	TV	Capital	Novabase
At 30 June 2010					
Sales and services rendered	45,573	47,571	28,070	1,582	122,796
Operating profit/(loss)	4,749	3,718	727	(173)	9,021
Finance costs – net	4	221	262	(14)	473
Share of (loss)/profit of associates	(10)	-	-	-	(10)
Income tax expense	(1,068)	(1,141)	231	90	(1,888)
Profit/(Loss) from operations	3,675	2,798	1,220	(97)	7,596
At 30 June 2011					
Sales and services rendered	44,646	46,240	27,519	723	119,128
Operating profit/(loss)	3,564	1,668	753	(697)	5,288
Finance costs – net	57	(271)	(75)	(18)	(307)
Share of (loss)/profit of associates	(13)	-	-	(21)	(34)
Income tax expense	(450)	(1,577)	873	67	(1,087)
Profit/(Loss) from operations	3,158	(180)	1,551	(669)	3,860

6. Business combinations

In April 2011, the Group acquired 100% of the share capital of Evolvespace Solutions, Lda, a company incorporated in 2004 dedicated to providing aerospace services, and which majority business is international in countries such as Germany, UK, France and Italy, with the purpose of strengthening its focus on the Aerospace & Transportation industry and increase its international presence. This company was included in consolidation by full method, and affecting Business Solutions segment.

The total consideration of EUR 251 thousand corresponds to an initial investment of EUR 100 thousand, paid in cash, and to a contingent consideration of EUR 151 thousand to be paid in 2012 and 2013, depending on future goals to be achieved by the subsidiary in terms of operating performance.

The goodwill arising from this acquisition, of EUR 92 thousand, is attributable mainly to access to the highly skilled workforce of Evolvespace Solutions in that market.

The Group incurred in an acquisition-related cost of EUR 2 thousand. These costs are related to the due diligence process and have been recognised in the statement of comprehensive income, under 'External supplies and services' heading.

The revenue and profit of Evolvespace Solutions from the acquisition date to 30 June 2011 included in the consolidated financial statements and consolidated profit, amount to EUR 110 thousand and EUR 26 thousand, respectively. If Evolvespace Solutions had been consolidated since 1 January 2011, the Group estimates that total consolidated revenues would increase by EUR 127 thousand and the consolidated profit would decrease by EUR 60 thousand.

The consideration paid for Evolvespace Solutions, and the amounts of assets acquired and liabilities assumed recognised at the acquisition date, are detailed as follows:

	Apr-11
Consideration	
Cash	100
Contingent consideration	151
Total consideration	251
	Fair value
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	7
Trade and other receivables	349
Trade and other payables	(183)
Provisions	(20)
Borrowings	(13)
Deferred income tax assets	19
Total identifiable net assets	159
Goodwill	92
	251

7. Property, plant and equipment and intangible assets

During the periods ended at 30 June 2011 and 30 June 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	2,469	1,843
Write off's / disposals	(125)	-
Transfers	-	(172)
Depreciation and amortisation	(1,657)	(970)
Net book value at 30 June 2010	9,408	29,479
Net book value at 1 January 2011	9,836	31,229
Acquisitions / increases	1,957	1,382
Write off's / disposals	(71)	-
Change in consolidation universe	7	-
Exchange differences	(15)	-
Depreciation and amortisation	(1,691)	(1,219)
Net book value at 30 June 2011	10,023	31,392

8. Deferred income tax assets and liabilities

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

	30.06.11	31.12.10
Balance at 1 January	10,396	8,341
Change in consolidation universe	19	-
Transfers	-	(12)
Exchange differences	(20)	9
Profit or loss charge	158	2,058
Balance at the end of the period	10,553	10,396

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

	30.06.11	31.12.10
Balance at 1 January	909	100
Profit or loss charge	(809)	809
Balance at the end of the period	100	909

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	(50)	374	(166)	158
Change in consolidation universe	19	-	-	19
Exchange differences	(20)	-	-	(20)
Balance at 30 June 2011	2,321	6,724	1,508	10,553

9. Trade and other receivables

	30.06.11	31.12.10
Trade receivables	82,535	80,409
Allowance for impairment of trade receivables	(2,033)	(2,012)
	80,502	78,397
Prepayments to suppliers	912	537
Employees	144	73
Value added tax	271	693
Receivables from related parties (note 19)	459	753
Financial investments disposal	149	150
Receivables from financed projects	2,714	2,113
Other receivables	4,188	4,011
Allowance for impairment of other receivables	(3,629)	(3,442)
	5,208	4,888
	85,710	83,285

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

	Trade receivables		Other receivables		Total	
	30.06.11	31.12.10	30.06.11	31.12.10	30.06.11	31.12.10
Balance at 1 January	2,012	3,452	3,442	3,755	5,454	7,207
Change in consolidation universe	62	-	-	-	62	-
Impairment	21	203	187	29	208	232
Impairment reversal	(62)	(1,033)	-	(216)	(62)	(1,249)
Transfers	-	79	-	32	-	111
Recovery of bad debts	-	16	-	-	-	16
Write off's	-	(705)	-	(158)	-	(863)
	<u>2,033</u>	<u>2,012</u>	<u>3,629</u>	<u>3,442</u>	<u>5,662</u>	<u>5,454</u>

10. 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:

	30.06.11	31.12.10
- Cash	30	7
- Short term bank deposits	21,889	28,081
Cash and cash equivalents	<u>21,919</u>	<u>28,088</u>
- Overdrafts	(545)	(1,031)
	<u>21,374</u>	<u>27,057</u>

11. Reserves and retained earnings

In the annual General Meeting of Shareholders held on 5 May 2011, it was approved the payment of dividends to shareholders in the amount of EUR 4,082 thousand, corresponding to 0.13 Euros per share. The payment occurred in June.

	30.06.11	30.06.10
Payment to shareholders	3,955	9,662
Remuneration of the treasury shares held by the Company	127	386
	<u>4,082</u>	<u>10,048</u>

12. Non-controlling interests

	30.06.11	31.12.10
Balance at 1 January	5,724	5,644
Transactions with non-controlling interests	-	(742)
Changes in consolidation universe (*)	-	173
Foreign currency translation differences for foreign operations	4	10
Profit attributable to non-controlling interests	380	639
Balance at the end of the period	<u>6,108</u>	<u>5,724</u>

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

13. Borrowings

	30.06.11	31.12.10
Non-current		
Bank borrowings	6,004	6,200
Finance lease liabilities	1,896	1,679
	<u>7,900</u>	<u>7,879</u>
Current		
Bank borrowings	5,067	4,272
Finance lease liabilities	1,173	1,061
	<u>6,240</u>	<u>5,333</u>
Total borrowings	<u>14,140</u>	<u>13,212</u>

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

	30.06.11	31.12.10
6 months or less	3,512	3,097
6 to 12 months	1,555	1,175
	<u>5,067</u>	<u>4,272</u>

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

	30.06.11	31.12.10
Between 1 and 2 years	2,879	2,450
Between 2 and 5 years	2,925	3,600
Over 5 years	200	150
	<u>6,004</u>	<u>6,200</u>

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

	30.06.11	31.12.10
Bank borrowings	5.080%	4.299%
Bank overdrafts	1.445%	1.568%

Gross finance lease liabilities – minimum lease payments:

	30.06.11	31.12.10
No later than 1 year	1,636	1,526
Between 1 and 5 years	2,507	2,264
	<u>4,143</u>	<u>3,790</u>
Future finance charges on finance leases	(1,074)	(1,050)
Present value of finance lease liabilities	<u>3,069</u>	<u>2,740</u>

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

	30.06.11	31.12.10
No later than 1 year	1,173	1,061
Between 1 and 5 years	1,896	1,679
	<u>3,069</u>	<u>2,740</u>

14. Provisions

Movements in provisions are analysed as follows:

	Warranties	Legal Claims	Other Risks and Charges	Total
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	65	-	245	310
Used during the period	(90)	-	(597)	(687)
Changes in consolidation universe	-	-	20	20
Balance at 30 June 2011	<u>355</u>	<u>484</u>	<u>437</u>	<u>1,276</u>

15. Trade and other payables

	30.06.11	31.12.10
Trade payables	28,254	19,122
Remunerations, vacations and vacation and Christmas subsidies	11,721	8,240
Bonus	6,735	10,160
Ongoing projects	3,636	3,008
Value added tax	6,168	6,954
Social security contributions	1,171	1,954
Income tax withholding	1,039	1,391
Employees	48	181
Prepayments from trade receivables	28	24
Acquisition of financial interests	800	683
Other accrued expenses	4,636	4,524
Other payables	887	860
	<u>65,123</u>	<u>57,101</u>

16. Other gains/(losses) - net

	30.06.11	30.06.10
Impairment and impairment reversal of trade and other receivables	(146)	428
Impairment and impairment reversal of inventories	383	(118)
Warranties provision	25	292
Legal claims provision	-	15
Provisions for other risks and charges	352	(156)
Operating subsidies	52	290
Other operating income and expense	(322)	(236)
	<u>344</u>	<u>515</u>

17. 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:

	30.06.11	30.06.10
Profit before income tax	4,947	9,484
Income tax expense at nominal rate (25%)	1,237	2,371
Tax benefit on the net creation of employment for young and long term unemployed people	(255)	(184)
Provisions and amortisations not considered for tax purposes	104	109
Associates' results reported net of tax	8	3
Autonomous taxation	(220)	281
Losses in companies where no deferred tax is recognised	(78)	(65)
Expenses not deductible for tax purposes	53	142
Differential tax rate on companies located abroad	(48)	-
Research & Development tax benefit	(4)	(1,089)
Municipal surcharge and State surcharge	80	230
Impairment of Special Payment on Account and tax losses	208	97
Other	2	(7)
Income tax expense	1,087	1,888

18. Earnings per share

	30.06.11	30.06.10
Weighted average number of ordinary shares in issue	30,331,298	30,082,427
Stock options adjustment	-	42,706
Adjusted weighted average number of ordinary shares in issue	30,331,298	30,125,133
Profit attributable to owners of the parent	3,480	7,151
Basic earnings per share (Euros per share)	0.11 Euros	0.24 Euros
Diluted earnings per share (Euros per share)	0.11 Euros	0.24 Euros

19. 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		
	30.06.11	30.06.10
BES Group	5,383	6,659
	<u>5,383</u>	<u>6,659</u>
ii) Purchases of goods and services		
	30.06.11	30.06.10
BES Group	356	216
	<u>356</u>	<u>216</u>
iii) Key management compensation		
	30.06.11	30.06.10
Salaries and other short-term employee benefits	2,335	4,125
Stock options granted	166	284
	<u>2,501</u>	<u>4,409</u>

iv) Balances arising from purchases / sales of goods and services

	30.06.11	31.12.10
Receivables from related parties		
BES Group	2,072	3,835
	<u>2,072</u>	<u>3,835</u>
Payables from related parties		
BES Group	34	68
	<u>34</u>	<u>68</u>

v) Acquisition of financial interests to related parties

	30.06.11	31.12.10
Acquisitions to former shareholders of Novabase Infraestruturas, 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		Total	
	30.06.11	31.12.10	30.06.11	31.12.10	30.06.11	31.12.10
Novabase Consulting SGPS	-	306	306	307	306	613
Novabase A.C.D.	78	157	109	78	187	235
SAF	32	65	33	32	65	97
Novabase International Solutions B.V.	133	399	266	266	399	665
	<u>243</u>	<u>927</u>	<u>714</u>	<u>683</u>	<u>957</u>	<u>1,610</u>

vii) Other balances with related parties

	30.06.11	31.12.10
Loan to Mind	259	259
Loan to Forward	22	22
Loan to Novabase Atlântico	131	450
Loans to other shareholders	47	22
	<u>459</u>	<u>753</u>
Receivables from related parties (note 9)	459	753
Provisions for loans granted to related parties	(259)	(259)
	<u>200</u>	<u>494</u>

viii) Bank deposits and finance investments (including overdrafts)

	30.06.11	31.12.10
BES Group	14,227	11,351

20. Contingencies

Given the disclosed in the annual financial statements for the year 2010, the significant changes in the judicial processes are the following:

- 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.
- NBO has been served with a claim brought forward by the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions for the months of January, February and March 2010, in the amount of EUR 439 thousand. The company has filed opposition regarding the allegations demonstrating compliance with applicable laws, payment of all amounts due and providing documents to that respect, as well as the prescription of amounts allegedly owed. The procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).

21. Events after the reporting period

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

22. Note added for translation

These financial statements are a translation of financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

**II. SUPERVISORY BOARD AND AUDITORS REPORT IN RESPECT OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

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Audit Committee

Opinion of the Audit Committee on the Consolidated Financial Information

(Free translation from the original version in Portuguese)

Dear Shareholders,

Pursuant to the law, the mandate from our shareholders and the provisions of Article 423-F, Item g) of the Portuguese Company Code and n^o of Article 508-D of the same code, we now present a brief summary of our supervisory activities, together with our opinion on the half year Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the 6 month period ended 30 June 2011.

Over the course of this period the Audit Committee held 5 formal meetings and several informal meetings to supervise the following:

- Company management, in terms of compliance with the law, the memorandum of association and other regulations in force, as well as in relation to management activities, policies pursued and the transparency, diligence and credibility of conduct;
- The efficacy of risk management systems and internal control and auditing activities; and
- Mechanisms, procedures and activities employed in preparing and disclosing financial information and reviewing the accuracy of the accounting documentation and accounting policies used by the Company, to ensure that these entail an accurate assessment of the Company's financial status and results.



Audit Committee

Under the powers given to us, we have confirmed that:

- The Consolidated Report accurately, clearly and fully reflects the most significant aspects of the Company's business and financial situation; similarly, all existing risks of both an operational and financial nature have been duly identified; and
- The Consolidated Financial Statements and corresponding Annex truly and fairly reflect the Company's financial situation.

Therefore, in light of the information received from the Board of Directors and the Company's various departments, together with the conclusions of the Statutory Auditors on the Limited Review Report which deserved our agreement, it is our opinion that:

- The half year Report be approved;
- The Consolidated Financial Statements be approved.

Lisbon, 17th August 2011

The Audit Committee

Luis Mira Amaral (Chairman)

Manuel Alves Monteiro (Member)

João Luís Duque (Member)



Limited Review Report on the Consolidated Half Year Financial Information *(Free Translation from the original version in Portuguese)*

Introduction

1 We present our Limited Review Report on the consolidated condensed information for the period of six months ended June 30, 2011, of Novabase SGPS, SA., included in: the interim Directors' Report, the condensed consolidated interim statement of financial position (which shows a total of Euros 201,780 thousand and a total shareholders' equity of Euros 99,308 thousand, including non-controlling interests of Euros 6,108 thousand and a profit for the period of Euros 3,480 thousand), the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the period then ended and the respective condensed notes.

2 The amounts in the consolidated financial statements, as well as the financial information, were obtained from the accounting records.

Responsibilities

3 The Company's board of Directors is responsible for: (a) the preparation of consolidated financial information that present a true and fair view of the financial position of the companies included in the consolidation and the consolidated results of their operations; (b) the preparation of historical financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU that is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code ("Código dos Valores Mobiliários"); (c) to adopt adequate accounting policies and criteria; (d) to maintain appropriate systems of internal control; and (e) to disclose any relevant matters which have influenced their activity, financial position or results.

4 Our responsibility is to verify the financial information included in the above mentioned documents, namely if, it is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code ("Código dos Valores Mobiliários"), and to issue a professional and independent report based on our work.

Scope

5 Our work was performed, with the objective of obtaining moderate assurance about whether the financial information referred to above is free of material misstatement. Our work, which was performed in accordance with the Standard and Technical Recommendations approved by the Portuguese Institute of Statutory Auditors, was planned in accordance with that objective, and consisted: (a) mainly of inquiries and analytical procedures to review: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting policies adopted considering the circumstances and their consistent application; (iii) the applicability, or otherwise, of the going concern basis of accounting; (iv) the presentation of the financial information; and (v) if, the consolidated financial information is complete, true, timely, clear, objective and licit; and (b) in substantive tests to the unusual significant transactions.

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.
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Tel +351 213 599 000, Fax +351 213 599 999, www.pwc.com/pt
Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

6 Our work also covered verification of the consistency of the consolidated condensed financial information included in the Directors' Report with the remaining documents referred to above.

7 We believe that our work provides a reasonable basis for issuing this report on the half yearly consolidated financial information.

Conclusion

8 Based on our work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated condensed financial information for the period of six months ended June 30, 2011 is not free of material misstatements that affects its conformity with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the EU and that it is not complete, true, timely, clear, objective and licit.

Report on other legal requirements

9 It is also our opinion that the information included in the Directors' Report is consistent with the consolidated financial statements for the period.

Lisbon, August 16, 2011

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Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

[This is a translation not to be signed]

Jorge Manuel Santos Costa, R.O.C.

III. SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS

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DETAIL ON SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS OF NOVABASE S.G.P.S. AND OF OTHER GROUP COMPANIES

	Share Capital	Total Number of Shares	Number of shares held by Board Members at 31.12.10	Transactions	Number of shares held by Board Members at 30.06.11	% of shares held by Board Members at 30.06.11
Novabase S.G.P.S., S.A.	15,700,697 €	31,401,394	11,338,168	22,307	11,360,475	36.2%
José Afonso Oom Ferreira de Sousa			2,514,947	0	2,514,947	8.0%
Pedro Miguel Quinteiro Marques de Carvalho			2,170,679	0	2,170,679	6.9%
Luís Paulo Cardoso Salvado			1,918,040	0	1,918,040	6.1%
Rogério dos Santos Carapuça			1,884,787	0	1,884,787	6.0%
João Nuno da Silva Bento			1,799,793	0	1,799,793	5.7%
Álvaro José da Silva Ferreira			953,100	0	953,100	3.0%
Nuno Carlos dos Santos Fórneas			81,017	22,307	103,324	0.3%
Manuel Fernando Macedo Alves Monteiro			9,000	0	9,000	0.0%
Luís Fernando de Mira Amaral			6,305	0	6,305	0.0%
João Luís Correia Duque			500	0	500	0.0%
NBASIT - Sist. Inf. e Telecomunicações, S.A.	47,500,000 AOA	100,000	800	0	800	0.8%
Álvaro José da Silva Ferreira			400	0	400	0.4%
Francisco Paulo Figueiredo Morais Antunes			200	0	200	0.2%
Luís Paulo Cardoso Salvado			200	0	200	0.2%
CelFocus, S.A.	100,000 €	100,000	3	0	3	0.0%
Paulo Jorge Barros Pires Trigo			1	0	1	0.0%
Francisco Manuel Martins Pereira do Valle			1	0	1	0.0%
José Afonso Oom Ferreira de Sousa			1	0	1	0.0%
COLLAB – Sol. I. Com. e Colab., S.A.	61,333 €	61,333	3,750	0	3,750	6.1%
Pedro Cabrita Quintas			3,750	0	3,750	6.1%
Forward, S.A.	250,000 €	250,000	200,000	0	150,000	60.0%
Bernardo Gomes Pinto			50,000	0	50,000	20.0%
Carlos Costa Brito (*)			50,000	0	N/A	-
Miguel Leite Fragoso			50,000	0	50,000	20.0%
Nuno Baião dos Santos			50,000	0	50,000	20.0%
Manchete, S.A.	150,000 €	150,000	37,501	0	37,501	25.0%
M ^a de Fátima da Silva Rebelo			37,501	0	37,501	25.0%

(*) Ceases to belong to the Corporate Boards.

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STATEMENT OF COMPLIANCE

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

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Statement of the Board of Directors **(Free translation from the original version in Portuguese)**

Under the terms of sub-paragraph c) paragraph 1 of article 246 of the Portuguese Securities Code, the members of the Board of Directors of Novabase S.G.P.S., S.A., below identified declare that to the extent of their knowledge:

(i) the information contained in the condensed consolidated interim financial statements and all other accounting documentation required by law or regulation, regarding the period of six months ended 30 June 2011, was prepared in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, financial position and results of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter; and

(ii) the interim management report faithfully states the evolution of the businesses, of the performance and of the position of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter, containing namely an accurate description of the main risks and uncertainties which they face.

Lisbon, July 25, 2011

Rogério dos Santos Carapuça
(Non-Executive Member, Chairman of the Board of Directors)

Luís Paulo Cardoso Salvado
(Executive Member, Chairman of the Executive Committee - CEO)

José Afonso Oom Ferreira de Sousa
(Non-Executive Member)

Pedro Miguel Quinteiro Marques de Carvalho
(Non-Executive Member)

João Nuno da Silva Bento
(Executive Member, Member of the Executive Committee)

Álvaro José da Silva Ferreira
(Executive Member, Member of the Executive Committee)

Nuno Carlos Dias dos Santos Fórneas
(Executive Member, Member of the Executive Committee)

Francisco Paulo Figueiredo Morais Antunes
(Executive Member, Member of the Executive Committee - CFO)

Joaquim Manuel Jordão Sérvulo Rodrigues
(Non-Executive Member)

Luís Fernando de Mira Amaral
(Non-Executive Member, Independent, Chairman of the Audit Committee)

Manuel Fernando Macedo Alves Monteiro
(Non-Executive Member, Independent, Member of the Audit Committee)

João Luís Correia Duque
(Non-Executive Member, Independent, Member of the Audit Committee)

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