

## Consolidated Results on 31 December 2005

( IFRS/IAS )

February 14th 2006

Turnover reaches 226.4 M€  
(171.6 M€ in 2004)

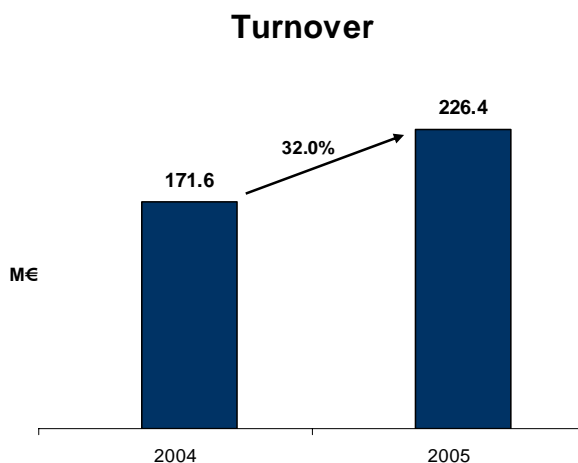
EBITDA reaches 17.3 M€  
(17.1 M€ in 2004)

Net Profit reaches 5.1 M€  
(4.3 M€ in 2004)

### 1. Key Indicators

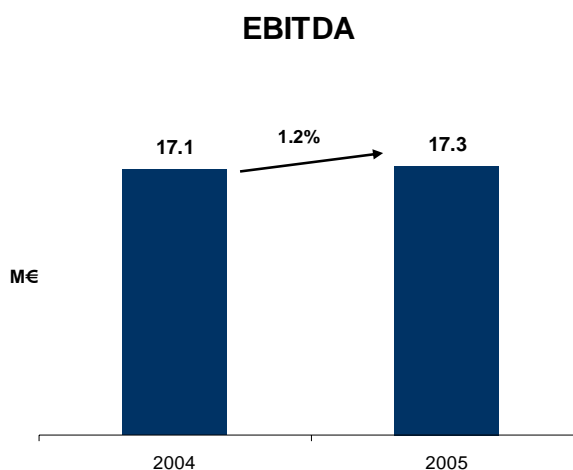
#### 1.1. Turnover

The Consolidated Sales and Services Volume in the FY2005 reached 226.4 M€ (million euros), which represents an increase of 32.0% vs. the 171.6 M€ in 2004.



## 1.2. EBITDA

The Operational Cash Flow (EBITDA) reached 17.3 M€, representing an increase of 1.2% vs. the 17.1 M€ in 2004.

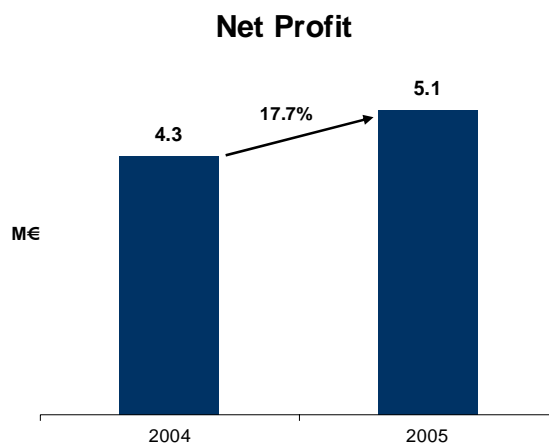


The EBITDA margin in 2005 was 7.6%, compared to 9.9% in 2004.

Operational Results (EBIT) reached 6.1 M€, which represents a decrease of 48.8% compared to the 11.9 M€ in 2004, essentially due to the impact of non-recurring stock provisions of about 5.2 M€.

## 1.3. Net Profit

The Consolidated Net Results, with minority interests already deducted, reached 5.1 M€ in the period, showing an increase of 17.7% vs the 4.3 M€ in 2004.



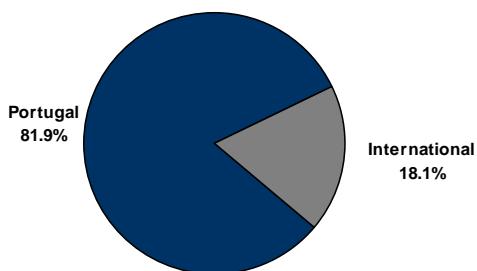
## 2. Short Summary of the Activity

Novabase’s mission is to develop, deploy and manage innovative technology solutions with customer benefits – profitability, service quality and individual satisfaction – that surpass their cost.

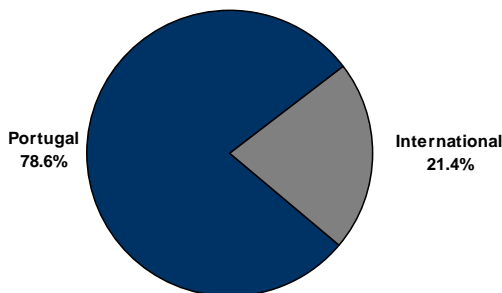
At the end of 2005, Novabase was the largest Portuguese Information Technology (IT) company and one of the fastest-growing European IT companies in recent years (43.7% growth per year since 1999).

Established in 1989, Novabase today has more than 1,300 employees and sales of 226.4 M€, 21.4% of which now originates from outside of Portugal.

Turnover by Geography 2004

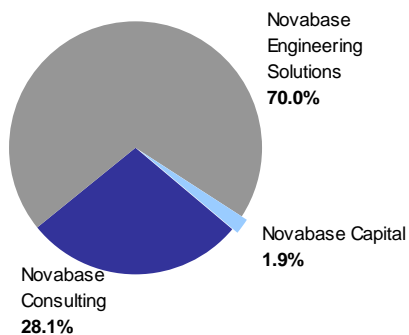


Turnover by Geography 2005

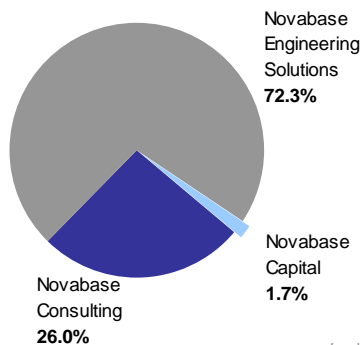


Over the course of 2005, Novabase developed its activity in two business divisions: Novabase Consulting and Novabase Engineering Solutions. In the latter it is worthy to point out the activity of its two main areas: IT Infrastructures and Digital TV.

Turnover 2004



Turnover 2005



## 2.1. *Novabase Consulting*

Novabase specializes in providing its customers with technology solutions that address business challenges in a concrete way (deploying technology solutions separately from their intended business processes, typically leads to failure).

Over the course of 2005, Novabase thoroughly analyzed strategies and business/operating processes together with its customers, proposed adjustments to these processes/organizational models and on numerous occasions, deployed technologies for customers with a strong focus on utility in practical business terms.

On occasion, standardized technology solutions did not respond to specific customer problems. In these cases Novabase developed custom solutions to address such customer needs, often using Service Oriented Architectures (SOA). Novabase also deployed Business Process Management (BPM) solutions, enabling customers to put technology to work for their businesses and not vice-versa.

Likewise, with the goal of providing customers a true approach to Customer Lifecycle Management, a number of Business Intelligence solutions were deployed over 2005 allowing customers to sift through superfluous data and work with truly relevant information to support decision-making and to repopulate their operating systems.

Numerous customers also benefited from Novabase's expertise in 2005 in areas such as Enterprise Document Management (EDM), Trustworthy Computing, Quality Assurance, Strategic Intelligence, Tactical Intelligence, Business Intelligence Infrastructure, SAP Solutions, Siebel Solutions, Business Process Management, Enterprise Content Management (ECM), IT Governance & Service Management, Application Management and IT Contracting.

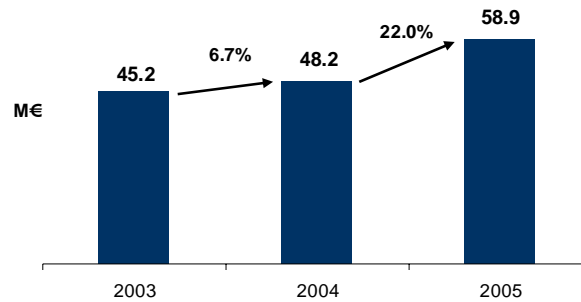
Specifically for the Financial Services sector, where business processes are more specialized, Novabase developed a number of projects in 2005 in the areas of Risk Management, Customer Experience Management, Process Efficiency, Core Systems Revamp and Business Process Outsourcing.

Similarly, in the Telecommunications sector, which accounts for approximately 15% of IT expenditure worldwide (Gartner Dataquest, January 2006), Novabase developed a number of projects in 2005 in the areas of Order Management and IP Multimedia Contact Centers.

2005 was also a key year for international progress, with a number of projects deployed in markets such as Spain, Belgium, South Africa, Egypt and Saudi Arabia.

This business area continued to experience significant growth in 2005 despite the challenging economic environment.

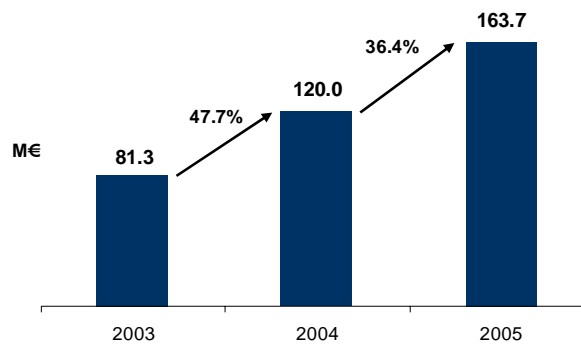
## Turnover Novabase Consulting



## 2.2. *Novabase Engineering Solutions*

Turnover in this business division reached 163.7 M€ which represents an increase of 36.4% compared to 2004.

## Turnover Novabase Eng. Solutions



This division is divided into two areas: IT Infrastructures and Digital TV.

### 2.2.1. *Novabase Engineering Solutions: IT Infrastructures*

Novabase's goal in this area is to provide its customers access to real intelligent information infrastructures. This is the only way for companies to become true "real time" enterprises where information is collected, stored and distributed precisely how and when it is needed for business processes. Novabase's solutions in this area empower companies to operate in real time and include the following:

- Networks and Communications (solutions spanning from physical systems (cabling) to enterprise communications services such as mobile videoconferencing and video-on-demand).
- Telecom Systems Integration (fixed and mobile operator services integration).
- Mobility Solutions (services, products and applications which allow Customers access to global mobility solutions)
- Ticketing and Transport Solutions (end-to-end solutions covering devices and systems needed to complete the life cycle of a ticket, from production to back-office repercussions).

Unlike the recent past, the components in Novabase's ticketing solutions are based on technology developed by the company, thereby enhancing their added value and increasing quality control.

These areas have witnessed significant progress in 2005, allowing Novabase an unparalleled position in today's market due to its solid track record in successfully deploying innovative solutions for Customers in different areas of business.

Despite this market position, Novabase has continued to innovate and launch new solutions that address Customer needs. Such innovations, developed for Novabase's Customers, are often new to a worldwide market, such as the contact-less tickets with integrated chips deployed for the city of Porto's Metro system.

### 2.2.2. *Novabase Engineering Solutions: Digital TV*

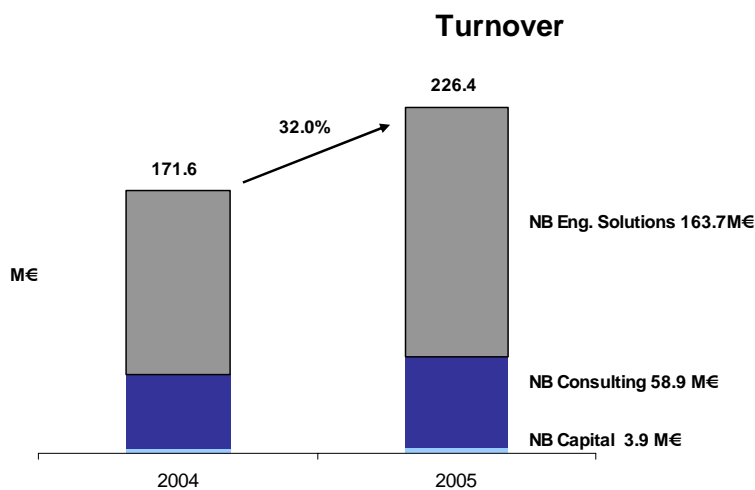
Novabase's Interactive Digital TV business is now one of the largest in Europe. It began in 2000 and has since seen exponential growth. Its Customers include cable and satellite TV operators, digital terrestrial TV operators, individual companies (Corporate TV solutions) and OEM customers abroad.

This area grew significantly in 2005. In addition to set-top box sales, OEM customers (license sales) quadrupled compared to the previous year. The combined sales of devices and licenses also doubled in relation to 2004.

There are abundant challenges and opportunities for growth in this area, particularly in high-definition TV and accessing TV content via mobile/handheld devices. Consumers are keen to access TV content of their choice with above-average image quality using various support devices at any time and at any place. Novabase's noteworthy R&D investments and innovative solutions in this area give the company an extremely positive outlook for the years ahead.

### 3. Economical-Financial Analysis

In 2005, Turnover reached 226.4 M€, representing a growth of 32.0% compared to the same period of the previous year.



In terms of activity compared to the same period last year:

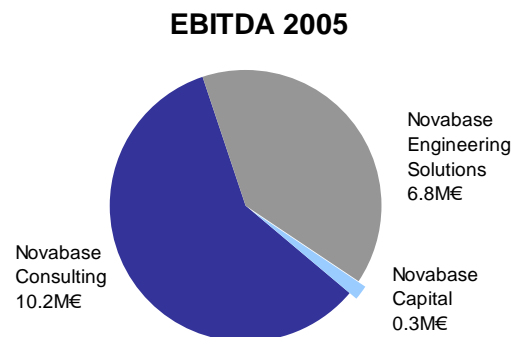
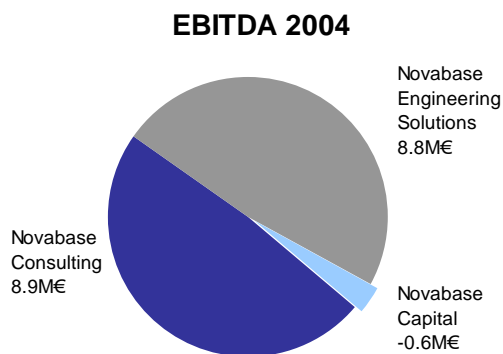
- Novabase Consulting grew 22.0% from 48.2 M€ in 2004 to 58.9 M€ in 2005.
- Novabase Engineering Solutions grew 36.4% from 120.0 M€ in 2004 to 163.7 M€ in 2005. Within this division, the IT Infrastructures area grew 30.6% vs. 2004, from 63.5 M€ to 82.9 M€, whereas the Digital TV area grew 42.9% vs 2004, from 56.6M€ to 80.8 M€. Organic growth from Digital TV was 34.1%, not considering the effect of perimeter variation - acquisition of TechnoTrend BV in 2Q04, accounting for a turnover of 3.7 M€ in 1Q05.

- Novabase Capital grew 17.1% from 3.3 M€ in 2004 to 3.9 M€ in 2005.

EBITDA reached 17.3 M€, increasing 1.2% compared with 17.1 M€ in 2004.

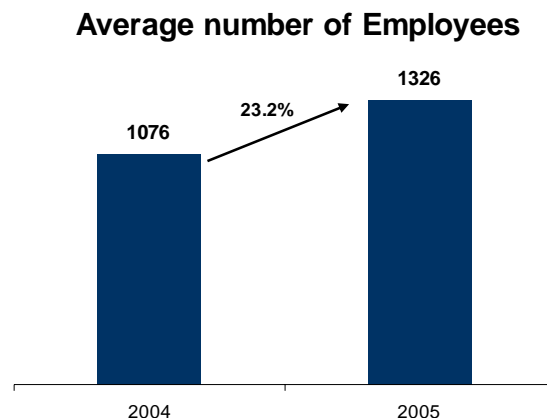
In a percentage basis of the Turnover, EBITDA in this period represents approximately a total margin of 7.6%. In 2005, the margin breakdown per business division is analyzed as follows:

- Novabase Consulting reported an EBITDA of 10.2 M€ which corresponds to a margin of 17.3%.
- Novabase Engineering Solutions reported an EBITDA of 6.8 M€ which corresponds to a margin of 4.2%. Within this division, the IT Infrastructures registered an EBITDA of 5.0M€, which represents a 6.0% margin, and the Digital TV area had an EBITDA of 1.8 M€ (2.2% margin). In this division, due to its growth, it was necessary in 2005 to reinforce the back-office and to move to new facilities. The impact of these two changes resulted in an increase in operating expenses amounting to 2 M€. It is worthy of note the strong price pressure felt in 2005 in the Digital TV area in Portugal.
- Novabase Capital reported an EBITDA of 0.3 M€ corresponding to a margin of 7.7%.





The Average Number of Employees, 1076 at the end of December 2004, increased 23.2% to 1326 in 2005.



Depreciation was 6.0 M€ in 2005 (+15.5% compared to the 5.2 M€ of 2004).

In 2005, Novabase recognized non-recurring provisions in the amount of 5.2 M€ mainly related to Digital TV equipments and components. These provisions were required due to three factors: a) discontinuation of the earlier interactive set-top boxes; b) technology changes related to the components of the set-top boxes; c) decrease of value of some inventory items. These provisions are cashless and refer to equipments and components in inventory from previous years (2001 to 2003) and, as such, were labelled as non-recurring.

Operational Results (EBIT) reached 6.1 M€ in this period, representing a decrease compared with 2004 (11.9 M€), due to the above mentioned non-recurring provisions.

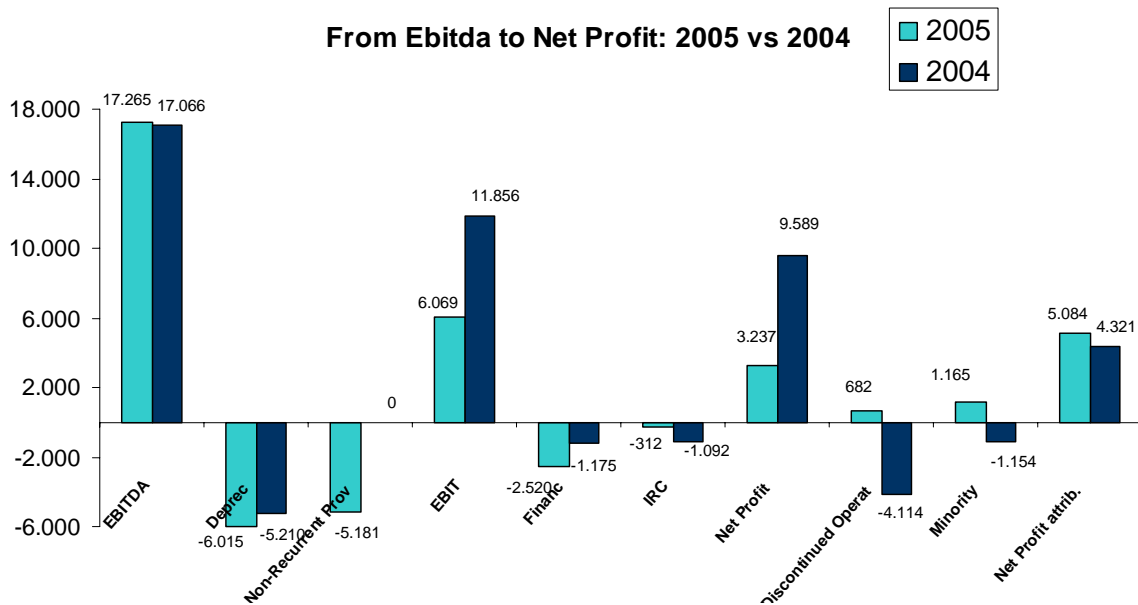
The Financial Results registered a net negative value of 2.5 M€, compared to a negative value of 1.2 M€.

Earnings Before Taxes (EBT) in 2005 with the net value of 3.5 M€, reflect a decrease compared to the same period of 2004 (10.7 M€).

In 2005, due to the sale of the Consulting operation in Brazil, a 0.7 M€ gain was recorded under the "Results from Discontinued Operations" item. It is worth mentioning that in 2004 a 4.1M€ charge was recorded in this item due to the closing of the Training and Brazil operations.

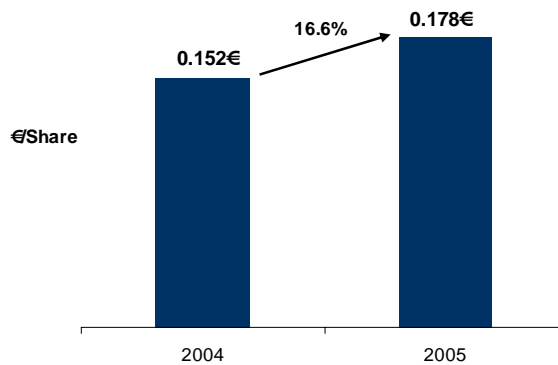
The value of attributable Net Profit, after Minority and Discontinued Operations, of 5.1 M€ represent a growth of 17.7% towards 2004 (4.3 M€).

The reconciliation between EBITDA and Net Profit is as follows:



The Earnings per Share presented growth from 0.152 to 0.178 euros per share, following the Net Profit trend, considering the average number of shares in the period.

### EPS-Earnings per Share



The Consolidated Balance Sheet on 31 December 2005 kept a positive 'Global Net-Cash' situation of 18.8 M€, reflecting a decrease comparing to the 22.3 M€ on 31 December 2004.

Inventories went from 15.6 M€ on 31 December 2004 to 13.0 M€ in 2005. However, due to the significant increase in the sales volume in 2005 to 140 M€, the weight of inventories over sales registered a decrease from 16.0% to 9.3%.

The Trade debtors and accrued income balance on 31 December 2005 amounted to 85.1 M€, compared to 55.4 M€ in the prior period. The average collection period increased to 113 days (in 2004 – 99 days).

Equity increased from 72.2 M€ on 31 December 2004 to 78.6 M€ on 31 December 2005, incorporating the results for the year.

## 4. Stock Performance

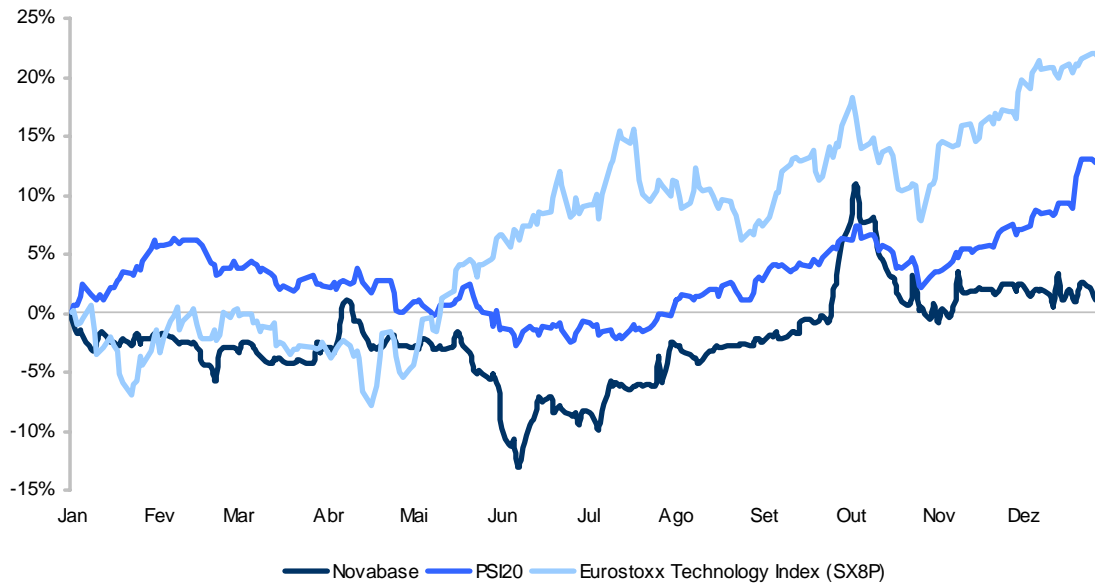
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The year 2005 was marked by recovery in the IT sector with no impact on the Novabase share, which was affected by the unfavourable economic conditions of the Portuguese market and mostly by the exit from the PSI20 announced in June, which was essentially due to the lower liquidity in relation to other shares in the Euronext Lisbon. In January 2006 Novabase share re-entered the PSI20.

However, the free-float registered a 50% increase in 2005, partly as a result of the sale of 9% of the share capital by the signatories of the shareholders' agreement. Rotation in 2005 represented around 30% of the share capital (vs. 20% of the share capital in 2004).

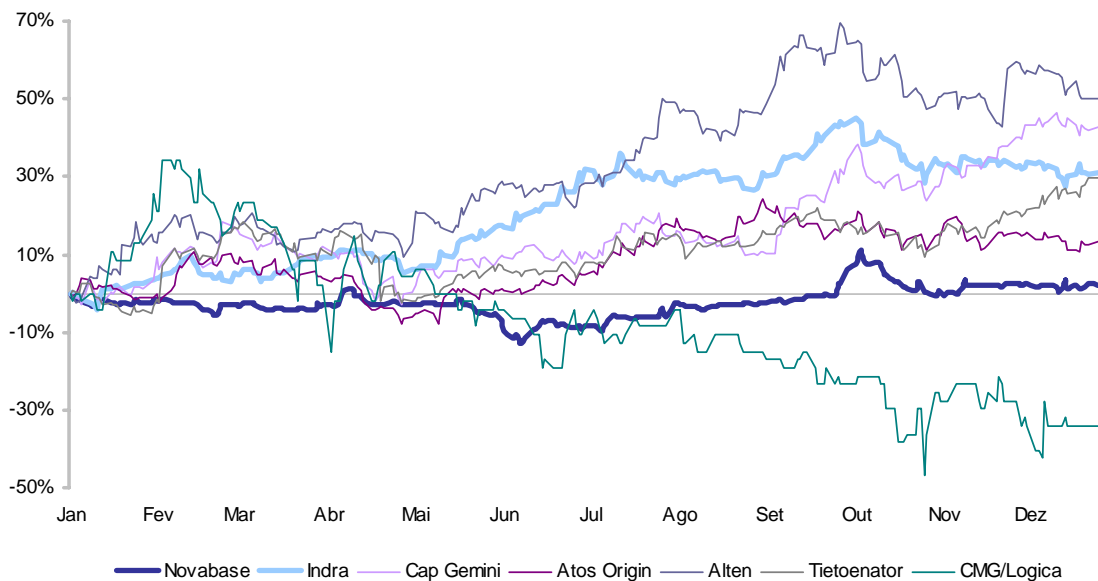
Novabase share ended the period gaining approximately 1.3%, lower than the PSI20, gaining 13.3%, and also below the EuroStoxx Technology, which gained approximately 20.7% in 2005.

## Novabase and the Market



When comparing Novabase share prices with other companies in the IT sector in Europe, we verify that Novabase share performance at the end of 2005 is below the average performance of other IT, showing a lower volatility.

## Novabase and Other TMT



The average price, weighted by volume, of Novabase shares during 2005, was 6.16 euros per share. Approximately 8.5 million shares were traded in all the 257 stock Exchange sessions in the 2005, corresponding to a transaction value of 52.4 M€. The average daily number of shares traded was approximately 33.1 thousand shares, corresponding to a daily average value of approximately 0.2 M€.

The price in the stock Exchange in the last tradable day of 2005, December 30 2005, was 6.35 euros, which represents a gain of approximately 1.3% compared to the 6.27 euros which was Novabase's share price at the end of 2004.

The maximum closing price which took place during 2005 was 6.96 euros, while the minimum price registered was 5.45 euros. The market capitalization at the end of 2005 was 182.4 M€.

<b>Summary</b>	<b>4Q05</b>	<b>3Q05</b>	<b>2Q05</b>	<b>1Q05</b>	<b>4Q04</b>
Minimum price (€)	6.22	5.65	5.45	5.91	5.68
Maximum price (€)	6.96	6.65	6.33	6.27	6.30
Volume weighted average price (€)	6.46	6.05	5.99	6.10	6.10
Nr.of shares traded	2.343.978	3.627.403	1.655.939	880.971	1.678.167
Market Cap in the last day of the period (M€)	182.4	191.0	163.2	172.1	178.1

# Novabase

## Consolidated Financial Statements

Prepared in accordance with the INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Consolidated Balance Sheet as at December 31, 2005 and 2004			Consolidated Income Statement for the year ended December 31, 2005 and 2004			
	31.12.05	31.12.04		31.12.05	31.12.04	Var. %
	(Thousands of Euros)			(Thousands of Euros)		
<b>Assets</b>			<b>CONTINUING OPERATIONS</b>			
Tangible assets	6 776	5 938	Sale of goods	139 965	97 593	
Intangible assets	38 633	38 731	Cost of goods sold	(107 474)	(83 477)	
Financial investments	1 735	1 710				
Deferred tax assets	9 053	7 979	<b>Gross margin</b>	<b>32 491</b>	<b>14 116</b>	<b>130.2 %</b>
<b>Total Non-Current Assets</b>	<b>56 197</b>	<b>54 358</b>	<b>Other income</b>			
Inventories	12 966	15 627	Services rendered	86 435	73 980	
Trade debtors and accrued income	85 120	55 444	Supplementary income	104	534	
Other debtors and prepaid expenses	12 483	10 048	Other operating income	728	6 300	
Marketable securities	757	807		<b>87 267</b>	<b>80 814</b>	
Cash and deposits	33 800	37 339		<b>119 758</b>	<b>94 930</b>	
<b>Total Current Assets</b>	<b>145 126</b>	<b>119 265</b>	<b>Other expenses</b>			
<b>Assets for continuing operations</b>	<b>201 323</b>	<b>173 623</b>	External suppliers and services	(54 704)	(35 881)	
Assets for discontinued operations	-	482	Personnel expenses	(47 267)	(38 379)	
<b>Total Assets</b>	<b>201 323</b>	<b>174 105</b>	Provisions	(20)	(2 072)	
<b>Shareholders' Equity</b>			Other operating expenses	(502)	(1 532)	
Share capital	14 363	14 203	<b>Gross Net Profit (EBITDA)</b>	<b>17 265</b>	<b>17 066</b>	<b>1.2 %</b>
Treasury stock	(14)	(4)	Depreciation and amortization	(6 015)	(5 210)	
Share premium	37 252	35 825	Non recurring costs	(5 181)	-	
Reserves and retained earnings	21 932	17 838	<b>Operating Profit (EBIT)</b>	<b>6 069</b>	<b>11 856</b>	<b>-48.8 %</b>
Consolidated net income	5 084	4 321	Financial Gains / (Losses)	(2 520)	(1 175)	
<b>Total Shareholders' Equity</b>	<b>78 617</b>	<b>72 183</b>	<b>Net Profit / (Loss) before Taxes</b>	<b>3 549</b>	<b>10 681</b>	<b>-66.8 %</b>
Minority interests	12 018	12 248	Income taxes	(1 685)	(1 198)	
<b>Total Equity</b>	<b>90 635</b>	<b>84 431</b>	Deferred Income taxes	1 373	106	
<b>Liabilities</b>			<b>Net Profit from continuing operations</b>	<b>3 237</b>	<b>9 589</b>	<b>-66.2 %</b>
Long term borrowings	10 604	8 108	<b>DESCONTINUED OPERATIONS</b>			
Creditors of fixed assets	1 552	1 163	<b>Net Profit from discontinued operations</b>	<b>682</b>	<b>(4 114)</b>	<b>116.6 %</b>
Provisions	591	168	Minority interests	1 165	(1 154)	
Deferred tax liabilities	136	100	<b>Attributable Net Profit / (Loss)</b>	<b>5 084</b>	<b>4 321</b>	<b>17.7 %</b>
<b>Total Non-Current Liabilities</b>	<b>12 883</b>	<b>9 539</b>	<b>Other information:</b>			
Short term borrowings	5 147	7 695	Turnover	226 400	171 573	<b>32.0 %</b>
Trade creditors	42 851	32 967	EBITDA margin	7.6 %	9.9 %	
Other creditors and accruals	37 605	25 222	Net Cash	18 806	22 343	
Deferred income	12 202	13 769				
<b>Total Current Liabilities</b>	<b>97 805</b>	<b>79 653</b>				
<b>Total Liabilities for cont. operations</b>	<b>110 688</b>	<b>89 192</b>				
Total Liabilities for descent. operations	-	482				
<b>Total Liabilities</b>	<b>110 688</b>	<b>89 674</b>				
	<b>201 323</b>	<b>174 105</b>				

# Novabase

Consolidated Financial Statements by BUSINESS SEGMENT  
Prepared in accordance with the INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

	Consulting Division Euro'000	Engineering Solutions Division Euro'000	Capital Division Euro'000	TOTAL Group Novabase Euro'000
<b>CONTINUING OPERATIONS</b>				
Sale of goods	183	139 782	-	139 965
Cost of goods sold	(50)	(107 424)	-	(107 474)
<b>Gross margin</b>	<b>133</b>	<b>32 358</b>	<b>-</b>	<b>32 491</b>
<b>Other income</b>				
Services rendered	58 668	23 892	3 875	86 435
Supplementary income and subsidies	-	104	-	104
Other operating expenses	224	407	97	728
	<b>58 892</b>	<b>24 403</b>	<b>3 972</b>	<b>87 267</b>
	<b>59 025</b>	<b>56 761</b>	<b>3 972</b>	<b>119 758</b>
<b>Other expenses</b>				
External suppliers and services	(17 698)	(35 009)	(1 997)	(54 704)
Personnel expenses	(30 913)	(14 754)	(1 600)	(47 267)
Provisions	(49)	55	(26)	(20)
Other operating expenses	(195)	(256)	(51)	(502)
	<b>(48 855)</b>	<b>(49 964)</b>	<b>(3 674)</b>	<b>(102 493)</b>
<b>Gross Net Profit (EBITDA)</b>	<b>10 170</b>	<b>6 797</b>	<b>298</b>	<b>17 265</b>
Depreciation and amortization	(3 530)	(2 032)	(453)	(6 015)
Non recurring costs	-	(5 181)	-	(5 181)
<b>Operating Profit (EBIT)</b>	<b>6 640</b>	<b>(416)</b>	<b>(155)</b>	<b>6 069</b>
Financial Gains / (Losses)	(756)	(1 709)	(55)	(2 520)
<b>Net Profit before Taxes</b>	<b>5 884</b>	<b>(2 125)</b>	<b>(210)</b>	<b>3 549</b>
Income Taxes	(712)	(870)	(103)	(1 685)
Deferred Income taxes	(830)	1 636	567	1 373
<b>Net Profit from continuing operations</b>	<b>4 342</b>	<b>(1 359)</b>	<b>254</b>	<b>3 237</b>
<b>DISCONTINUED OPERATIONS</b>				
<b>Net Profit from discontinued operations</b>	<b>682</b>	<b>-</b>	<b>-</b>	<b>682</b>
Minority interests	(732)	1 969	(72)	1 165
<b>Attributable Net Profit</b>	<b>4 292</b>	<b>610</b>	<b>182</b>	<b>5 084</b>
<b>Other information :</b>				
Turnover	58 851	163 674	3 875	226 400
EBITDA	10 170	6 797	298	17 265
EBITDA % on Turnover	17.3%	4.2%	7.7%	7.6%
Income before taxes % on Turnover	10.0%	-1.3%	-5.4%	1.6%