



## TomTom Reports fourth quarter and full year results 2007

### *Record revenue and profit*

#### Fourth quarter 2007 financial highlights

- Revenue of €634 million, up 49% sequentially and up 33% year-on-year
- Portable navigation device (PND) volume of 4.3 million, up 98% sequentially and up 123% year-on-year
- Gross margin of 42% and operating margin of 23%
- Fully diluted EPS of €0.87, up 6% sequentially and up 28% year-on-year
- Cash flow from operations of €155 million

#### Full year 2007 financial highlights

- Revenue of €1,737 million, up 27% year-on-year
- PND volume of 9.6 million, up 104% year-on-year
- Gross margin of 44% and operating margin of 25%
- Fully diluted EPS of €2.66 up 40% year on year
- Cash flow from operations of €535 million

#### Fourth quarter 2007 operational highlights

- Strong performance and European market share of 49%
- Strong growth and increased US market share of 27%
- TomTom HD Traffic™ service launched in the Netherlands
- More than one million Map Share™ reports and corrections received

#### Outlook 2008

- Continued strong growth of the European and North American PND markets; combined markets expected to grow by more than 50% to 38 million units in 2008, up from 24.5 million units in 2007
- Revenue expectation for 2008 of between €2.0 billion and €2.2 billion
- PND unit forecast for 2008 of between 14 million and 15 million
- Targets for gross margin and operating margin of 40% and 20% of revenue respectively

#### Key figures\*

<i>(in € millions)</i>	<b>Q4'07</b>	<b>Q3'07</b>	<b>Change</b>	<b>Q4'06</b>	<b>Change</b>	<b>FY '07</b>	<b>FY '06</b>	<b>Change</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>		<i>(unaudited)</i>		<i>(audited)</i>	<i>(audited)</i>	
<b>Revenue</b>	<b>634</b>	<b>427</b>	<b>49%</b>	<b>478</b>	<b>33%</b>	<b>1,737</b>	<b>1,364</b>	<b>27%</b>
Gross profit	268	208	29%	218	23%	764	579	32%
Gross margin	42%	49%		46%		44%	42%	
Operating profit	144	133	8%	126	15%	428	340	26%
Operating margin	23%	31%		26%		25%	25%	
<b>Net profit</b>	<b>107</b>	<b>99</b>	<b>8%</b>	<b>80</b>	<b>33%</b>	<b>317</b>	<b>222</b>	<b>43%</b>
EPS - fully diluted (in €)	0.87	0.83	6%	0.68	28%	2.66	1.90	40%

\* percentages are based on non-rounded figures

**TomTom's Chief Executive Officer, Harold Goddijn said:**

*"The first thing to say about 2007 is that it was the most successful year in TomTom's history so far. We sold a record number of navigation devices, we achieved record net profit and cash flow from operations, ended the year with a strong European and US market share, and made significant steps in the execution of our strategy.*

*The number of TomTom users passed the 15 million mark during the quarter. With this continued strong increase of our customer base we continue to strengthen the foundation of our strategy. The feedback we receive from our customers helps us to bring the quality of our navigation solutions to an unprecedented level, which in its turn strengthens our market position.*

*Since the launch of our revolutionary new Map Share technology this summer we have received over one million map corrections and reports from our customers. They are specifically relevant because they are the corrections that our customers care about. The corrections are made available for free to our customers on a daily basis, instantly making their maps better and more up to date than that on any other navigation product on the market.*

*The launch of our HD Traffic service is another breakthrough technology that we launched in the past year which will guide our customers to their destination, faster, safer, cheaper and better informed.*

*With our broad and exciting product and services line up we are well positioned to take advantage of the continuing fast growth in the satellite navigation market to maintain our strong European market share and to further strengthen our US market share."*

**Outlook 2008**

The PND market will continue to grow strongly in 2008. In Europe we expect the market to grow by 40% from 15 million units to 21 million units and in the US by 80% from 9.5 million units to 17 million units.

In the first half of the year sales will be strongly skewed towards the second quarter and in the second half to the fourth quarter, driven by expected seasonality and by the timing of new product introductions.

With our broad product line up and strong market position we expect to sell between 14 million and 15 million units in 2008. Our full year revenue guidance is between €2.0 billion and €2.2 billion and for gross and operating margins of around 40% and 20% respectively.

Our guidance is provided on the basis that we hold a 29.9% stake in Tele Atlas for all of 2008. At the time that the proposed transaction is completed we will update the outlook.

**Strategy update**

To stay ahead of rising consumer expectations we are continuously improving the navigation experience of our customers. The introduction of TomTom HD Traffic and TomTom Map Share are two examples of breakthrough technologies that we introduced last year that provide such improvements. Other technology introductions will follow in 2008 which will further transform TomTom from a device driven company into a broader

device, content and service driven company. The rapid improvements in the content and services we provide for our customers will differentiate us from our competitors and will enable our customers to reach their travel destinations faster, more safely and feeling better informed about real time travel conditions along their route. Community generated content is key in the further improvement of the quality of our location and navigation services. The introduction of these services and their availability across a wider range of connected navigation solutions will secure our continued growth.

### **Update on Tele Atlas acquisition**

On 18 November 2007, TomTom launched a new cash offer of €30 per ordinary share for all ordinary shares of Tele Atlas N.V. (the "Offer"). Immediately after this announcement TomTom purchased 29.9% of Tele Atlas' issued share capital. As previously announced, the transaction is currently in a second phase review by the European Commission. TomTom continues to expect to have reasonable insight about the likely outcome of the second phase review by the end of March. Updates on the timetable will be provided if and when appropriate. To refinance part of the financing commitments put in place for the acquisition of Tele Atlas and to improve financial leverage TomTom placed 8.2 million new ordinary shares at a price of €56 per share, raising net proceeds of approximately €450 million. Acquisition of the remaining 70.1% of Tele Atlas' shares will be financed through committed financing provided by a syndicate of banks, led by Goldman Sachs, ABN AMRO and Rabobank, together with cash balances. The syndicated loan facility consist of a €1,585 million term loan and a €200 million revolving credit facility. The facility terminates on 31 December 2012 and has an annual repayment schedule. TomTom can draw under the term loan facility until October 23, 2008. The interest is in line with market conditions and based on Euribor with a spread that depends on certain leverage covenants.

### **Operational review**

The European market for PNDs in the fourth quarter grew some 50% year on year to approximately 5.5 million units. All European markets contributed to this growth. In the same period the US market grew by 400% year on year to over 5.5 million units. For the full year the European market grew by 75% to 15 million units and the US market by 280% to 9.5 million units compared to the previous year.

In the fourth quarter we sequentially increased both our European and US market shares. In Europe we increased our market share by four percentage points to 49% and in the US we increased our market share by five percentage points sequentially to 27%. For the full year TomTom's market share in Europe was 48% and in the US 25%.

In the fourth quarter we launched the TomTom ONE XL High Definition Traffic product in the Netherlands. This unique portable navigation device combines smart navigation software with the world's most advanced traffic information so drivers can be better informed, avoid unnecessary delays and plan their daily journeys more efficiently. The TomTom HD Traffic service monitors the entire main road network, which covers all highways and the vast majority of the secondary roads and provides drivers with up to five times more traffic updates compared to traditional traffic solutions in the Netherlands. We aim to have TomTom HD Traffic available for at least 50% of our European customer base by the end of the year. The roll out of this service in the UK, Germany and France has already been announced.

Since the launch of Map Share in June of last year, we have received over one million map corrections and reports and the number is rising rapidly. Since these map corrections are made by our users they are of particular importance. Via TomTom HOME our customers can get their daily map updates, which include the map corrections of their fellow TomTom users. In 2008 we will further raise the bar with respect to the customer friendliness of Map Share by adding more functionality so that people can change more map data immediately on their device.

TomTom HOME, our online community, now has more than 4 million registered users. This shows that our customers appreciate a service which allows them to update and personalize their navigation device.

Our customer base passed the 15 millionth user mark during the quarter. With the introduction of our award-winning portable navigation devices in the Brazilian market and with other countries still to come the accessible market continues to grow. TomTom currently sells its products in 30 countries.

TomTom WORK had a successful year more than doubling the number of subscribers to 34,000. TomTom WORK is now available in 5 countries in Europe and in the US. At the start of this year the new TomTom LINK 300 box for the updated TomTom WORK Active solution was introduced. This allows for easier installation in commercial vehicles and optimised user experience between the office and drivers on the road.

Our automotive strategy is taking shape. The creation and expansion of our Automotive Team in Eindhoven (Netherlands) during the year accelerated the build-up of our automotive expertise and R&D capabilities.

In 2007 we filed our 500th patent application; in addition we have 150 granted patents world wide.

## Financial review

(in € millions)	Q4'07	Q3'07	Change	Q4'06	Change	FY '07	FY '06	Change
<b>Revenue</b>	<i>unaudited</i>	<i>unaudited</i>		<i>unaudited</i>		<i>audited</i>	<i>audited</i>	
PNDs	602	398	51%	441	36%	1,623	1,268	28%
PDA/smartphone solutions	4	6	-25%	10	-59%	25	31	-19%
Other	28	23	23%	26	7%	89	65	37%
<b>Total</b>	<b>634</b>	<b>427</b>	<b>49%</b>	<b>478</b>	<b>33%</b>	<b>1,737</b>	<b>1,364</b>	<b>27%</b>
<b>Number of units sold (in 000s)</b>						<i>unaudited</i>	<i>unaudited</i>	
PNDs	4,278	2,160	98%	1,915	123%	9,574	4,687	104%
PDA/smartphone solutions	93	107	-13%	121	-23%	601	343	75%
<b>Total</b>	<b>4,371</b>	<b>2,267</b>	<b>93%</b>	<b>2,036</b>	<b>115%</b>	<b>10,175</b>	<b>5,030</b>	<b>102%</b>
<b>Average selling price</b>								
PNDs (in €)	141	184	-24%	230	-39%	170	270	-37%
PDA/smartphone solutions (in €)	45	52	-14%	85	-47%	42	91	-54%

\* percentages and totals are based on non-rounded figures

## **Revenue**

Revenue for the fourth quarter was €634 million, an increase of 49% sequentially (Q3 2007: €427 million) and 33% year on year (Q4 2006: €478 million).

Revenue from PND sales represented 95% of total revenue in the quarter (Q3 2007: 93%; Q4 2006: 92%) and increased €204 million or 51% compared to the third quarter, to €602 million (Q4 2006: €441 million).

Europe represented 73% of total revenue for the quarter (Q3 2007: 86%; Q4 2006: 90%). North America provided 21% of total revenue, more than doubling compared to the previous quarter (Q3 2007: 10%), due to a strong market share in the most important quarter for the North American market. Revenues from the rest of the world increased to 6% of quarterly revenue due to a strong performance in Australia (Q3 2007: 4%; Q4 2006: 2%).

Other revenues increased to €28 million for the quarter, up from €23 million in the third quarter of 2007, in line with the seasonal pattern of our revenue. Compared to Q4 2006 (€26 million) other revenues increased by 7%. Other revenue consists of the sale of maps, accessories and subscription revenue from TomTom WORK.

## **Volumes and average selling prices**

TomTom shipped a record 4.3 million PND units in the quarter, a sequential increase of 98% (Q3 2007: 2.2 million) and a growth of 123% year on year (Q4 2006: 1.9 million).

The average selling price for PNDs in the fourth quarter was €141, a decrease of 24% compared to the previous quarter (Q3 2007: €184). The sequential decrease in ASP results from planned price drops across the board, additional promotions around the holiday period, and the seasonal and geographical shift in product mix.

## **Channel inventory**

We ended the quarter with channel inventories owned by retailers at a sequentially higher but appropriate level in line with the increased sales volumes in the quarter.

## **Gross margin**

We delivered a record gross profit in the quarter of €268 million, representing 42.3% of revenue. Due to planned price reductions and promotional activities in the important fourth quarter in combination with the increased importance of North American sales, the gross margin decreased 6.5 percentage points (Q3 2007: 48.8%) sequentially, and 3.4 percentage points year on year (Q4 2006: 45.7%).

## **Operating expenses**

Total operating expenses for the quarter increased by 66% or €49 million to €124 million compared to the third quarter (Q3 2007: €74.8 million). This increase in operating expenses was caused by the seasonal increase in marketing expenditures which nearly tripled to €62.1 million. Operating expenses (excluding stock compensation expenses) as a proportion of revenue for the quarter increased 3 percentage points to 18.4% (Q3 2007: 15.4%) and remained stable year on year (Q4 2006: 18.0%).

Research and development (R&D) expenses for the quarter increased sequentially by 19% to €19.5 million (Q3 2007: €16.5 million), and year on year by 53% (Q4 2006:

€12.8 million). This increase was driven by the growth of our development capacity and by increased product development. R&D expenses represented 3.1% of revenue compared to 3.9% in the previous quarter and 2.7% in the fourth quarter of last year.

Marketing expenses were, as planned, seasonally higher at €62.1 million (Q3 2007: €21.1 million). The year on year comparison shows an increase in marketing expenses of 39% (Q4 2006: €44.6 million). They represented 9.8% of revenue, up from 4.9% in the previous quarter and up from 9.3% in the fourth quarter of last year.

Selling, general and administrative (SG&A) expenses for the quarter increased by 24% to €35.2 million sequentially (Q3 2007: €28.3 million) and increased by 23% year on year (Q4 2006: €28.6 million) due to the growth of the company. SG&A costs for the quarter represented 5.5% of revenue compared to 6.6% in the previous quarter. In comparison with Q4 2006, SG&A costs as a percentage of revenue decreased by 0.5 percentage points.

Stock compensation expenses for the fourth quarter decreased by 21% sequentially to €7.0 million (Q3 2007: €8.9 million; Q4 2006: €6.5 million). The decrease was mainly driven by lower costs for the cash settled share plan.

The operating profit for the quarter was €144 million, a sequential increase of 8.2% (Q3 2007: €133 million) and 15% year on year (Q4 2006: €126 million).

#### **Interest income**

Interest income for the fourth quarter decreased sequentially to €4.3 million (Q3 2007: €6.0 million) as a result of the lower cash balance in the quarter following the purchase of 29.9% of Tele Atlas' outstanding shares offset in part by the proceeds of the equity issue.

#### **Exchange rate**

In the fourth quarter the use of foreign exchange hedge instruments resulted in a loss of €4.5 million compared to a loss of €13.5 million in the same period last year.

#### **Result of associate**

TomTom acquired 29.9% of the shares of Tele Atlas in the fourth quarter. TomTom recognised a proportional percentage of the net profit of Tele Atlas from the date of acquisition as a result of associates (Q4 2007: €0.8 million). Estimates were made of the expected income of the associate over the period that TomTom held the 29.9% share in the associate. The estimates were based on research analyst reports and trend analysis. The estimated result of the associate is adjusted by TomTom as the value (fair value) of the assets of Tele Atlas in our balance sheet differs from the value as presented by Tele Atlas. The additional amortisation charge that results from the asset step up is included in the result of the associate as presented in our profit and loss account.

#### **Tax**

Income tax increased by 8.7% to €38.3 million compared to the third quarter of 2007 (Q3 2007: €35.2 million) and increased by 13% compared to the fourth quarter of 2006 (Q4 2006: €34.0 million). The effective tax rate for the quarter was 26.4% (Q3 2007: 26.3%; Q4 2006: 29.7%). The estimated tax rate for 2008 is 26.5%.

### **Cash flow**

Cash at the end of 2007 amounted to €463 million, an increase of €25.5 million from €438 million at the end of 2006. In the fourth quarter €155 million of cash was generated from operations mainly driven by our operating profit of €144 million. The cash outflow on investing activities mainly consisted of the purchase price of the 29.9% share in Tele Atlas (€816 million). To improve financial leverage TomTom placed 8.2 million new ordinary shares which delivered net proceeds of approximately €450 million.

### **Balance sheet**

At the end of the fourth quarter, we had shareholder's equity of €1,352 million, up from €784 million at the beginning of the quarter primarily driven by the above mentioned equity offering. Cash and cash equivalents at the end of the period amounted to €463 million (Q3 2007: €709 million).

Despite a sequential increase of accounts receivables by €147 million to €403 million, working capital in the quarter remained stable due to strong cash collection efforts and inventory control. Our provisions increased by €19 million in the quarter which reflects the growth of the business. Increased sales volume also drove the increase in trade payables to €152 million from €88 million at the start of the quarter.

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### **For further information**

#### **Investor Relations and Financial Communications**

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#### **Audio web cast Q4 and 2007 results**

The information for our Q4 and 2007 results audio web cast is as follows:

Time: 21 February 2008 at 14:00 CET

Place: <http://investors.tomtom.com/tomtom/presentations/>

#### **TomTom is listed on the Amsterdam Stock Exchange**

ISIN: NL0000387058

Symbol: TOM2

#### **About TomTom**

TomTom NV is the world's largest navigation solutions provider. TomTom's products are developed with an emphasis on innovation, quality, ease of use, safety and value. TomTom's products include all-in-one navigation devices which enable customers to navigate right out of the box; these are the award-winning TomTom GO family, the TomTom ONE XL and TomTom ONE ranges and the TomTom RIDER. Additionally, independent research proves that TomTom products have a significant positive effect on driving and road safety. TomTom offers a portfolio of content and services for TomTom's navigation products, which are easily available through TomTom HOME. TomTom also provides navigation software products that integrate with third party devices; the TomTom NAVIGATOR software for PDAs and smartphones. TomTom WORK combines industry leading communication and smart navigation technology with leading edge tracking and tracing expertise. TomTom's products are sold through a network of leading retailers in 30 countries and online. TomTom was founded in 1991 in Amsterdam and has offices in Europe, North America and Asia Pacific. TomTom is listed at Euronext Amsterdam in The Netherlands. For more information, go to [www.tomtom.com](http://www.tomtom.com).

## Consolidated income statements

(in € thousands)

	<b>Q4'07</b>	<b>Q4'06</b>	<b>FY '07</b>	<b>FY '06</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	634,333	477,576	1,737,133	1,363,758
Cost of sales	366,090	259,293	972,949	785,131
<b>Gross profit</b>	<b>268,243</b>	<b>218,283</b>	<b>764,184</b>	<b>578,627</b>
<b>Operating expenses</b>				
Research & development expenses	19,547	12,801	60,194	36,244
Marketing expenses	62,113	44,609	137,325	100,812
Selling, general and administrative expenses	35,157	28,646	107,568	80,033
Stock compensation	7,026	6,515	31,285	21,321
<b>Total operating expenses</b>	<b>123,843</b>	<b>92,571</b>	<b>336,372</b>	<b>238,410</b>
<b>Operating profit</b>	<b>144,400</b>	<b>125,712</b>	<b>427,812</b>	<b>340,217</b>
Interest income	4,289	2,280	19,121	7,585
Exchange rate (loss)	-4,532	-13,545	-16,330	-32,266
Result of associate	758	0	758	0
Profit before tax	144,915	114,447	431,361	315,536
Income tax	38,306	34,015	114,119	93,355
Net profit	106,609	80,432	317,242	222,181
<b>Average number of shares outstanding</b>				
Basic (in 000s)	115,649	112,160	113,759	110,280
<b>Diluted (in 000s)</b>	<b>122,086</b>	<b>117,517</b>	<b>119,236</b>	<b>117,156</b>
Earnings Per Share, basic (in €)	0.92	0.72	2.79	2.01
<b>Earnings Per Share, diluted (in €)</b>	<b>0.87</b>	<b>0.68</b>	<b>2.66</b>	<b>1.90</b>

## Consolidated balance sheets

(audited)	<b>31 Dec 2007</b>	<b>31 Dec 2006</b>
(in € thousands)	<i>(audited)</i>	<i>(audited)</i>
<b>Non-current assets</b>		
Intangible assets	56,344	39,183
Property, plant and equipment	17,824	7,926
Investment in associate	816,788	0
Deferred tax assets	24,363	12,061
<b>Total non-current assets</b>	<b>915,319</b>	<b>59,170</b>
<b>Current Assets</b>		
Inventories	130,675	123,005
Trade receivables	403,015	265,990
Other receivables and prepayments	30,548	16,320
Other financial assets	26,695	682
Cash and cash equivalents	463,339	437,801
<b>Total current assets</b>	<b>1,054,272</b>	<b>843,798</b>
<b>Total assets</b>	<b>1,969,591</b>	<b>902,968</b>
<b>Equity and liabilities</b>		
<b>Shareholders' equity</b>		
Share capital	24,357	22,584
Share Premium	566,736	115,075
Legal reserves	5,832	2,804
Stock compensation reserve	58,765	32,364
Retained earnings	696,660	377,963
<b>Total equity</b>	<b>1,352,350</b>	<b>550,790</b>
<b>Non-current liabilities</b>		
Deferred tax liability	412	962
Long term liabilities	377	338
Provisions	41,624	9,682
<b>Total non-current liabilities</b>	<b>42,413</b>	<b>10,982</b>
<b>Current liabilities</b>		
Trade payables	151,859	66,744
Tax and social security	88,737	72,557
Accruals	153,625	88,683
Provisions	54,345	34,103
Other liabilities	126,262	79,109
<b>Total current liabilities</b>	<b>574,828</b>	<b>341,196</b>
<b>Total equity and liabilities</b>	<b>1,969,591</b>	<b>902,968</b>

## Consolidated statements of cash flows

(in € thousands)	<b>Q4'07</b> <i>(unaudited)</i>	<b>Q4'06</b> <i>(unaudited)</i>	<b>FY 2007</b> <i>(audited)</i>	<b>FY 2006</b> <i>(audited)</i>
Operating profit	144,400	125,712	427,812	340,217
Financial losses	-7,373	-6,811	-24,658	-19,890
Depreciation of property, plant and equipment	1,781	1,035	6,867	4,393
Amortisation of intangible assets	5,092	4,023	16,611	13,800
Change to provisions	19,088	6,765	52,223	22,840
Change to stock compensation reserve	6,175	6,205	27,587	20,776
Changes in working capital:				
(Increase) in inventories	-6,532	-14,336	-7,670	-19,822
(Increase) in receivables and prepayments	-169,388	-7,484	-162,577	-125,695
Increase in current liabilities	161,516	16,796	199,204	155,499
<b>Cash generated from operations</b>	<b>154,759</b>	<b>131,905</b>	<b>535,399</b>	<b>392,118</b>
Interest received	4,726	3,549	20,102	9,400
Interest paid	-436	-1,269	-981	-1,815
Corporate income taxes paid	-28,734	-72,123	-113,407	-108,196
<b>Net cash flow from operating activities</b>	<b>130,315</b>	<b>62,062</b>	<b>441,113</b>	<b>291,507</b>
Investment in associate	-816,030	0	-816,030	0
Investments in intangible assets	-4,891	-1,433	-33,771	-21,419
Investments in property, plant and equipment	-5,310	-961	-16,766	-7,151
<b>Total cash flow used in investing activities</b>	<b>-826,231</b>	<b>-2,394</b>	<b>-866,567</b>	<b>-28,570</b>
Proceeds on issue of ordinary shares	452,395	851	453,417	1,113
<b>Total cash flow from financing activities</b>	<b>452,395</b>	<b>851</b>	<b>453,417</b>	<b>1,113</b>
<b>Net increase in cash and cash equivalents</b>	<b>-243,521</b>	<b>60,519</b>	<b>27,963</b>	<b>264,050</b>
Cash and Cash equivalents at beginning of period	708,844	377,970	437,801	178,377
Exchange rate effect on cash balances held in foreign currencies	-1,984	-688	-2,425	-4,626
<b>Cash and Cash equivalents at end of period</b>	<b>463,339</b>	<b>437,801</b>	<b>463,339</b>	<b>437,801</b>

## Consolidated statement of changes in stockholders' equity

(unaudited) (in € thousands)	Share capital	Share premium	Legal reserves	Stock compens. reserve	Retained earnings	Total
<b>1 Jan 2007</b>	<b>22,584</b>	<b>115,075</b>	<b>2,804</b>	<b>32,364</b>	<b>377,963</b>	<b>550,790</b>
Translation differences			-1,548			-1,548
Transfer to legal reserves			4,576		-4,576	
<b>Net income (expense) recognised directly in equity</b>			<b>3,028</b>		<b>-4,576</b>	<b>-1,548</b>
Profit for the year					317,242	<b>317,242</b>
<b>Total recognised income and expense</b>			<b>3,028</b>		<b>312,666</b>	<b>315,694</b>
Stock compensation reserve				27,208	6,031	<b>33,239</b>
Issue of Share Capital	1,773	451,661		(807)		<b>452,627</b>
<b>31 Dec 2007</b>	<b>24,357</b>	<b>566,736</b>	<b>5,832</b>	<b>58,765</b>	<b>696,660</b>	<b>1,352,350</b>

## Accounting policies

### Basis of accounting

The condensed consolidated financial statements for the three-month period ended 31 December 2007 with related comparative information have been prepared using International Financial Reporting Standards (IFRS). Accounting policies and methods of computation followed in the interim financial statements, for the period ended 31 December 2007, are the same as those followed in the Financial Statements for the year ended 31 December 2006. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the condensed consolidated financial statements.

### Segment reporting

TomTom offers PNDs and navigation solutions for PDAs and smartphones. TomTom generates sales across different geographical regions.

(in € thousands)

	<b>Q4'07</b> (unaudited)	<b>Q4'06</b> (unaudited)	<b>FY '07</b> (audited)	<b>FY '06</b> (audited)
<b>Revenues per Region</b>				
Europe	464,683	431,492	1,396,151	1,226,331
North America	133,186	34,763	270,567	106,238
Rest of world	36,464	11,321	70,415	31,189
<b>Total</b>	<b>634,333</b>	<b>477,576</b>	<b>1,737,133</b>	<b>1,363,758</b>

*This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and the industry in which it operates. These statements are based on the Company's current plans, estimates and projections, as well as its expectations of external conditions and events. In particular the words "expect", "anticipate", "estimate", "may", "should", "believe" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These include, but are not limited to: the level of consumer acceptance of existing and new and upgraded products and services; the growth of overall market demand for the Company's products or for personal navigation products generally; the Company's ability to sustain and effectively manage its recent rapid growth; and the Company's relationship with third party suppliers, and its ability to accurately forecast the volume and timing of sales. Additional factors could cause future results to differ materially from those in the forward-looking statements.*

*This includes an announcement of TomTom N.V. ("TomTom") which is required pursuant to the provisions of section 9b paragraph 1 of the Dutch Securities Markets Supervision Decree 1995 (Besluit toezicht effectenverkeer 1995) in connection with the Offer. This announcement and related materials do not constitute an offer to purchase nor a solicitation of an offer to sell shares. Any offer will be made only by means of the offer memorandum as published on 18 November 2007 which contains the full terms and conditions of the Offer (the "Offer Memorandum"). Not for release, distribution or publication, in whole or in part to Australia, Canada, Italy or Japan.*

*Copies of the Offer Memorandum are available on the website of TomTom ([www.tomtom.com](http://www.tomtom.com)) or Tele Atlas ([www.teleatlas.com](http://www.teleatlas.com)). TomTom's and Tele Atlas' website do not constitute a part of, and are not incorporated by reference into the Offer Memorandum.*

### Restrictions

*The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholder, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of the Offer Memorandum. Persons*

obtaining the Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror, nor Tele Atlas, nor any of their advisers accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intend to forward the Offer Memorandum or any related document to any jurisdiction outside The Netherlands should carefully read Section 1 (Restrictions and Important Information) of the Offer Memorandum before taking any action. The distribution of the Offer Memorandum in jurisdictions other than The Netherlands may be restricted by law and therefore persons into whose possession the Offer Memorandum comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction.

#### **Purchases outside the Offer**

To the extent permitted by applicable law, in accordance with normal Dutch practice and pursuant to exemptive relief granted by the Staff of the Division of Market Regulation of the SEC (the "**Staff**") from Rule 14e-5 of the US Securities Exchange Act of 1934 ("**Rule 14e-5**"), the Offeror or its nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares otherwise than under the Offer, such as in open market or privately negotiated purchases outside the United States during the period in which the Offer remains open for acceptance. In addition, in accordance with Dutch law and with exemptive relief granted by the Staff from Rule 14e-5, Goldman Sachs and ABN AMRO, serving as financial advisors to the Offeror, or their respective affiliates and separately identifiable departments may make purchases of, or arrangements to purchase, Shares outside of the Offer or engage in trading activities involving Shares and various related derivative transactions in the normal and ordinary course of their business. In accordance with the requirements of Rule 14e-5 and exemptive relief granted by the SEC, any such transactions outside of the Offer must comply with Dutch law. Any information about purchases by the Offeror will be notified forthwith (onverwijld) to the Dutch Authority for the Financial Markets. In accordance with applicable Dutch law, only in certain instances will purchases, or arrangements to purchase, of Shares outside the Offer be publicly disclosed and such public disclosure will be available on the website of The Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) ([www.afm.nl](http://www.afm.nl)). Information regarding transactions in the Shares will also be publicly disclosed in the United States to the extent that such information is made public in The Netherlands.

This announcement does not constitute an offer to purchase any securities, nor a solicitation of any offer, proxy, consent or authorization to buy or subscribe for any securities of Tele Atlas or any other securities, nor shall it (or any part of it) form the basis of, or be relied upon in connection with, any contract therefore. In the event that an offer is made, details of the offer will be set out in an offer memorandum, which will contain the full terms and conditions of the offer including how the offer can be accepted, and which will be made available to all holders of securities of Tele Atlas free of charge.

Statements in this document regarding the proposed transaction between Tele Atlas and TomTom, the expected timing for completing the transaction, future financial and operating results, benefits and synergies of the transaction, future opportunities for the combined company and any other statements about Tele Atlas or TomTom managements' future expectations, beliefs, goals, plans, or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "believes," "will," "plans," "anticipates," "expects" and similar expressions) should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the ability to consummate the transaction, the ability of TomTom to successfully integrate Tele Atlas' operations and employees; the ability to realize anticipated synergies and cost-savings; the receipt of regulatory clearances; and other factors described in TomTom's and Tele Atlas' most recent respective annual reports for the year ended 2006. TomTom and Tele Atlas each disclaim any intention or obligation to update any forward-looking statements as a result of developments after the date of this announcement.