

TomTom Q4 2008 pro forma revenue €528 million, EPS 0.57 (reported EPS -€ 8.02) <sup>1</sup>

TomTom 2008 pro forma revenue €1,748 million, EPS 1.16 (reported EPS -€ 7.13) <sup>1</sup>

(in € millions)	Pro forma fourth quarter 2008 results excl. impairment & restructuring <sup>1</sup> (unaudited)					Pro forma full year results excl. imp. & restr. <sup>1</sup> (unaudited)		
	Q4'08	Q4'07	y.o.y. change	Q3'08	q.o.q. change	2008	2007	y.o.y. change
Revenue	528	696	-24%	429	23%	1,748	1,947	-10%
Gross result	238	354	-33%	240	-1%	871	1,040	-16%
Gross margin	45%	51%		56%		50%	53%	
EBITDA	98	180	-45%	119	-17%	343	507	-32%
EBITDA margin	19%	26%		28%		20%	26%	
Operating result	70	159	-56%	93	-24%	244	425	-43%
Operating margin	13%	23%		21%		14%	22%	
Net result	70	100	-29%	58	21%	143	224	-36%
EPS, € diluted	0.57	0.82	-31%	0.47	21%	1.16	1.87	-38%
Adjusted EPS, € diluted	0.79	0.99	-20%	0.68	16%	1.96	2.56	-23%

(in € millions)	Reported fourth quarter 2008 results (unaudited)					Reported full year results (audited)		
	Q4'08	Q4'07	y.o.y. change	Q3'08	q.o.q. change	2008	2007	y.o.y. change
Revenue	528	634	-17%	429	23%	1,674	1,737	-4%
Gross result	238	268	-11%	240	-1%	781	764	2%
Gross margin	45%	42%		56%		47%	44%	
EBITDA	82	151	-46%	118	-30%	320	451	-29%
EBITDA margin	16%	24%		28%		19%	26%	
Operating result	-994	144		92		-801	428	
Operating margin	-188%	23%		21%		-48%	25%	
Net result	-989	107		58		-873	317	
EPS, € diluted	-8.02	0.87		0.46		-7.13	2.66	

#### Fourth quarter 2008 highlights

- Revenue of €528 million
  - Gross profit of €238 million, gross profit margin of 45%
  - Ebitda of €98 million<sup>1</sup>, Ebitda margin of 19%<sup>1</sup>
  - Net profit of €70 million<sup>1</sup>
  - Cash generated from operations of €251 million
  - Net debt of €1,109 million, reduced by €213 million (Q3 2008 €1,322 million)
  - Non-cash impairment charge of €1,048 million
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- HD Traffic up and running in 5 European countries
  - Historical speed profile database made available to Tele Atlas customers
  - Launch of first Tele Atlas map incorporating Map Share feedback
  - Geographical expansion of PND business into Russia

<sup>1</sup> For comparative reasons we have excluded the one-off non-cash €1,048 million goodwill impairment and €16 million restructuring charges from the pro forma figures that assume consolidation of Tele Atlas from 1 January 2007.

**Harold Goddijn, TomTom CEO:**

*"Despite the tough market conditions TomTom traded profitably and was significantly cash generative in the quarter. We expect trading conditions to continue to be challenging throughout 2009 and we are adjusting our cost base accordingly.*

*We made good progress on an operational and strategic front in the quarter. With our PND business we continue to maintain strong market share and margins in our core markets and we are targeting growth opportunities in new geographies. In addition, we are focused on further expanding our customer base through our industry leading content and services offerings such as HD Traffic. Through our Renault partnership we will shortly bring our first line fitted navigation solution for the volume car segment to market. We are increasing operational efficiency within Tele Atlas and we are creating opportunities in the mobile, internet and automotive markets. WORK has gained a leading position in European fleet management and doubled its subscriber numbers during the year. All of this gives me confidence that our strategy is right and that we will successfully transition into a more broadly based company."*

**Market and TomTom outlook 2009**

The PND category grew by more than 30% in 2008. Given relatively low penetration levels and increased acceptance of car navigation we expect growth to continue, however in the short term this will be tempered by macro economic conditions. We believe that PNDs will continue to be the platform of choice for the coming years.

It is difficult to give specific guidance at this early point in the year given the limited visibility about how demand will develop given the volatile market conditions. At this stage, based on our latest planning, we expect the PND markets in Europe and North America to be around 15 million and 17 million units in size respectively and for TomTom to sell between 11 and 12 million units with revenue for the full year 2009 of between €1.4 billion and €1.6 billion.

Sales in the first half of the year will be more 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. During the first quarter sell-in is expected to be limited as inventory is cleared by retailers ahead of new products in the second quarter.

We have initiated a cost reduction programme. We expect to save approximately €60 million, or 10%, in operating expenses in 2009 compared to the 2008 pro forma operating expenses.

## Operational review

### Cost Cutting Programme

Cost reductions will be achieved through a mix of a reduction in headcount, alignment of marketing expenses with the expected revenue development and other measures to minimise discretionary expenditure and to share functions and facilities, where appropriate, between TomTom and Tele Atlas. In relation to the cost cutting programme a restructuring charge was booked in Q4 of €16 million.

### Key figures TomTom (excluding Tele Atlas) \*

(in € millions)	Q4'08	Q4'07	y.o.y. change	Q3'08	q.o.q. change	2008	2007	y.o.y. change
Revenue	473	634	-25%	377	25%	1,553	1,737	-11%
- of which PNDs	444	602	-26%	343	29%	1,424	1,623	-12%
- of which Other	29	32	-9%	34	-13%	129	114	
Gross result	166	268	-38%	176	-5%	621	764	-19%
<i>Gross margin</i>	35%	42%		47%		40%	44%	
Operating result	56	144	-61%	92	-39%	253	428	-41%
<i>Operating margin</i>	12%	23%		24%		16%	25%	
# of PNDs sold (in 000s)	4,443	4,278	4%	2,526	76%	12,033	9,575	26%
ASP	100	141	-29%	136	-26%	118	170	-31%

\* pro forma and excluding restructuring charges

The European market declined 7% year on year to 4.9 million units and grew sequentially by 19%. In North America the market increased 12% year on year to 8.0 million units which represents sequential growth of 150%. Channel inventory of TomTom PNDs continued to decrease in absolute terms in the past quarter, especially in Europe. However retailers are cautious, and channel inventory still needs to be reduced which will limit our sell in opportunities in the first quarter.

Market shares were stable sequentially. TomTom continues to have a leading market share in Europe of 46% and a North American market share of 23%.

TomTom expanded geographically into Russia during the quarter. During the quarter we added Portugal to the list of countries where we will roll out our real time traffic information service. After, as planned, having TomTom HD Traffic available to 50% of our European customer base by the end of 2008, Belgium and Portugal will follow in 2009. We will focus on improving the services we have rolled out to make them more and more relevant to car drivers to increase the size of our connected community.

WORK continued to strengthen its leading position in the European telematics industry during the quarter and ended the year with 67,000 subscribers for its services, which is an increase of 97% compared to the end of the previous year.

At the end of the year we announced that we had received the five millionth unique Map Share improvement from our user community, up from half a million at the start of the year.

**Key figures Tele Atlas\***

(in € millions)	Q4'08	Q4'07	y.o.y. change	Q3'08	q.o.q. change	2008	2007	y.o.y. change
Revenue	86	97	-11%	73	18%	289	308	-6%
- of which PNDs	47	60	-22%	35	34%	151	170	-11%
- of which Automotive	13	16	-19%	13	0%	55	66	-17%
- of which Other	26	21	24%	25	4%	84	72	17%
Gross result	71	86	-17%	64	11%	250	276	-9%
<i>Gross margin</i>	<i>83%</i>	<i>89%</i>		<i>89%</i>		<i>87%</i>	<i>90%</i>	
Operating result	14	14		1		-9	-3	
<i>Operating margin</i>	<i>17%</i>	<i>15%</i>		<i>1%</i>		<i>-3%</i>	<i>-1%</i>	
# of map licenses (in 000s)	6,062	6,677	-9%	4,214	44%	18,777	17,247	9%

\* pro forma and excluding goodwill impairment and restructuring charges

Tele Atlas continued to expand its global coverage by delivering the first navigable digital maps of Morocco and by announcing agreements to expand its map coverage with Argentina, Chile, Uruguay and South Korea, to be available in 2009.

During the quarter Tele Atlas released the latest version of our MultiNet digital map database, the first global digital map database to use community-provided data to validate changes. It incorporates community input provided by TomTom users significantly strengthening Tele Atlas' map change detection and validation process.

Tele Atlas launched its Urban Maps designed to enrich the mobile users' location-based services experience. It delivers premier out-of-car content such as enhanced views of sidewalks and footpaths, 2D representations of notable structures and building footprints that better orient pedestrians in city centres. Tele Atlas Urban Maps are available for nearly 120 cities globally.

During the quarter Tele Atlas Speed Profiles became available, which provide highly accurate speed data to allow end users of consumer, enterprise and business fleet navigation systems to find the most optimal route to their destination and far more accurately estimate their travel time. With data derived from almost half a trillion speed measurements shared by consumers, Speed Profiles is unique in terms of both size and richness, delivering actual average speeds for every five minutes of the day on any day of the week for frequently travelled roads.

## Financial review

### Non-cash goodwill impairment

TomTom Group recorded a one-off non-cash goodwill impairment charge of €1,048 million as a result of our annual impairment review. Tele Atlas is core to the strategy of the group however the worsening macro environment means that currently we cannot sustain the full valuation of the acquired business of Tele Atlas as established at the time of the acquisition.

*For ease of comparisons the following sections review the **pro forma** income statements and balance sheet. **The goodwill impairment and restructuring charges are also excluded from the comparisons.** The pro forma figures assume consolidation of Tele Atlas from 1 January 2007.*

### Revenue

Revenue for the Group was €528 million for the quarter, an increase of 23% sequentially (Q3 2008: €429 million) and a decrease of 24% compared with last year (Q4 2007: €696 million).

The revenue of the "TomTom only" business (excluding Tele Atlas) over the past quarter amounted to €473 million, an increase of 25% sequentially (Q3 2008: €377 million) and a decline of 25% versus prior year (Q4 2007: €634 million).

Tele Atlas revenue was €86 million for the quarter, an increase of 18% sequentially (Q3 2008: €73 million) and a decrease of 11% compared with last year (Q4 2007: €97 million). Tele Atlas other revenue, which includes mobile, Internet and Enterprise & Governmental services, increased by €1 million compared to the previous quarter of €25 million. PND revenue for Tele Atlas increased sequentially by €12 million compared to the previous quarter to €47 million.

TomTom PND sales amounted to €444 million, representing 84% of Group revenue in the quarter (Q3 2008: €343 million and 80%; Q4 2007: €602 million and 86%). Europe represented 65% of total revenue for the Group for the quarter (Q3 2008: 76%; Q4 2007: 73%), North America represented 30% of total revenue (Q3 2008: 19%; Q4 2007: 21%) and the rest of the world was 5% of total revenue (Q3 2008: 5%; Q4 2007: 6%). In the "TomTom only" business, revenue from North America for the quarter represented 30% of revenue, an increase of 9 percentage points year on year (Q4 2007: 21%) and an increase of 12 percentage points from 18% in Q3 2008.

### Volumes and average selling prices

TomTom shipped 4,443 million PND units in the quarter, an increase of 76% sequentially (Q3 2008: 2,526 million) and an increase of 4% year on year (Q4 2007: 4,278 million).

The average selling price for PNDs in the fourth quarter was €100, a decrease of 26% compared to the previous quarter (Q3 2008: €136) and a decline of 29% compared to the last quarter of 2007 (Q4 2007: €141). The sequential decrease in ASP is due to geographical and product mix shifts as well as promotional activities. We expect that the pace of ASP decline will reduce in 2009.

### Gross margin

The gross margin for the Group was 45%, which represents a decrease of 11 percentage points sequentially (Q3 2008: 56%) and a decrease of 6 percentage points compared to the pro forma fourth quarter of last year (Q4 2007: 51%). The gross margin for TomTom excluding Tele Atlas decreased by 11.4 percentage points to 35.2% (Q3 2008: 46.6%) and is mainly the result of a decrease in the average selling price of PNDs, additional promotional activities and a negative impact from GBP and USD currency movements. Using the same exchange rates that applied in Q4 2007 TomTom (excluding Tele Atlas) would have recorded a gross margin of c.40% for the quarter.

## Operating expenses

Excluding the impairment and restructuring costs operating expenses amounted to €168 million, which represents an increase of 14% or €20 million compared to the third quarter (Q3 2008: €147 million). The increase in operating expenses was caused by the seasonal increase in marketing expenses of €21 million. Year on year pro forma operating expenses decreased by 14% (Q4 2007: €196 million). Operating expenses as a percentage of revenue for the quarter decreased to 31.8% (Q3 2008: 34.4%) and increased by 3.7 percentage points year on year (Q4 2007: 28.1%). TomTom excluding Tele Atlas operating expenses were 23.4% of its revenue for the quarter (Q4 2008: €111 million) which is an increase from the previous quarter (Q3 2008: 22.2%) and up 3.9 percentage points compared to the same quarter of last year (Q4 2007: 19.5%).

Research and development (R&D) expenses for the quarter were €37.9 million, broadly flat with the previous quarter (Q3 2008: €38.4 million) and a decrease of 5.0% compared to the pro forma R&D expenses for the previous year (Q4 2007: €39.8 million).

Amortisation of technology and databases for the quarter was €17.8 million (Q3 2008: €17.3 million). The year on year comparison (pro forma amounts) show an increase in the amortisation of technology and databases of 11% (Q4 2007: €16.1 million). They represented 3.4% of revenue, down from 4.0% in the previous quarter and up from 2.3% in the same quarter last year.

Marketing expenses were, as planned, seasonally higher at €52.0 million (Q3 2008: €31.0 million). The year on year comparison shows a decrease in marketing expenses of 24.5% (Q4 2007: €68.9 million) in line with the lower revenue. TomTom made up €47.6 million of the marketing expenses. Total marketing expenses represented 9.9% of Group revenue, an increase of 2.7 percentage points compared to the previous quarter (Q3 2008: 7.2%), and flat compared to the same quarter last year.

Selling, general and administrative (SG&A) expenses for the quarter, excluding one-off charges, amounted to €57.4 million, which is in line with the previous quarter (Q3 2008: €56.1 million) and a decrease of 3.7% line compared to last year (pro forma Q4 2007: €59.6 million). SG&A costs for the Group represented 10.9% of revenue, down from 13.1% in the previous quarter.

Stock compensation expenses for the quarter were €2.6 million, down from €11.5 million in the same quarter last year. The lower costs can be explained by the accelerated vesting of the Tele Atlas stock option plan prior to the acquisition and the decrease in our share price which results in lower costs for our share plan.

Excluding one-off charges, the operating profit for the quarter decreased by 24.4% quarter on quarter to €70.1 million (Q3 2008: €92.8 million). As a percentage of revenue the operating profit decreased by 8.3 percentage points to 13.3% (Q3 2008: 21.6%). Year on year the operating profit decreased by 55.8% (Q4 2007: €158.5 million).

## Financial results

The financial result included a net interest expense of €27.6 million for the quarter, explained by the borrowings TomTom entered into in June last year to finance the acquisition of Tele Atlas.

The other finance result shows a gain of €52.6 million, which arose mainly from foreign exchange contracts that were put in place to cover our committed and anticipated exposure in non-functional currencies. The gain on our foreign exchange hedge instruments is mainly driven by the weakening of the GB pound and a stronger US dollar against the euro during the quarter.

**Tax**

Income tax was €24.4 million, with the pro forma effective tax rate being 25.7% for the quarter (Q4 2007: 22.5%).

**Cash flow**

In the fourth quarter €251 million of cash was generated by operations, mainly driven by a partly realised positive forex result of €53 million, and tight working capital management which resulted in a cash inflow of €108 million. The decrease in working capital was due to strong collections of receivables, tight monitoring of our payable balances and a sequential decrease of our inventory balance in the quarter of €55 million. Cash flow used in investing activities was €27.8 million mainly driven by investments in the roll out of HD Traffic technology and capitalisation of R&D. The financing activities show a cash-out of €164 million which is mainly the repayment of 10% of the principal amount of our borrowings. Our total cash balance increased by €58.5 million to €321 million at the end of the quarter.

**Debt financing**

TomTom incurred an acquisition debt of €1,585 million on 10 June 2008. In the quarter, net debt decreased significantly from €1,322 to €1,109 million due to strong operating cash flow.

The net debt is the sum of the borrowings (€1,585 million), minus the repayment made in December 2008 amounting to €158.5 million, minus the cash and cash equivalents at the end of the period (€321 million) plus our financial lease commitments.

The floating interest coupon of the loan is based on Euribor plus a margin. The margin will reduce as TomTom reduces its level of leverage. The Euribor element of the interest coupon is hedged for the full term of the loan with cap instruments.

We amended the covenant conditions of the loan facility in October 2008, for which an amendment fee of €8 million was paid in Q4 2008. Based upon the Group's plans for 2009, management expects to comply with the loan covenants. However, given the uncertainties in the wider macro economic environment and their knock on effect on consumer spending, scenarios can be envisaged where the loan covenants could be breached. As a result, the company continues to evaluate options aimed at remaining within its loan covenants under a variety of possible scenarios, which could include renegotiating the terms of the facility in isolation or in combination with other actions.

**Balance sheet**

The Group shows a goodwill balance of €855 million, which is the excess of the purchase price consideration paid over the fair value of assets and liabilities of Tele Atlas, adjusted by an impairment (non-cash) charge of €1,048 million.

Cash and cash equivalents at the end of the period amounted to €321 million (Q3 2008: €263 million). Trade receivables increased to €290 million from €276 million at the start of the quarter. The increase was driven by higher sales compared to the previous quarter. Inventories decreased sequentially by €55 million to €145 million by the end of the quarter (Q3 2008: €200 million, Q4 2007: €131 million).

The balance sheet shows borrowings of €1,388 million, made up of incurred acquisition debt net of related transaction costs. At the end of the fourth quarter, we had shareholder's equity of €513 million, down from €1,485 million at the beginning of the quarter. The quarter on quarter decrease in equity is mainly driven by the impairment charge of €1,048 million partly offset by a positive operating result.

**Consolidated income statements**

(in € thousands)	Q4'08	Q4'07	2008	2007
Revenue	528,048	634,333	1,674,013	1,737,133
Cost of sales	290,140	366,090	893,309	972,949
<b>Gross result</b>	<b>237,908</b>	<b>268,243</b>	<b>780,704</b>	<b>764,184</b>
Research and development expenses	37,867	14,784	122,590	44,215
Amortisation of technology & databases	17,808	4,763	47,697	15,979
Marketing expenses	52,027	62,113	142,979	137,325
Selling, general and administrative expenses	73,328	35,157	214,654	107,568
Impairment charges	1,047,776	0	1,047,776	0
Stock compensation expense	2,631	7,026	5,564	31,285
<b>Total operating expenses</b>	<b>1,231,437</b>	<b>123,843</b>	<b>1,581,260</b>	<b>336,372</b>
<b>Operating result</b>	<b>-993,529</b>	<b>144,400</b>	<b>-800,556</b>	<b>427,812</b>
Interest result	-27,558	4,289	-52,055	19,121
Other finance result	52,642	-4,532	72,149	-16,330
Result associates	0	758	-13,456	758
<b>Result before tax</b>	<b>-968,445</b>	<b>144,915</b>	<b>-793,918</b>	<b>431,361</b>
Income tax	20,373	38,306	78,130	114,119
<b>Net result</b>	<b>-988,818</b>	<b>106,609</b>	<b>-872,048</b>	<b>317,242</b>
Minority interests	375	0	537	0
<b>Net result attributed to the group</b>	<b>-989,193</b>	<b>106,609</b>	<b>-872,585</b>	<b>317,242</b>
EPS, € basic	-8.02	0.92	-7.13	2.80
<b>EPS, € diluted<sup>1</sup></b>	<b>-8.02</b>	<b>0.87</b>	<b>-7.13</b>	<b>2.66</b>
Basic number of shares (in millions)	123.3	115.6	122.5	113.1
<b>Diluted number of shares (in millions)<sup>1</sup></b>	<b>123.3</b>	<b>122.1</b>	<b>122.5</b>	<b>118.1</b>

<sup>1</sup>In 2008 no additional shares from assumed conversion are taken into account for reported figures as the effect would be anti dilutive.

**Consolidated pro forma income statements (excluding goodwill impairment and restructuring charges)**

(in € thousands)	Q4'08	Q4'07	2008	2007
Revenue	528,048	696,185	1,748,159	1,947,496
Cost of sales	290,140	341,688	877,372	907,771
<b>Gross result</b>	<b>237,908</b>	<b>354,497</b>	<b>870,787</b>	<b>1,039,725</b>
Research and development expenses	37,867	39,842	165,307	143,123
Amortisation of technology & databases	17,808	16,091	68,063	61,294
Marketing expenses	52,027	68,910	154,930	166,921
Selling, general and administrative expenses	57,428	59,635	225,106	195,120
Stock compensation expense	2,631	11,477	13,109	48,040
<b>Total operating expenses</b>	<b>167,761</b>	<b>195,955</b>	<b>626,515</b>	<b>614,498</b>
<b>Operating result</b>	<b>70,147</b>	<b>158,542</b>	<b>244,272</b>	<b>425,227</b>
Interest result	-27,558	-25,893	-102,712	-102,703
Exchange gain/(loss)	52,642	-4,648	72,702	-16,621
Result associates	0	497	-1,211	-88
<b>Result before tax</b>	<b>95,231</b>	<b>128,498</b>	<b>213,051</b>	<b>305,815</b>
Income tax	24,427	28,911	69,876	82,299
<b>Net result</b>	<b>70,804</b>	<b>99,587</b>	<b>143,175</b>	<b>223,516</b>
Minority interests	375	-158	238	-221
<b>Net result attributed to the group</b>	<b>70,429</b>	<b>99,745</b>	<b>142,937</b>	<b>223,737</b>
EPS, € basic	0.57	0.86	1.17	1.98
<b>EPS, € diluted</b>	<b>0.57</b>	<b>0.82</b>	<b>1.16</b>	<b>1.87</b>
Basic number of shares (in millions)	123,3	115,6	122,5	113,1
<b>Diluted number of shares (in millions)</b>	<b>124,6</b>	<b>122,1</b>	<b>123,5</b>	<b>118,1</b>

**Consolidated balance sheet**

(in € thousands)	31 Dec 2008	31 Dec 2007	(pro forma) 31 Dec 2007
Goodwill	854,713	0	1,895,062
Other intangible assets	1,011,194	56,344	1,012,844
Property, plant and equipment	53,155	17,824	41,669
Deferred tax assets	32,977	24,363	33,786
Investments	5,663	816,788	10,422
<b>Total non-current assets</b>	<b>1,957,702</b>	<b>915,319</b>	<b>2,993,783</b>
Inventories	145,398	130,675	131,661
Trade receivables	289,981	403,015	473,883
Other receivables and prepayments	15,987	30,548	39,695
Other financial assets	36,583	26,695	26,695
Cash and cash equivalents	321,039	463,339	268,218
<b>Total current assets</b>	<b>808,988</b>	<b>1,054,272</b>	<b>940,152</b>
<b>Total assets</b>	<b>2,766,690</b>	<b>1,969,591</b>	<b>3,933,935</b>
Share capital	24,663	24,357	24,357
Share Premium	575,918	566,736	566,736
Legal reserves	32,746	5,832	5,832
Stock compensation reserve	69,469	58,765	58,765
Retained earnings/ (deficit)	-194,387	696,660	696,660
Minority interests	4,964	0	5,196
<b>Total equity</b>	<b>513,373</b>	<b>1,352,350</b>	<b>1,357,546</b>
Borrowings	1,241,900	0	1,553,988
Provisions	55,702	41,624	41,624
Long-term liability	4,749	377	4,281
Deferred tax liability	229,075	412	263,640
<b>Total non-current liabilities</b>	<b>1,531,426</b>	<b>42,413</b>	<b>1,863,533</b>
Trade payables	152,119	151,859	139,391
Borrowings	146,588	0	0
Tax and social security	29,044	88,737	95,748
Accruals	150,041	153,625	196,143
Provisions	57,231	54,345	54,345
Other liabilities	186,868	126,262	227,229
<b>Total current liabilities</b>	<b>721,891</b>	<b>574,828</b>	<b>712,856</b>
<b>Total equity and liabilities</b>	<b>2,766,690</b>	<b>1,969,591</b>	<b>3,933,935</b>

**Consolidated statements of cash flows**

(in € thousands)	Q4'08	Q4'07	2008	2007
Operating result	-993,529	144,400	-800,556	427,812
Financial gains/(losses)	56,482	-7,373	70,091	-24,657
Depreciation of PPE	6,661	1,781	17,350	6,866
Amortisation of intangible assets	21,481	5,092	55,414	16,611
Impairment charge	1,047,776	0	1,047,776	0
Change to provisions	276	19,088	12,142	52,223
Change to stock compensation reserve	3,610	6,175	4,857	27,587
Changes in working capital:				
Movement in inventories	59,167	-6,532	-8,936	-7,670
Movement in receivables and prepayments	1,176	-169,388	195,363	-162,577
Movement in current liabilities	47,444	161,516	-130,722	199,204
<b>Cash generated from operations</b>	<b>250,544</b>	<b>154,759</b>	<b>462,779</b>	<b>535,399</b>
Interest received	2,160	4,726	13,726	20,102
Interest paid	-10,508	-436	-43,188	-981
Corporate income taxes paid	7,061	-28,734	-79,214	-113,407
<b>Net cash flow from operating activities</b>	<b>249,257</b>	<b>130,315</b>	<b>354,103</b>	<b>441,113</b>
Investments in intangible assets	-16,007	-4,891	-36,938	-33,771
Investments in property, plant and equipment	-7,541	-5,310	-32,700	-16,766
Investments in financial assets	-4,297	-816,030	-1,833,792	-816,030
<b>Total cash flow used in investing activities</b>	<b>-27,845</b>	<b>-826,231</b>	<b>-1,903,430</b>	<b>-866,567</b>
Repayment/proceeds from borrowings	-163,650	0	1,387,137	0
Proceeds on issue of ordinary shares	0	452,395	20,378	453,417
<b>Total cash flow from financing activities</b>	<b>-163,650</b>	<b>452,395</b>	<b>1,407,515</b>	<b>453,417</b>
<b>Net increase in cash and cash equivalents</b>	<b>57,762</b>	<b>-243,521</b>	<b>-141,812</b>	<b>27,963</b>
Cash and Cash equivalents at beginning of period	262,514	708,844	463,339	437,801
Exchange rate effect on cash balances held in foreign currencies	763	-1,984	-488	-2,426
<b>Cash and Cash equivalents at end of period</b>	<b>321,039</b>	<b>463,339</b>	<b>321,039</b>	<b>463,338</b>

### Consolidated statement of changes in stockholders' equity

(in € thousands)	share capital	share premium	legal reserves	stock compens. reserve	retained earnings	shareholders equity	minority interests	total
<b>01 Jan 2008</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>	<b>0</b>	<b>1,352,350</b>
Translation differences			8,452			8,452		8,452
Transfer to legal reserves			18,462		-18,462	0		0
<b>Net income (expense) recognised directly in equity</b>			<b>26,914</b>		<b>-18,462</b>	<b>8,452</b>	<b>0</b>	<b>8,452</b>
Result for the year					-872,585	-872,585	537	-872,048
<b>Total recognised income and expense</b>			<b>26,914</b>		<b>-891,047</b>	<b>-864,134</b>	<b>4,964</b>	<b>-863,597</b>
Acquisition of subsidiary							4,427	4,427
Stock compensation reserve				12,787		12,787		12,787
Issue of Share Capital	306	9,182		-2,083		7,405		7,405
<b>31 December 2008</b>	<b>24,663</b>	<b>575,918</b>	<b>32,746</b>	<b>69,469</b>	<b>-194,387</b>	<b>508,408</b>	<b>4,964</b>	<b>513,373</b>

## Accounting policies

### Basis of accounting

The condensed consolidated financial statements for the three-month period ended 31 December 2008 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 2008, are the same as those followed in the Financial Statements for the year ended 31 December 2007. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the condensed consolidated financial statements.

### Pro forma information

Pro forma information: in addition to the quarterly figures as issued by TomTom in 2007 and 2008, this report presents unaudited pro forma comparatives for these quarters. The pro forma income statements reflect the TomTom outcomes as if Tele Atlas was acquired at 1 January 2007, the first day of TomTom's financial year, and include the effects of the preliminary purchase price allocation. Furthermore for comparison reasons we have excluded the goodwill impairment charge and restructuring charges. The pro forma balance sheet is prepared as if Tele Atlas was acquired at 31 December 2007. The main impact of the purchase price allocation on the statement of income is higher interest costs, elimination of transaction and acquisition related costs and higher amortisation of intangibles. The latter is due to the fair value step up recognised on acquisition date. Due to the fact that the purchase price allocation is determined on a provisional basis, the pro forma outcomes are subject to change. The pro forma profit and loss information for the twelve-month period ended 31 December 2007 and the three-month period ended 31 March 2008 was published on 27 June 2008, and can be found on the company's website [www.TomTom.com](http://www.TomTom.com).

## Segment reporting

### Revenue per segment

(in € thousands)	Q4'08	Q4'07	2008	2007
TomTom				
- of which PNDs	443,811	602,185	1,423,804	1,622,998
- of which Other	29,401	32,148	128,809	114,135
Tele Atlas	85,900	0	184,164	0
<i>Subtotal</i>	<i>559,112</i>	<i>634,333</i>	<i>1,736,777</i>	<i>1,737,133</i>
Intercompany	-31,064	0	-62,764	0
<b>Total</b>	<b>528,048</b>	<b>634,333</b>	<b>1,674,013</b>	<b>1,737,133</b>

### Revenue per region

(in € thousands)	Q4'08	Q4'07	2008	2007
Europe	362,028	464,683	1,225,901	1,396,151
North America	169,354	133,186	450,101	270,567
Rest of world	27,730	36,464	60,775	70,415
<i>Subtotal</i>	<i>559,112</i>	<i>634,333</i>	<i>1,736,777</i>	<i>1,737,133</i>
Intercompany	-31,064	0	-62,764	0
<b>Total</b>	<b>528,048</b>	<b>634,333</b>	<b>1,674,013</b>	<b>1,737,133</b>

## Pro forma Segment reporting

### Revenue per segment (pro forma)

(in € thousands)	Q4 '08	Q4 '07	2008	2007
TomTom				
- of which PNDs	443,811	602,185	1,423,804	1,622,998
- of which Other	29,401	32,148	128,809	114,135
Tele Atlas	85,900	96,939	289,078	308,031
<i>Subtotal</i>	<i>559,112</i>	<i>731,272</i>	<i>1,841,691</i>	<i>2,045,164</i>
Intercompany	-31,064	-35,087	-93,532	-97,668
<b>Total</b>	<b>528,048</b>	<b>696,185</b>	<b>1,748,159</b>	<b>1,947,496</b>

### Revenue per region (pro forma)

(in € thousands)	Q4 '08	Q4 '07	2008	2007
Europe	362,028	530,733	1,295,492	1,612,855
North America	169,354	159,004	479,253	349,632
Rest of world	27,730	41,535	66,946	82,677
<i>Subtotal</i>	<i>559,112</i>	<i>731,272</i>	<i>1,841,691</i>	<i>2,045,164</i>
Intercompany	-31,064	-35,087	-93,532	-97,668
<b>Total</b>	<b>528,048</b>	<b>696,185</b>	<b>1,748,159</b>	<b>1,947,496</b>

## Contact Financial Community

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## Audio web cast Q4 2008 results

The information for our fourth quarter results audio web cast is as follows:  
Date and time: 24 February 2009 at 14:00 CET  
Place: <http://investors.tomtom.com/tomtom/presentations/>

TomTom is listed at Euronext Amsterdam in the Netherlands  
ISIN: NL0000387058 / Symbol: TOM2

## About TomTom Group

TomTom NV is the world's leading provider of navigation solutions and digital maps. TomTom NV has over 3500 employees working in four business units – TomTom, Tele Atlas, Automotive and WORK.

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 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.

Tele Atlas delivers the digital maps and dynamic content that power some of the world's most essential navigation and location-based services (LBS). Through a combination of its own products and partnerships, Tele Atlas offers digital map coverage of more than 200 countries and territories worldwide. The Automotive business unit develops and sells navigation systems and services to car manufacturers and OEMs. TomTom WORK combines industry leading communication and smart navigation technology with leading edge tracking and tracing expertise.

TomTom NV was founded in 1991 in Amsterdam and has offices in Europe, North America, Middle East, Africa and Asia Pacific. TomTom is listed at Euronext Amsterdam in The Netherlands. For more information, go to [www.tomtom.com](http://www.tomtom.com).

*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.*