



Second Quarter 2006 Results

25 July 2006



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Agenda

Topic

Speaker

Market Developments
and Business Update

Harold Goddijn (CEO)

2006 Q2 Financials

Marina Wyatt (CFO)



Second Quarter Highlights

- € 277 million revenue and € 38 million net profit
- 830,000 PNDs shipped; record number, over 3 times as many as in Q2 2005
- Gross margin up to 43%
- Cash generated from operations of € 65 million
- Further broadening of our product offering
- Commanding European market share; strengthened #2 US position
- Increased number of retail outlets in the US



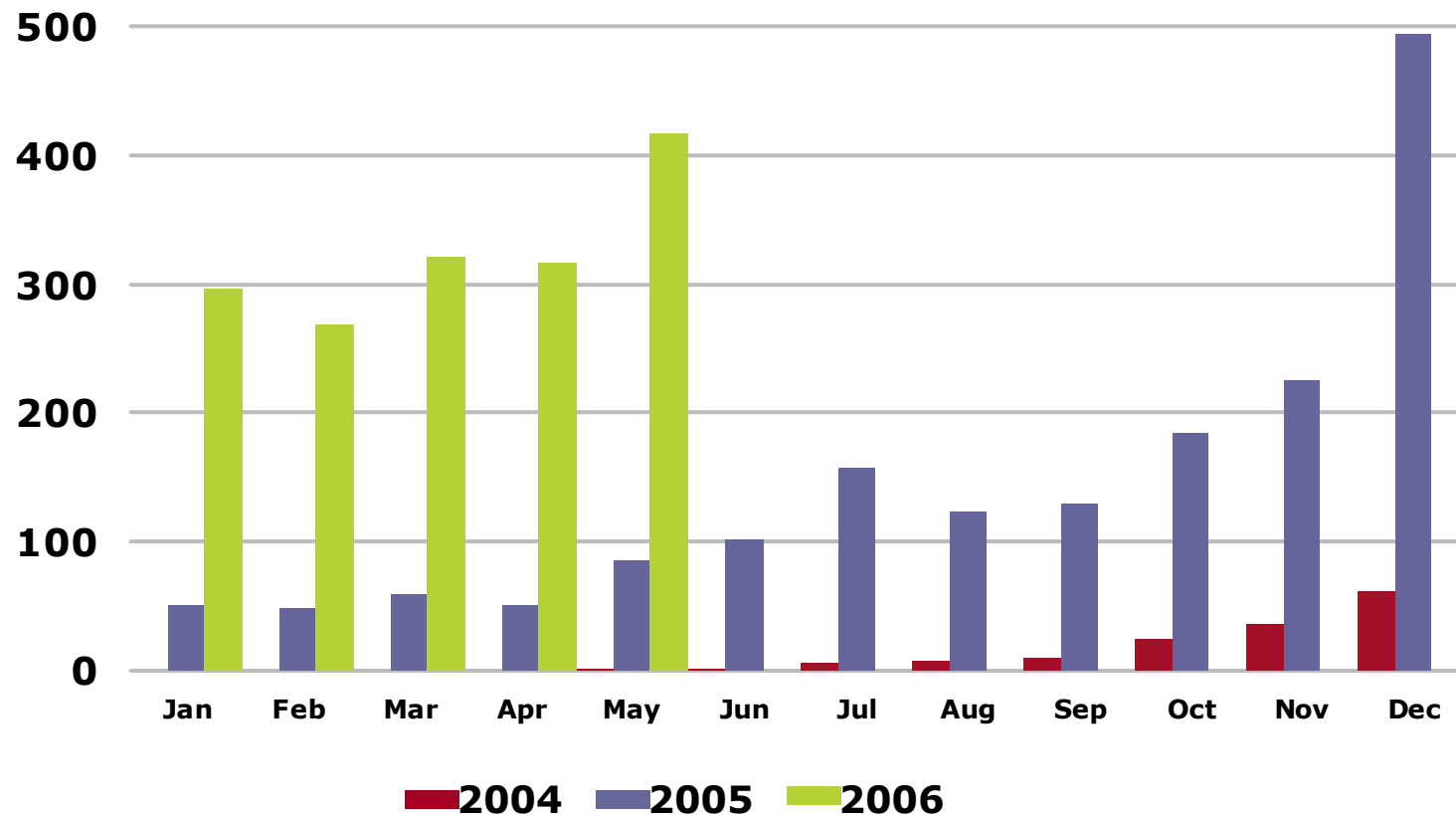
Market Developments

- In the first half of 2006 c.3m PNDs sold in Europe and 500K in North America
- Shelf space for the category is expanding
- Although the number of brands is expanding, very few are making an impact
- Product quality, relevant features, brand, price and wide availability are important
- The market for built-in systems and software solutions for PDAs and smartphones is stable but not growing



Strong growth of PNDs in Europe

Trends in PND sell-out in Europe over the last three years



* Based on July 2006 GfK sell out figures for PNDs, (covers approx. 2/3 of overall market)



– Supply Chain Improvements

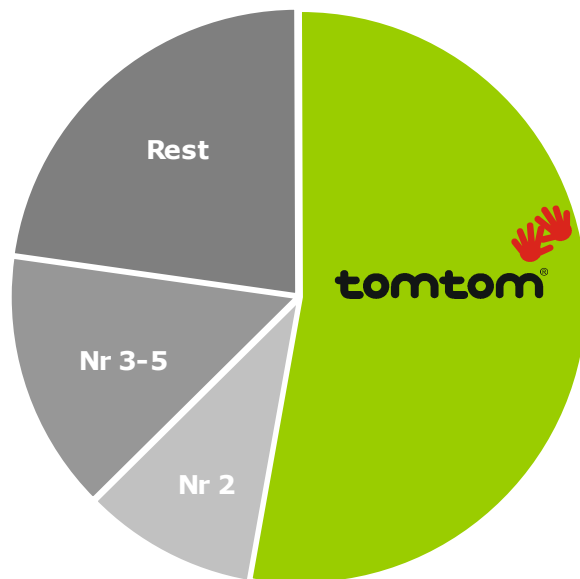
Significant progress made

- Appointed second manufacturing partner to increase flexibility and visibility
- Established direct relationships with key component suppliers
 - Improved visibility of availability of commodity components
 - Confirmation of forecasts and early warning system
- Reduced number of single sourced components
- Enhancements to vendor qualification process



Commanding lead in European Market

European Portable Navigation Devices Market Share – May 2006



- TomTom continues to be the clear market leader with 53% market share of units
 - Number 2 player has a single digit market share
 - Top 5 companies have a total market share of 78%
- Remaining 22% of the market is shared by over 40 other vendors



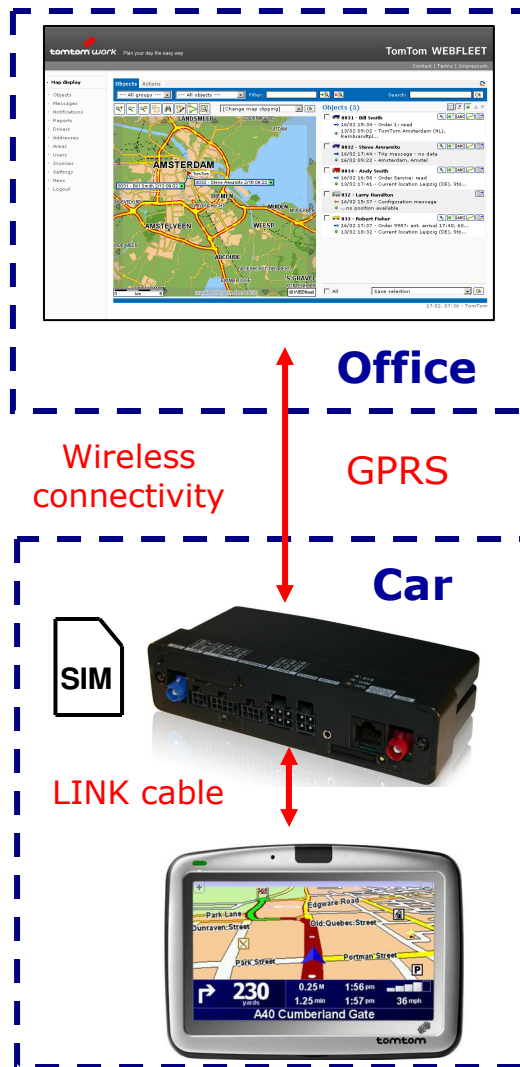
Source: GfK data from July 2006

Strengthened position in North American market

- The market is growing fast and is about 3 times larger than last year; consumer awareness of the sector and of TomTom is growing
 - Total brand awareness over 50%
- We have increased our market share to 27% in Q2 as measured by NPD. We are number 2 in the market
- We have continued to build the retail channel – the number of outlets in North America increased by 2,500 to 11,000, including new contracts with Radio Shack



Entering B2B market with TomTom WORK



- Reliable, smart & easy, integrated solution
- First combined navigation and tracking & tracing product has been well received and is gaining momentum
- Building a pan-European sales team
- Product now available in Germany, Benelux, France and UK



– Taking navigation to the next level

- Integration of Applied Generics is complete
- Proven technology - generating travel information in real time
- Travel times on entire road network
- Based on historical traffic and road conditions and from analysis of mobile network usage
- TomTom plans to improve accuracy of travel time predictions and to optimize routing



Proven technology



logicaCMG

Provincie Noord-Brabant

<http://actueleverkeersinformatie.brabant.nl/>

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2006 Business Outlook

- The new GO range is shipping in volume
 - Continued good level of sales of TomTom ONE
 - Order book is strong
- With our new GO range, we expect to further strengthen our market presence both in Europe and in North America
- Overall, we are confident about the outlook for TomTom's business in 2006 and we reiterate our guidance for the full year





Q2 2006 Financial Results



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Financial Summary

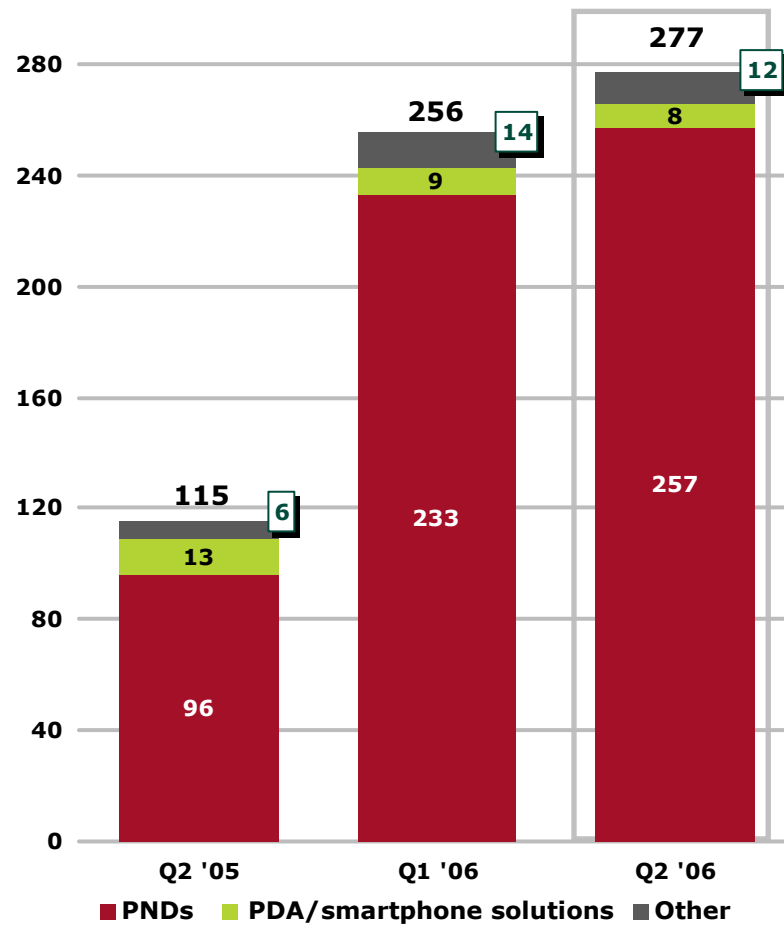
(in € millions)	Q2 2006	Q1 2006	change vs Q1 2006	Q2 2005	change vs Q2 2005
Revenue	277	256	8%	115	141%
Gross Profit	118	89	33%	48	146%
Gross Margin	43%	35%		42%	
Operating Profit	64	50	28%	27	137%
Operating Profit Margin	23%	20%		24%	
Net Profit	38	31	23%	22	73%
Net Profit Margin	14%	12%		19%	

* The figures in the table contain rounded numbers

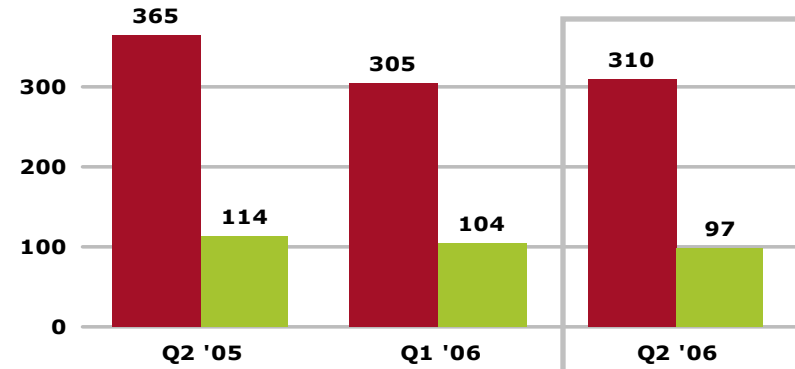


Revenue Analysis

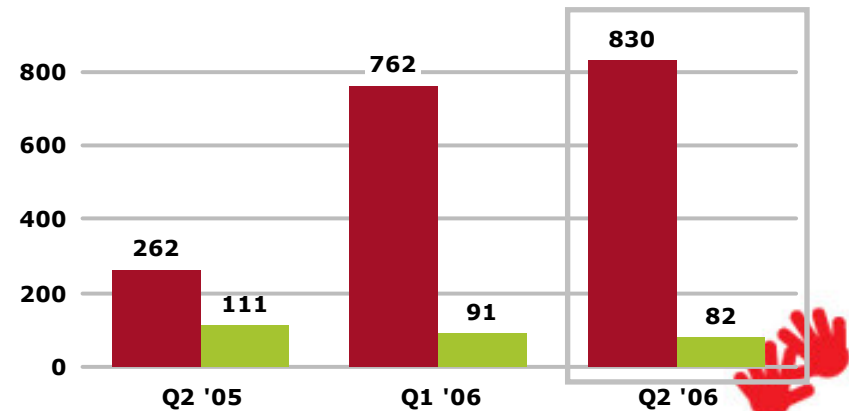
Revenue (in € millions)



ASP (in €)



Units (in 000s)

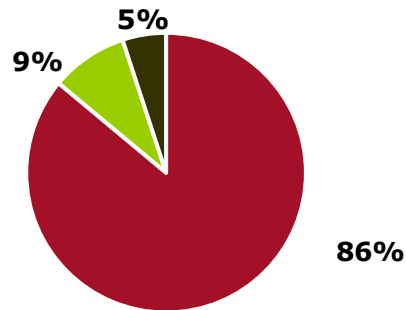


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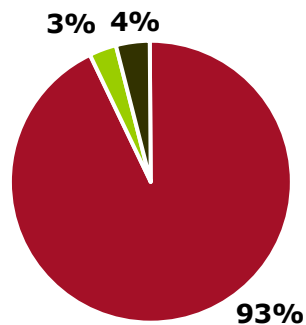
Revenue by Product and Geography

By Product Group

FY 2005



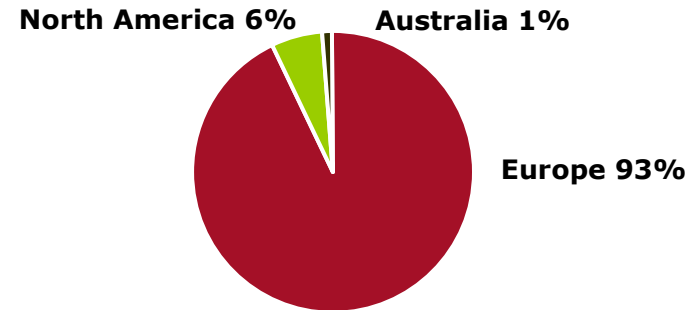
Q2 2006



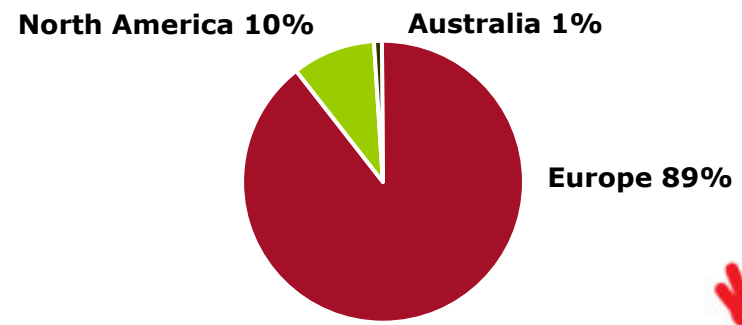
■ PNDs ■ PDA/smartphone solutions ■ Other

By Geography

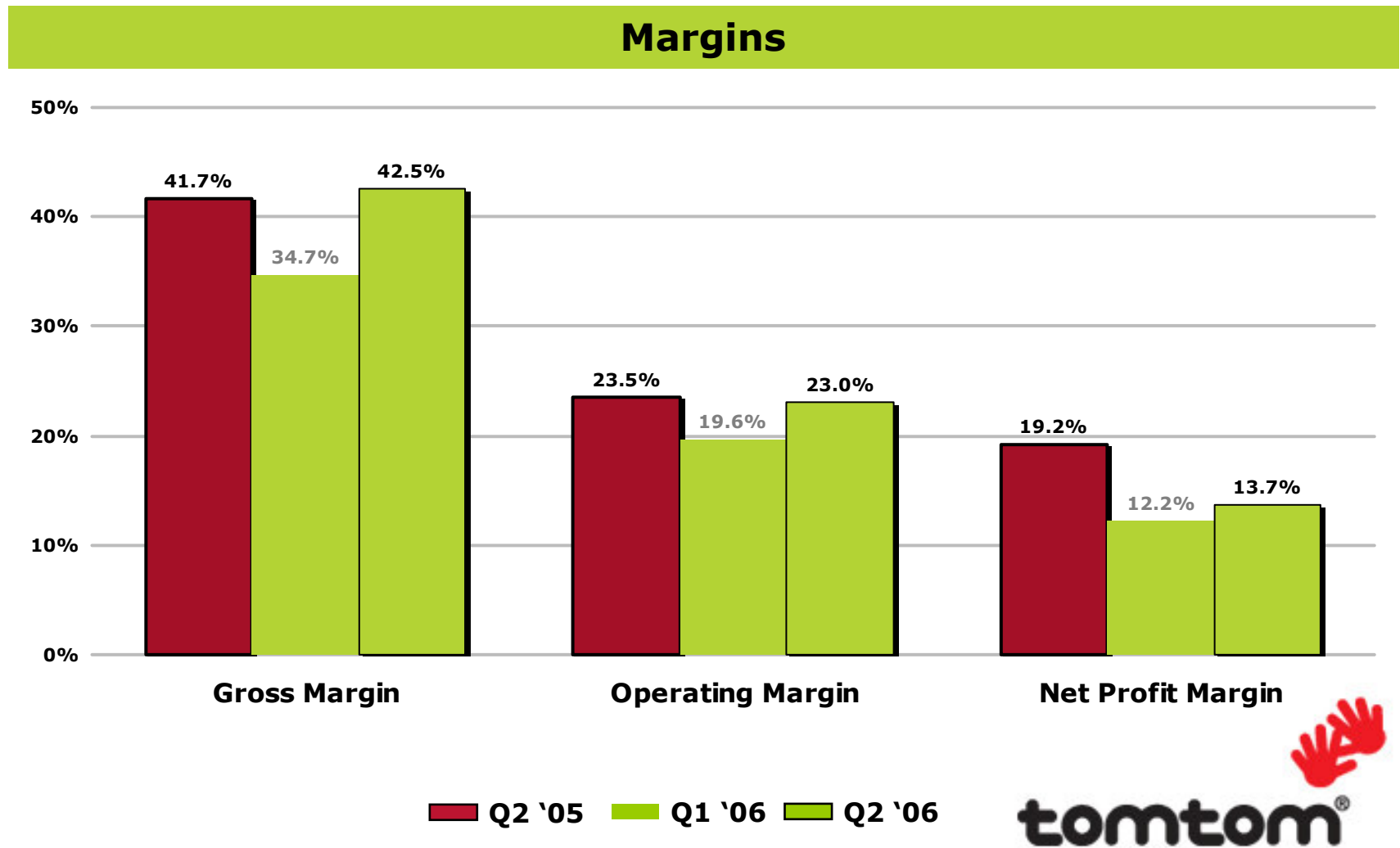
FY 2005



Q2 2006



Margin Comparison



Operating Expenses Overview

(in € millions)	Q2 2006	% of revenue	Q1 2006	% of revenue	Q2 2005	% of revenue
R&D	9.2	3.3%	5.6	2.2%	2.2	1.9%
Marketing	25.8	9.3%	14.9	5.8%	12.1	10.5%
Other SG&A	14.2	5.1%	13.2	5.2%	6.2	5.4%
Operating expenses	49.3	17.8%	33.7	13.2%	20.5	17.8%
Stock compensation expenses	4.9	1.8%	4.8	1.9%	0.4	0.4%
Total operating expenses	54.2	19.6%	38.5	15.0%	20.9	18.2%

* The figures in the table contain rounded numbers



Earnings Overview

(in € millions)	Q2 2006	Q1 2006	Q2 2005
Operating profit	63.7	50.2	27.0
Financial expenses and income, net	(11.9)	(4.8)	5.7
<i>Of which FX gains / losses</i>	<i>(13.4)</i>	<i>(6.1)</i>	<i>5.4</i>
Income tax	(14.0)	(14.1)	(10.6)
<i>Effective tax rate</i>	<i>26.9%</i>	<i>31.1%</i>	<i>32.4%</i>
Net profit	37.8	31.3	22.1
Average # of shares outstanding, diluted (000s)	117,342	116,747	111,650
Diluted EPS (in € per share)	0.32	0.27	0.20

* The figures in the table contain rounded numbers



Cash Flow

(in € millions)

	Q2 2006	Q1 2006	Q2 2005
Operating profit	63.7	50.2	27.0
Depreciation and amortization	5.7	2.9	0.4
Additions to provisions	2.5	3.3	0.9
Changes in working capital	(1.7)	14.7	(10.5)
Other operating items	(4.9)	2.5	2.0
Cash generated from operations	65.3	73.6	19.8
Interest received	1.8	1.4	0.5
Tax paid	(7.3)	(10.3)	(3.0)
Net cash flow from operating activities	59.8	64.7	17.3
Total cash flow used in investing activities	(3.7)	(18.0)	(1.2)
Total cash flow from financing activities	0.1	0.1	116.6
Net increase / (decrease) in cash and cash equivalents	56.2	46.8	132.7

* The figures in the table contain rounded numbers



Balance Sheet

(in € millions)

	30 Jun '06	31 Dec '05
Intangible assets	42.6	15.8
Property, plant & equipment	7.3	5.2
Inventories	50.0	103.2
Receivables, prepayments & financial instruments	233.4	161.0
Cash and equivalents	281.3	178.4
Total assets	614.6	463.6
Shareholders' equity	385.1	306.3
Provisions	26.7	21.0
Long-term liabilities	14.0	1.1
Current liabilities	188.7	135.2
Total equity and liabilities	614.6	463.6

* The figures in the table contain rounded numbers



2006 Outlook

We reiterate our full year guidance

- We estimate volumes of PNDs of between 3.6 million and 3.9 million units
- Revenues are estimated to be in the range of € 1.1 billion – € 1.3 billion
- We are targeting a gross margin of around 40% of revenue for the full year





Questions



Appendix



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Financial Summary

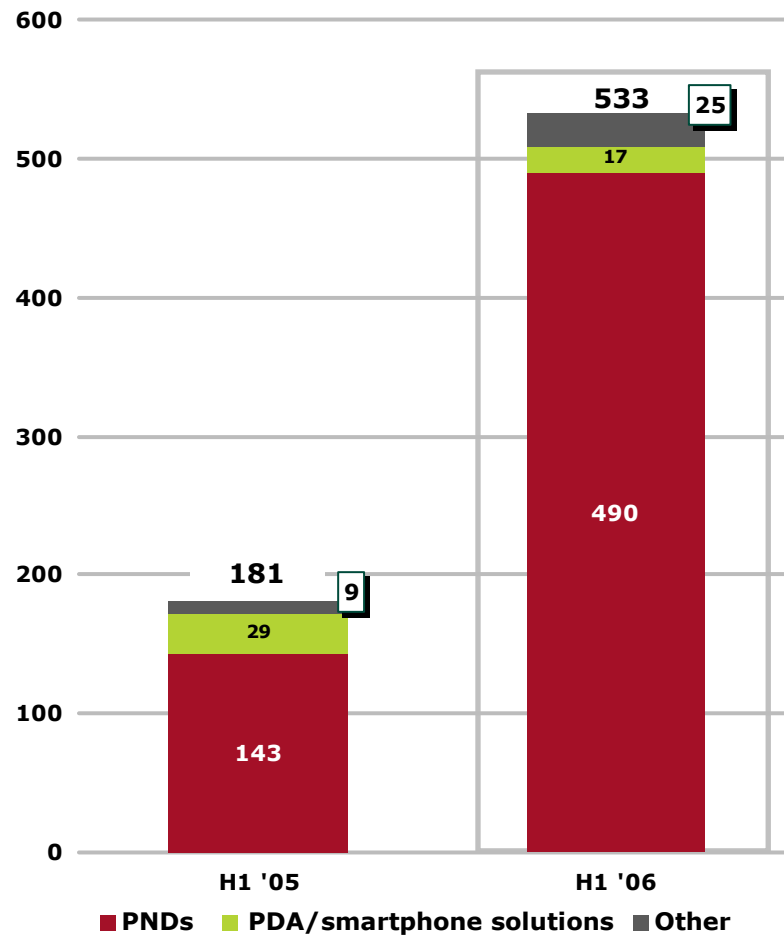
(in € millions)	H1 2006	H1 2005	change
Revenue	533	181	194%
Gross Profit	207	79	162%
Gross Margin	39%	44%	
Operating Profit	114	45	153%
Operating Profit Margin	21%	25%	
Net Profit	69	36	92%
Net Profit Margin	13%	20%	

* The figures in the table contain rounded numbers

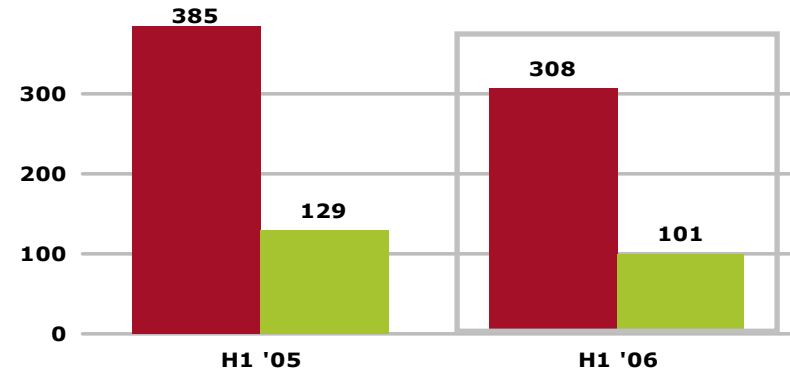


Revenue Analysis

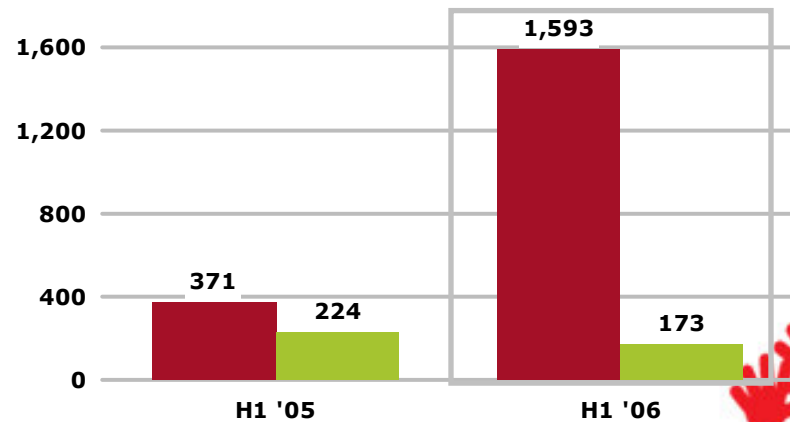
Revenue (in € millions)



ASP (in €)



Units (in 000s)



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Operating Expenses Overview

(in € millions)	H1 2006	% of revenue	H1 2005	% of revenue
R&D	14.8	2.8%	3.7	2.0%
Marketing	40.7	7.6%	17.2	9.5%
Other SG&A	27.4	5.1%	11.9	6.6%
Operating expenses	82.9	15.6%	32.8	18.1%
Stock compensation expenses	9.7	1.8%	0.8	0.4%
Total operating expenses	92.6	17.4%	33.6	18.6%

* The figures in the table contain rounded numbers



Earnings Overview

(in € millions)	H1 2006	H1 2005
Operating profit	113.9	45.5
Financial expenses and income, net	(16.7)	7.4
<i>Of which FX gains / losses</i>	<i>(19.5)</i>	<i>6.9</i>
Income tax	(28.1)	(17.0)
<i>Effective tax rate</i>	<i>28.9%</i>	<i>32.2%</i>
Net profit	69.1	35.8
Average # of shares outstanding, diluted (000s)	117,008	110,437
Diluted EPS (in € per share)	0.59	0.32

* The figures in the table contain rounded numbers



Cash Flow

(in € millions)

	H1 2006	H1 2005
Operating profit	113.9	45.5
Depreciation and amortization	8.6	0.9
Additions to provisions	5.8	1.0
Changes in working capital	13.0	(18.5)
Other operating items	(2.5)	2.6
Cash generated from operations	138.8	31.5
Interest received	3.2	0.7
Tax paid	(17.6)	0.7
Net cash flow from operating activities	124.4	32.9
Total cash flow used in investing activities	(21.7)	(1.8)
Total cash flow from financing activities	0.2	116.6
Net increase / (decrease) in cash and cash equivalents	102.9	147.7

* The figures in the table contain rounded numbers



Impact of tax gross up on existing acquisitions in the quarter

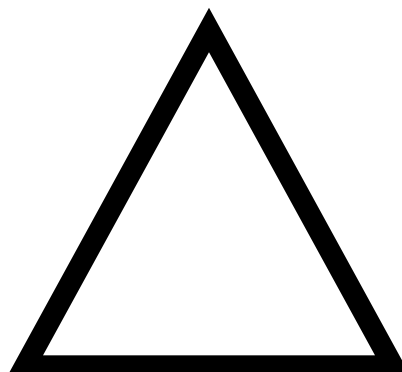
Balance sheet

Debit

Intangible assets	15.7m
<u>Accumulated amortisation</u>	<u>(2.4m)*</u>
Net impact int. assets	13.3m

Credit

Deferred tax liability	(15.7m)
<u>Release deferred tax liability</u>	<u>2.4m*</u>
Net impact def tax liability	(13.3m)



Cash flow

No cash flow impact

Profit and loss

Amortisation costs	2.4m*
Income tax costs	(2.4m)*

Net P&L impact 0m

* One-off impact 1.5m, ongoing impact 0.9m



Accounting Charge for Share Options

- Under IFRS, share options have to be accounted in the P&L through a specific charge
- TomTom accounts for this charge as follows:
 - At the date of issuance, options are valued by a Black & Scholes model and the calculations are reviewed by our auditors
 - The monthly charge to the P&L is calculated as total value of the options / number of months of the vesting period
- As at 9 May 2006, TomTom issued 112,500 options with a vesting period of 36 months. These options were valued at € 2.0 million
 - Monthly charge per month from May 2006 = € 56K {€ 2.0m / 36 months}
- For Q2 2006, total accounting charge for share options was: € 4.9m
 - € 0.1m {May '06}
 - € 0.0m {Feb '06} and € 1.1m x 3 months {Nov '05} and € 0.4m x 3 months {Aug '05} and € 0.1m x 3 months {before}



Outstanding Shares

Common shares outstanding end of Q1 2006	108,428,167
Common shares outstanding end of Q2 2006	110,592,642

Average shares outstanding end of Q2 2006	109,900,128
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Share options as of end of Q1 2006	13,151,549
New shares options as of 9 May 2006	112,500
Exercised share options in Q2	2,164,475
Anti-dilutive shares options	88,405

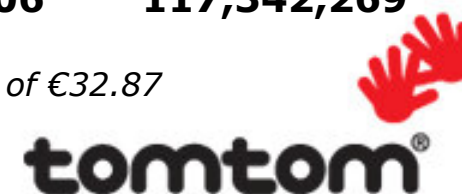
Average share options outstanding Q2 2006: 11,655,469
 $13,151,549 + 112,500 * (22+30) / (30+31+30)$ {weighted by number of days in Q2}
 -/- 1,471,961 {weighted average of exercised share options} -/- 88,405

Non dilutive share options: 4,213,328
 $11,711,554 * (\text{exercise price}) / (\text{average share price})$

Average shares outstanding from dilution of options¹	7,442,141
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Average fully diluted number of shares outstanding Q2 2006	117,342,269
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¹ Calculated according to Treasury Method using an average Q2 share price of €32.87



Share Options Vesting Schedule

Number of options in 2006-2008 (in 000s)

Q1 '06 2006	Q2 '06 2006	1 Sep 2006	28 Nov 2006	1 Jun 2007	1 Nov 2007	1 Dec 2007	10 Aug 2008	10 Nov 2008	
4									€ 0.02
	164								€ 0.25
		2,000							€ 0.25
			164						€ 0.25
				2,081					€ 0.75
					1,500				€ 3.75
						214			€ 3.75
							1,110		€ 26.44
								3,315	€ 28.82

