

A complex maze pattern made of grey lines on a dark background, occupying the top half of the slide.

# Fourth Quarter Results Presentation

14 February 2006



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# Agenda

## Topic

## Speaker

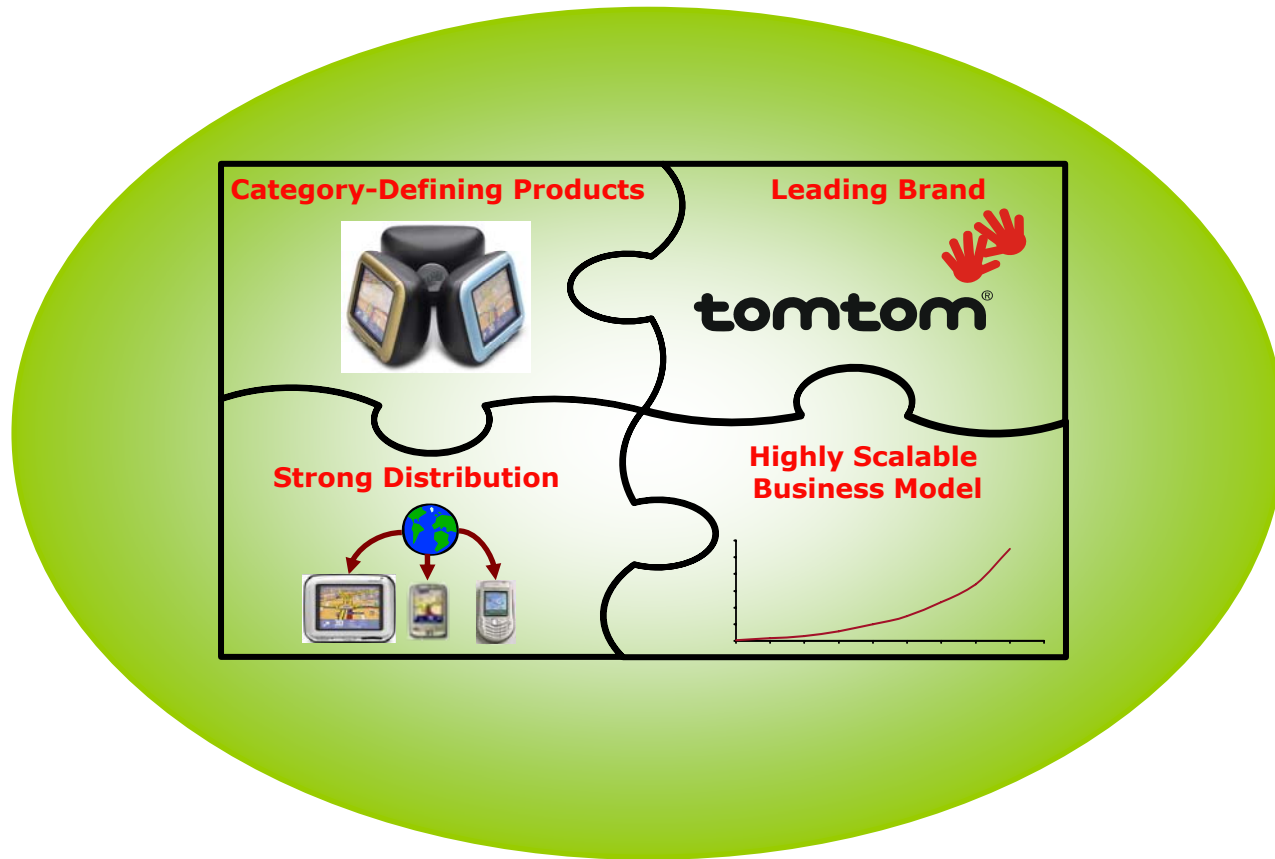
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- |                            |                      |
|----------------------------|----------------------|
| 1) 2005 Highlights         | Harold Goddijn (CEO) |
| 2) 2005 Q4 Financials      | Marina Wyatt (CFO)   |
| 3) 2006 Strategy and Goals | Harold Goddijn (CEO) |
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# 2005 Highlights

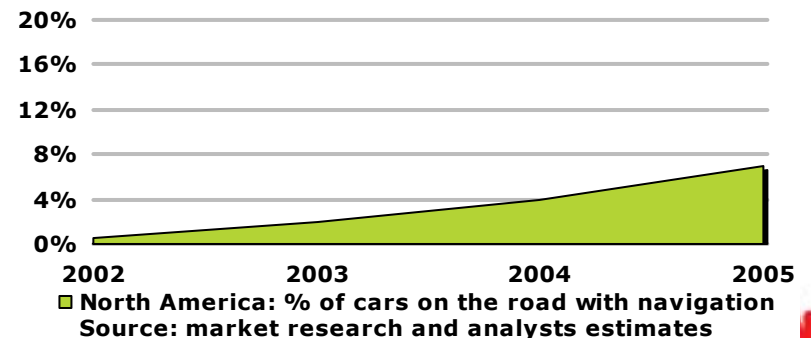
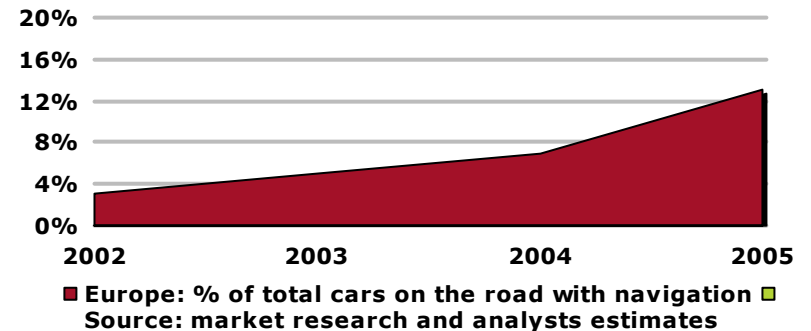
# Key success drivers



# Despite rapid growth, still a large under-penetrated market

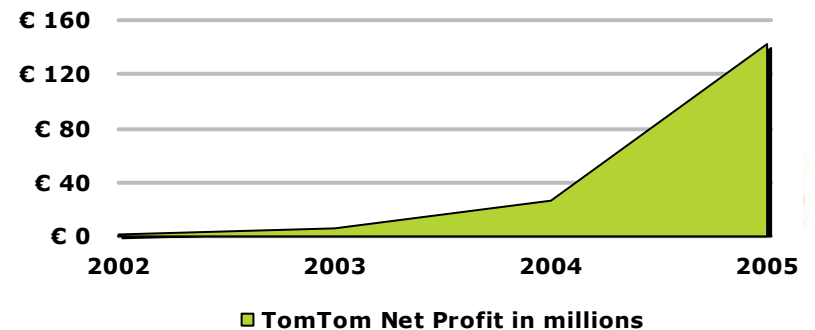
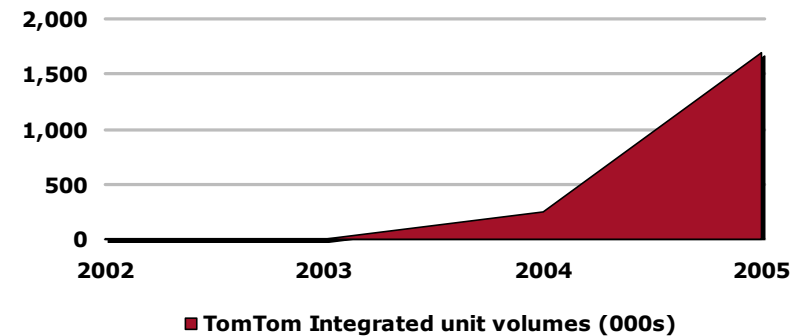
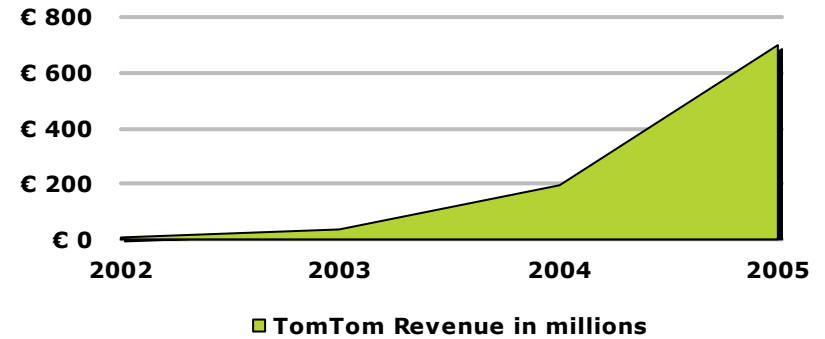
- Europe: 200 million cars on the road but only 13%\* with navigation
- US: 220 million cars on the road but only 7%\* with navigation

\* 2005; based on industry research



# TomTom growth in 2005

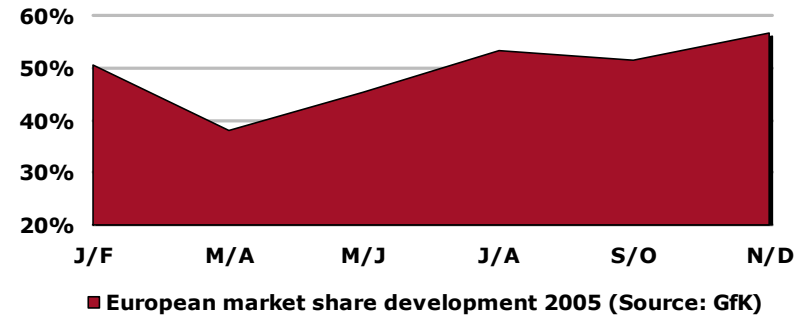
- Strong growth in consumer adoption of personal navigation
- TomTom grew rapidly:
  - Revenue nearly 4 times
  - Volumes of integrated units nearly 7 times
  - Net profit more than 5 times



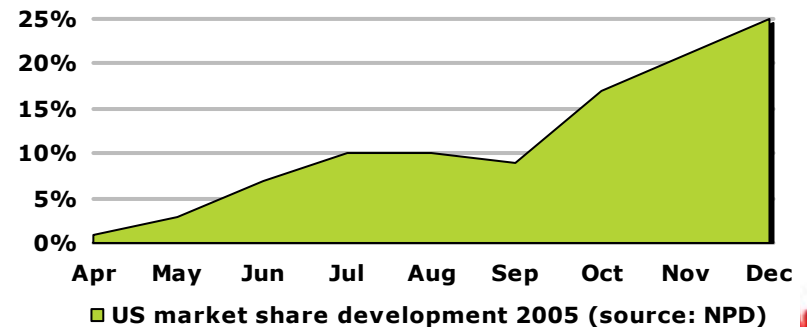
# Growing market share

- Broad and deep retail distribution
- Consistent product and channel strategy
- Broad product line up

## European Market



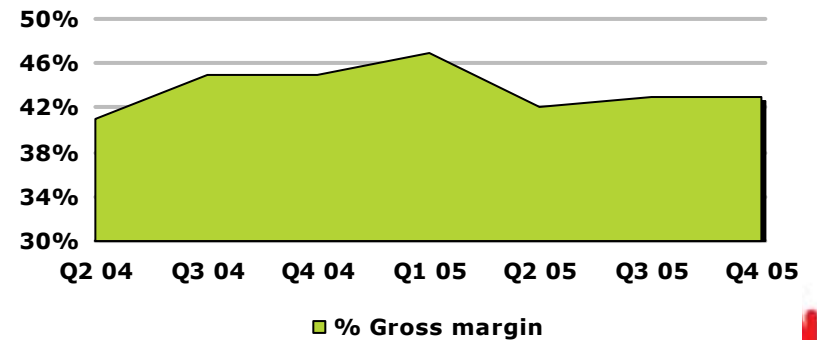
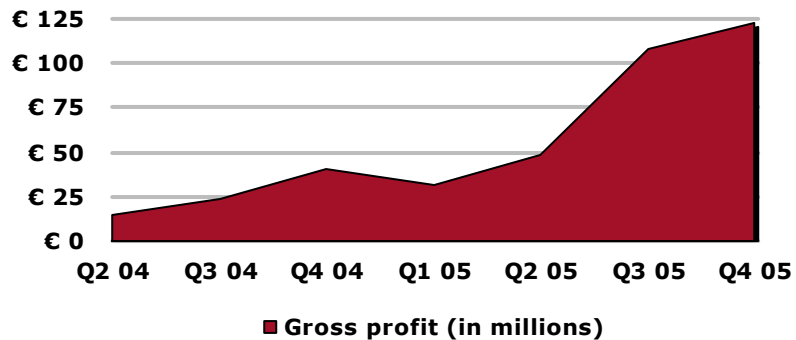
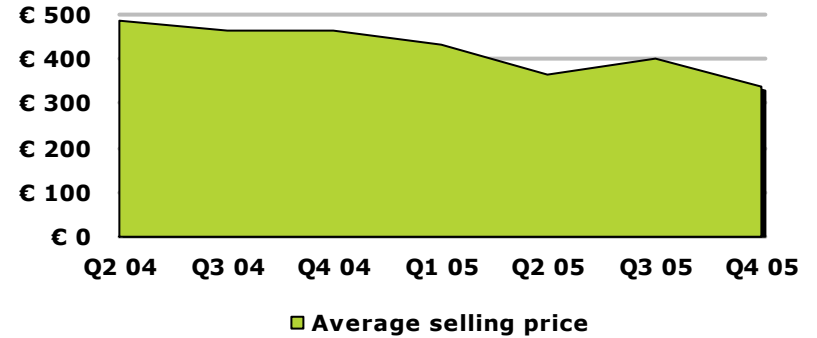
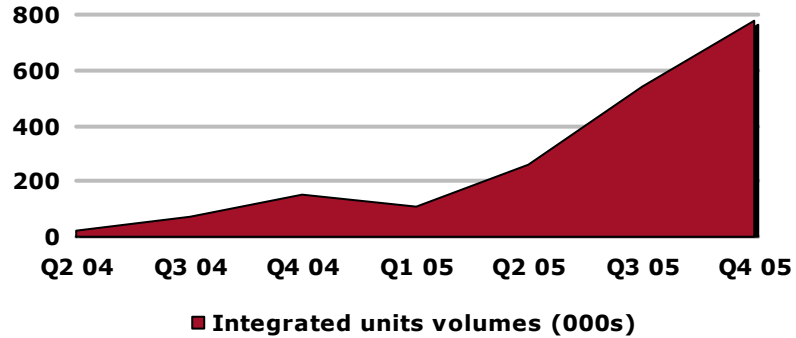
## US Market





# Gross Margin:

Focus on volumes and costs to drive profitable growth



# Q4 highlights

Sell through doubled

Increased market share

Successful ramp up of TomTom ONE

Relatively stable prices

16% Q on Q revenue growth  
stable gross margin at 43%





# Q4 Financial Results

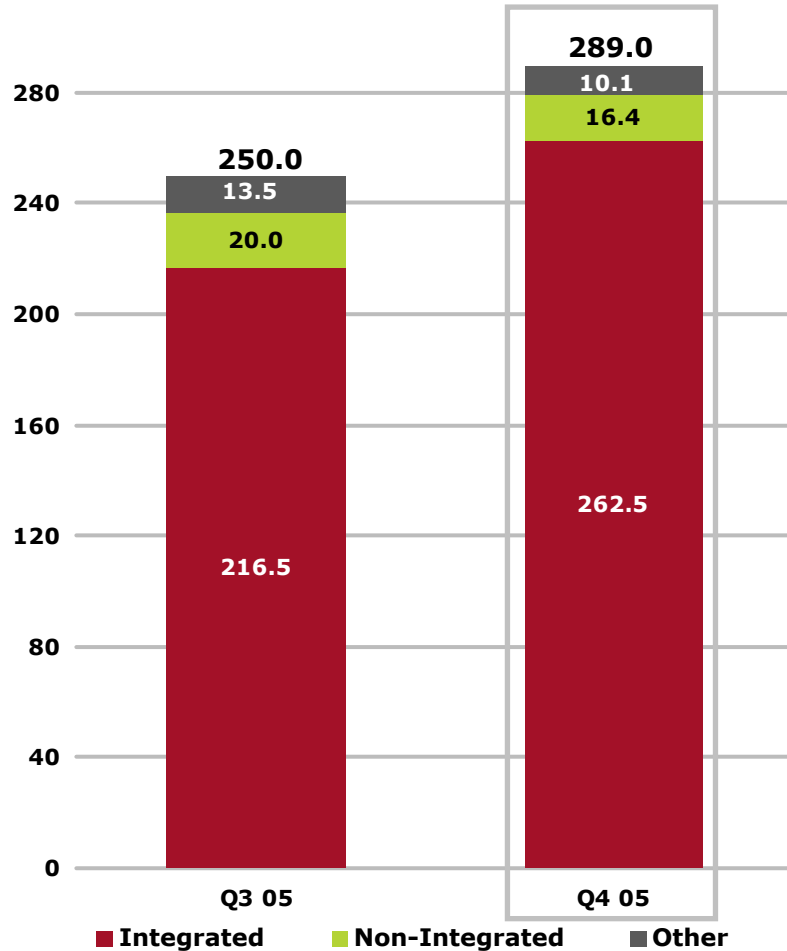
# Financial Summary

(€ millions)	Q4 '05	Q3 '05	Δ	FY '05	FY '04	Δ
Revenue	289.0	250.0	16%	720.0	192.4	274%
Gross Profit	123.4	108.3	14%	310.8	85.2	265%
Gross Margin	43%	43%	-	43%	44%	-
Operating Profit	67.4	82.2	(18%)	195.1	43.4	350%
Operating Profit Margin	23%	33%	-	27%	23%	-
<b>Net Profit</b>	<b>48.4</b>	<b>58.7</b>	<b>(17%)</b>	<b>143.0</b>	<b>27.7</b>	<b>416%</b>
Net Profit Margin	17%	23%	-	20%	14%	-

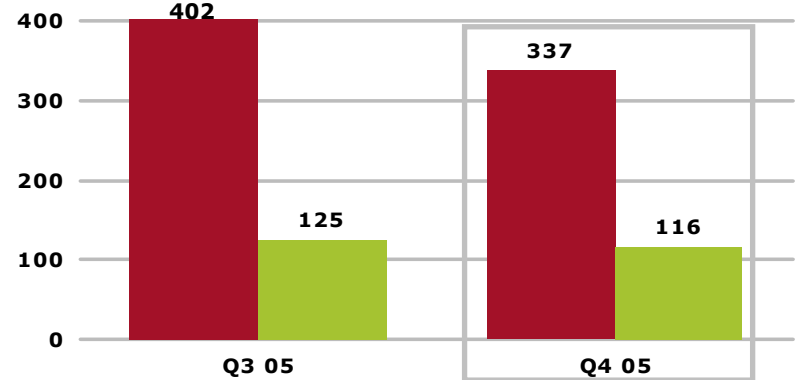


# Revenue Analysis

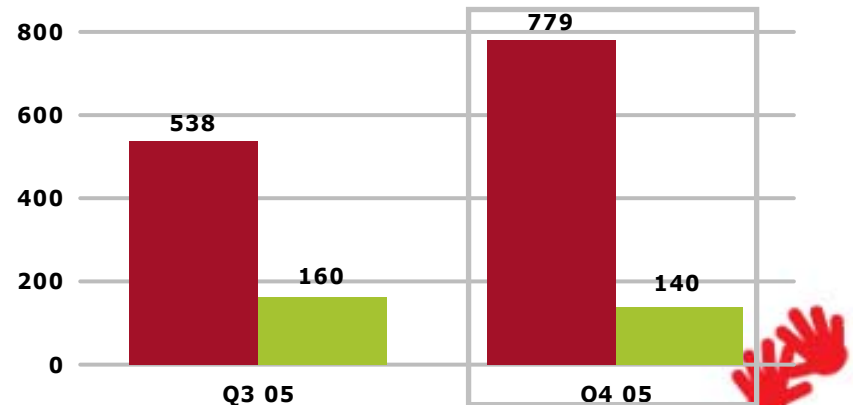
Revenue (€ millions)



ASP (€)



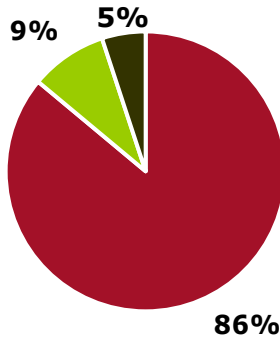
Units (thousands)



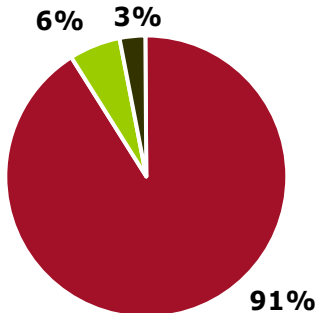
# Revenue by Product and Geography

## By Product Group

FY 2005



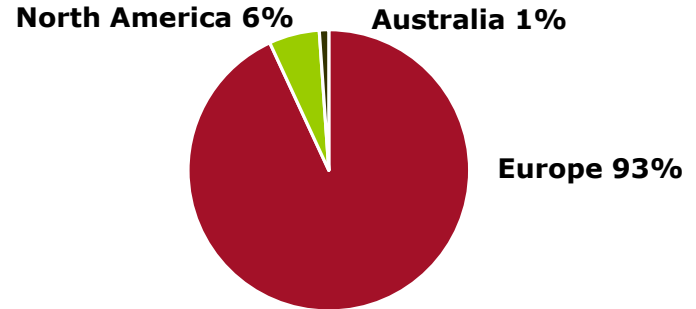
Q4 2005



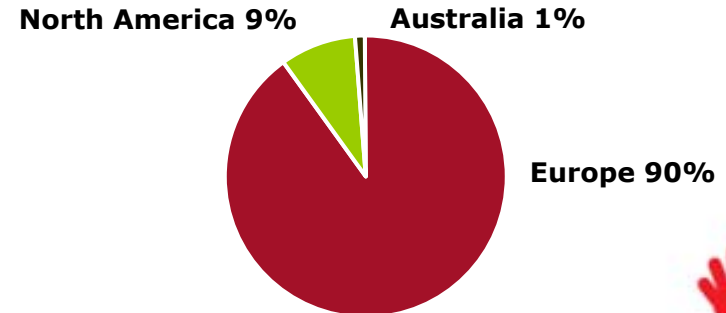
■ Integrated Devices ■ Non-Integrated Devices ■ Other

## By Geography

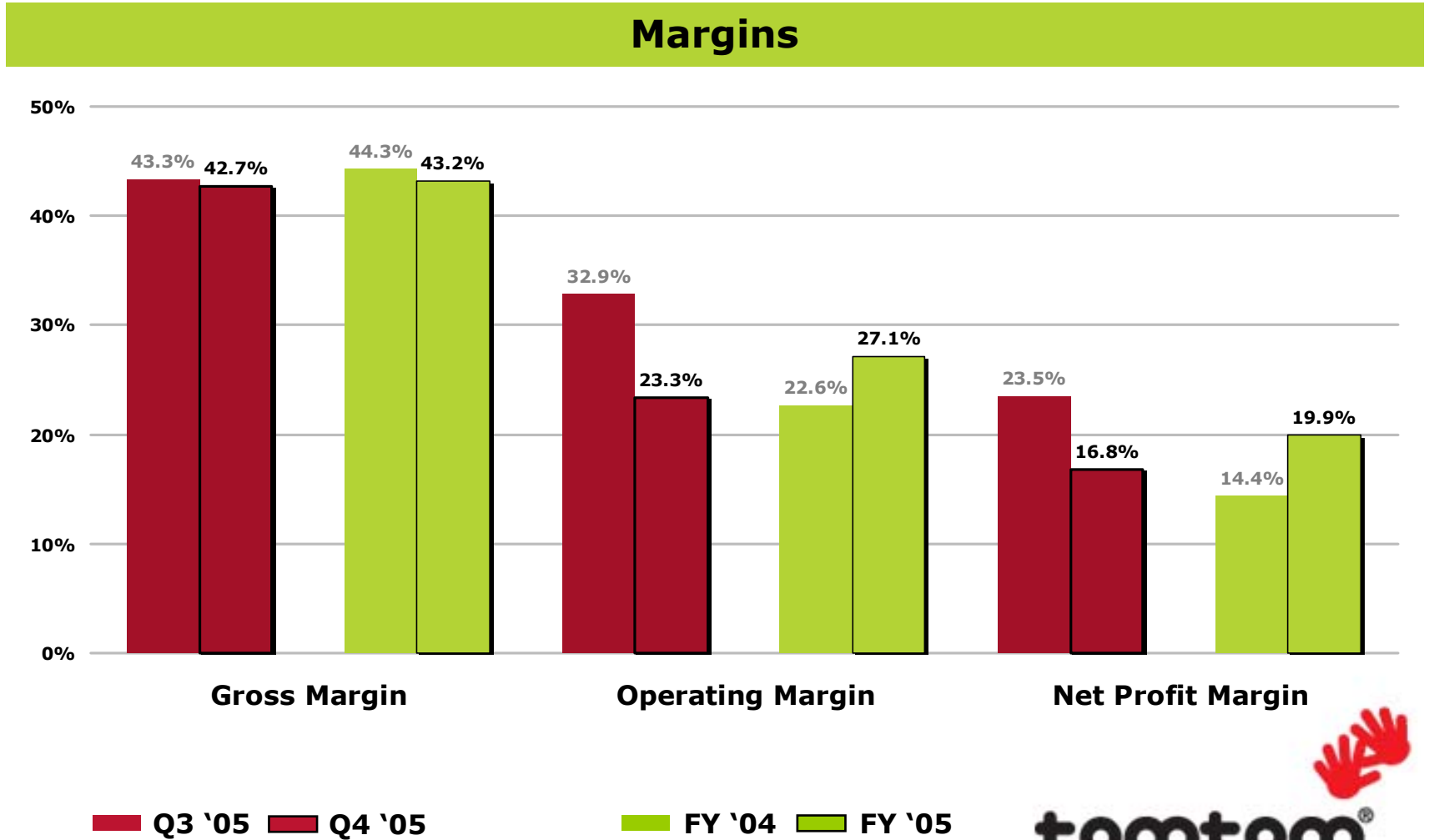
FY 2005



Q4 2005



# Margin Comparison



# Operating Expenses Overview

	Q4 '05		Q3 '05	
	€m	% of Rev.	€m	% of Rev.
R&D	3.0	1.0%	2.3	0.9%
Marketing	35.9	12.4%	10.5	4.2%
Other SG&A	13.9	4.8%	12.2	4.9%
<b>Operating Expenses</b>	<b>52.7</b>	<b>18.2%</b>	<b>25.0</b>	<b>10.0%</b>
Accounting Charge for Share Options	3.3	1.2%	1.1	0.4%
<b>Total Operating Expenses</b>	<b>56.1</b>	<b>19.4%</b>	<b>26.1</b>	<b>10.4%</b>

\* The figures in the table contain rounded numbers





# Operating Expenses Overview (full year)

	FY 2005		FY 2004	
	€m	% of Rev.	€m	% of Rev.
R&D	8.9	1.2%	4.6	2.4%
Marketing	63.6	8.8%	19.4	10.1%
Other SG&A	38.0	5.3%	16.8	8.7%
<b>Operating Expenses</b>	<b>110.5</b>	<b>15.3%</b>	<b>40.8</b>	<b>21.2%</b>
Accounting Charge for Share Options	5.2	0.7%	1.0	0.5%
<b>Total Operating Expenses</b>	<b>115.8</b>	<b>16.1%</b>	<b>41.8</b>	<b>21.7%</b>

\* The figures in the table contain rounded numbers



# Earnings Overview

(€ millions)	Q4 2005	Q3 2005	FY 2005	FY 2004
<b>Operating profit</b>	<b>67.4</b>	<b>82.2</b>	<b>195.1</b>	<b>43.4</b>
Financial expenses and Income, Net	3.8	3.4	14.7	(0.8)
<i>Of which FX gains / losses</i>	<i>3.3</i>	<i>2.1</i>	<i>12.3</i>	<i>(0.4)</i>
Income tax	22.8	27.0	66.8	14.9
<i>Effective tax rate</i>	<i>32.0%</i>	<i>31.5%</i>	<i>31.8%</i>	<i>35.0%</i>
<b>Net Profit</b>	<b>48.4</b>	<b>58.7</b>	<b>143.0</b>	<b>27.7</b>
Average # of shares outstanding, diluted (000s)	117,156	116,719	113,674	107,001
<b>Diluted EPS (€ per Share)</b>	<b>0.41</b>	<b>0.50</b>	<b>1.26</b>	<b>0.26</b>



# Cash Flow

(€ millions)	Q4 2005	Q3 2005	FY 2005	FY 2004
<b>Operating profit</b>	<b>67.4</b>	<b>82.2</b>	<b>195.1</b>	<b>43.4</b>
Depreciation and amortization	1.7	0.9	3.4	1.1
Additions to provisions	10.7	9.1	20.9	0.3
Changes in working capital	(76.1)	(39.9)	(134.6)	(2.5)
Other operating items	11.4	3.6	17.7	2.1
<b>Cash generated from operations</b>	<b>15.1</b>	<b>55.9</b>	<b>102.5</b>	<b>44.5</b>
Interest received	1.3	1.1	3.1	0.1
Tax paid	(63.4)	0.2	(62.5)	(8.4)
<b>Net cash flow from operating activities</b>	<b>(47.0)</b>	<b>57.2</b>	<b>43.1</b>	<b>36.2</b>
<b>Total cash flow used in investing activities</b>	<b>(5.1)</b>	<b>(14.5)</b>	<b>(21.4)</b>	<b>(3.0)</b>
<b>Total cash flow from financing activities</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>116.5</b>	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(52.1)</b>	<b>42.6</b>	<b>138.2</b>	<b>33.3</b>

\* The figures in the table contain rounded numbers



# Balance Sheet

(€ millions)	YE 2005	Q3 2005	YE 2004
<b>Non-Current Assets</b>			
Intangible assets	15.8	13.8	1.0
Property, plant & equipment	5.2	3.8	2.1
<b>Current Assets</b>			
Inventories	103.2	68.0	13.4
Receivables, Prepayments & Financial Instruments	161.0	136.2	34.3
Cash and Equivalents	178.4	230.5	40.2
<b>Total Assets</b>	<b>463.6</b>	<b>452.2</b>	<b>90.9</b>
Shareholders' Equity	306.3	250.8	37.8
Provisions	21.0	10.3	0.4
Long-term Liabilities	1.0	1.0	1.3
Current Liabilities	135.2	190.1	51.4
<b>Total Equity and Liabilities</b>	<b>463.6</b>	<b>452.2</b>	<b>90.9</b>

\* The figures in the table contain rounded numbers



# 2006 Outlook

- We have assumed the European market for integrated portable navigation devices will grow to around 7.0 million units in 2006, up from around 3.8 million units in 2005
- We estimate that integrated unit volumes for TomTom will almost double to 3.0m – 3.3m units
- Revenues are estimated to be in the range of € 1.0bn – € 1.1bn
- We continue to target an operating margin of around 20% of revenue including a non cash accounting charge for share options of between € 24 million and € 26 million



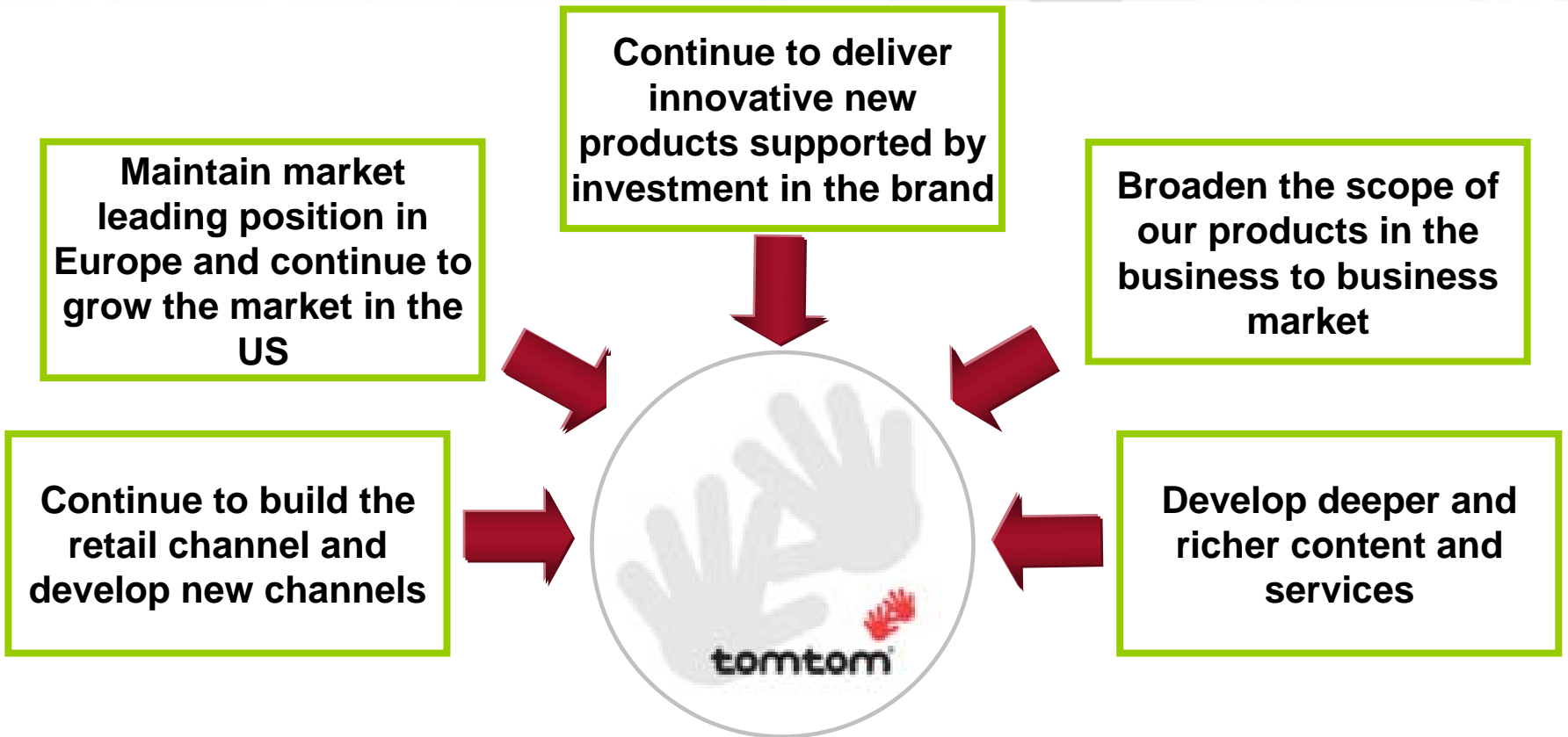


# 2006 Strategy and Goals



tomtom®

# Our Strategy



**Continuing to drive personal navigation for the mass market**



# Headline Goals for 2006

- I. Successful introduction of a range of innovative new products
- II. Grow US market and broaden distribution
- III. Expand automotive and mobile operator channels
- IV. Introduce TomTom WORK  
*Leverage off data factory acquisition to provide connected navigation and tracking & tracing functionality to fleet owners across Europe*
- V. Expand TomTom PLUS content & services







# Appendix

# 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 10 November 2005, TomTom issued 3.3m options with a vesting period of 36 months. These options were valued at € 38m

Monthly charge per month from Dec 2005 = € 1,1m {€ 38m / 36 months}

Monthly charge for Nov 2005 = € 0.7m {€ 38m x 20 days/ 3 \* 365 days}

**For Q4 2005, total accounting charge for share options was: € 3.3m**

*€ 0.7m + € 1.1 m {Nov} and € 0.4m x 3 months {Aug} and € 0.1m x 3 months {before}*

As mentioned in the IPO, a total of 3m share options were issued in November to Alexander Ribbink and Mark Gretton



## Average number of fully diluted shares outstanding

Common Shares Outstanding end of Q3 2005:	107,281,473
Common Shares Outstanding end of Q4 2005:	107,281,473
<b>Average Shares Outstanding Q4 2005:</b>	<b>107,281,473</b>
Share Options as of end of Q3 2005:	10,878,259
New Shares Options as of 10 Nov 2005 <sup>(1)</sup> :	3,314,984
Average Share Options Outstanding Q4 2005: <i>10,878,259 + 3,314,984 * (20+31) / (31+30+31) {weighted by number of days in Q4}</i>	12,715,913
Non dilutive share options: <i>12,715,913 * (exercise price)/(average share price)</i>	2,841,594
<b><i>Average Shares Outstanding from Dilution of Options<sup>(2)</sup>:</i></b>	<b><i>9,874,319</i></b>
<b>Average Diluted shares Outstanding Q4 2005:</b>	<b>117,115,792</b>

1. As mentioned in the IPO, a total of 3m share options are related to Alexander Ribbink and Mark Gretton.
2. Calculated according to Treasury Method using an average Q4 share price of €32.45.



# Share options vesting schedule 2006-2008

8 Jan 2006 <sup>1</sup>	24 Mar 2006	1 Jun 2006	3 Jun 2006	1 Sep 2006	28 Nov 2006	1 Jun 2007	1 Nov 2007	1 Dec 2007	10 Aug 2008	10 Nov 2008	
1,151											€ 0.02
	2,000										€ 0.02
		164									€ 0.25
			164								€ 0.02
				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

**Number of options to be exercised (in 000s)**

<sup>1</sup> of which 1,069 is exercised

