

## TomTom Reports fourth quarter and Full Year 2008 Results

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>

	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)		
(in € millions)	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%

	Reported fourth quarter 2008 results (unaudited)					Reported full year results (audited)		
(in € millions)	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
- 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
- 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

### 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.

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<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.

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