



TomTom Reports Third Quarter Results 2007

Record units shipped and record profits

Third quarter 2007 financial highlights

- Revenue of €427 million, up 12% sequentially and up 21% year on year
- Portable Navigation Device (PND) volume of 2.2 million, up 20% sequentially and up 83% year on year
- Gross margin of 49%, up 4 points sequentially and up 5 points year on year
- Operating margin of 31%, up 7 points sequentially and up 3 points year on year
- Net profit of €99 million, up 44% sequentially and up 36% year on year
- Fully diluted EPS of €0.83, up 42% sequentially and up 33% year on year
- Net cash inflow of €153 million

Third quarter 2007 operational highlights

- Continued strong market demand for PNDs
- New TomTom GO family and ONE 3rd Edition well received by the market
- Map Share™ technology introduced, strong initial response
- Announcement of first embedded navigation solution for Toyota

Outlook 2007

- European market for PNDs expected to almost double to 15-16 million units and US market to triple to 8-9 million units
- TomTom expects to sell between 9 and 10 million units worldwide
- Revenue expected to be between €1.7 and €1.8 billion
- Gross margin expected to be more than 40% and operating margin well in excess of 20%

Update on Tele Atlas acquisition

- TomTom was advised that the waiting period required by the US HSR Antitrust Improvements Act for TomTom's proposed acquisition of Tele Atlas had been terminated early without a request for additional information
- TomTom has notified the transaction with the European Commission in accordance with the planned timetable

Key figures*

(unaudited) (in € millions)	Q3'07	Q2'07	Change	Q3'06	Change	YTD '07	YTD '06	Change
Revenue	427	380	12%	353	21%	1,103	886	24%
Gross profit	208	169	23%	154	35%	496	360	38%
Gross margin	48.8%	44.6%		43.5%		45.0%	40.7%	
Operating profit	133	93	43%	101	33%	283	215	32%
Operating margin	31.3%	24.5%		28.5%		25.7%	24.2%	
Net profit	99	68	44%	73	36%	211	142	49%
EPS (fully diluted in €)	0.83	0.58	42%	0.62	33%	1.78	1.21	47%

* percentages are based on non-rounded figures

TomTom's Chief Executive Officer, Harold Goddijn said:

"TomTom delivered a strong set of results this quarter with record units shipped, record profits and record cash flow in a market that continues to grow rapidly.

Following successful tests of our real time traffic solution in the Netherlands we will launch our new service in November. Discussions with mobile phone operators in other European countries are progressing and we expect to make further announcements shortly.

Ahead of the fourth quarter we have launched important new products which have been received positively by the market. The amount of customer feedback we have received since the introduction of Map Share™ is also encouraging. We are confident that with our strong product line-up, supported by advertising campaigns and promotional activity TomTom will be able to defend its market position in Europe and to grow market share in the US."

Outlook 2007 raised

The PND market continues to show strong growth, especially in the US. We have therefore increased our market expectations for Europe and the US to between 15 and 16 million units (2006: 8.5 million) and between 8 and 9 million units (2006: 3.0 million) respectively.

For the full year, we have increased our PND unit guidance to between 9 and 10 million units worldwide and we have narrowed the range of our revenue outlook to between €1.7 billion and €1.8 billion. We continue to expect good profitability for the rest of the year. During the holiday season as expected the investment in marketing will increase significantly and there will be promotional activity in retail. For the full year the gross margin will be more than 40% and the operating margin will be well in excess of 20%.

Update on intended Tele Atlas acquisition

On 23 July 2007, TomTom announced that it intended to make a cash offer of €21.25 per ordinary share for Tele Atlas N.V. The tender offer was announced on 2 October with the acceptance period commencing on 3 October 2007 and ending on 4 December 2007, unless extended.

On 15 October 2007, TomTom and Tele Atlas were advised that the initial 15-day waiting period required by the US Hart Scott Rodino Antitrust Improvements Act (as amended) for TomTom's proposed acquisition of Tele Atlas had been terminated early without the issuance of a request for additional information or documentary material.

Following referral by the national competition authorities in the relevant EU member states to the European Commission as announced on 24 September 2007, the parties have notified the transaction with the European Commission in accordance with the planned time table.

TomTom and Tele Atlas are aiming to obtain approval of the transaction by the EC competition authorities by 4 December 2007, but it cannot be excluded that the competition proceedings will continue after that date. In this scenario, TomTom expects to extend its tender period.

Operational review

In the third quarter the European market grew by approximately 80% compared to the same period last year to 3.7 million units. In the same period the US market more than tripled to 1.8 million units.

In the quarter TomTom introduced its latest entry level device, the TomTom ONE 3rd EDITION, which offers ease of use with quality navigation at a very affordable price. The new GO range also shipped in volume for the first time. TomTom also announced its new high-end model, the TomTom GO 920 T. Both new devices have Map Share™ technology. TomTom Map Share™ enables users to share map improvements, daily, automatically and easily via TomTom HOME – TomTom's free software application.

The announcement that the latest Toyota Yaris will come with the option to include a TomTom portable navigation device as part of the Yaris' built-in radio system is a first step for TomTom in executing its strategy to develop solutions for the in-dash navigation market. We are continuing our discussions with other car manufacturers.

After entering Taiwan and South Africa earlier this year, we expanded our geographical presence in the third quarter by launching our products in New Zealand.

Financial review

(unaudited) (in € millions)	Q3'07	Q2'07	Change	Q3'06	Change	YTD '07	YTD '06	Change
Revenue								
PNDs	398	352	13%	336	18%	1,021	826	24%
PDA/smartphone solutions	6	7	-24%	3	67%	21	21	0%
Other	23	21	6%	14	67%	61	39	57%
Total	427	380	12%	353	21%	1,103	886	24%
Number of units sold (in 000s)								
PNDs	2,160	1,807	20%	1,180	83%	5,296	2,772	91%
PDA/smartphone solutions	107	216	-51%	49	118%	508	222	129%
Total	2,267	2,023	12%	1,229	84%	5,804	2,994	94%
Average selling price								
PNDs (in €)	184	195	-5%	285	-35%	193	298	-35%
PDA/smartphone solutions (in €)	52	34	53%	68	-23%	41	94	-56%

* percentages are based on non-rounded figures

Revenue

Revenue for the third quarter was €427 million, an increase of 12% sequentially (Q2 2007: €380 million) and 21% year on year (Q3 2006: €353 million).

Revenue from PND sales represented 93% of total revenue in the quarter (Q2 2007: 93%; Q3 2006: 95%) and increased by €46 million or 13% compared to the second quarter, to €398 million (Q3 2006: €336 million).

Europe represented 86% of total revenue for the quarter (Q2 2007: 82%; Q3 2006: 88%), revenues from North America were 10% of total revenue (Q2 2007: 15%; Q3 2006: 8%) and revenues from the rest of the world were 4% of total revenue (Q2 2007: 3%; Q3 2006: 4%).

Other revenues increased to €23 million for the quarter, up from €21 million in the second quarter of 2007 mainly driven by an increase in accessory sales following the availability of new accessories for the GO range. Compared to Q3 2006 (€14 million) other revenues increased by 67%.

Volumes and average selling prices

For the first time TomTom shipped over 2 million PND units in a quarter, a sequential increase of 20% (Q2 2007: 1.8 million) and a growth of 83% year on year (Q3 2006: 1.2 million).

The average selling price for PNDs in Q3 was €184, a decrease of 5% compared to the previous quarter (€195). The sequential decrease in ASP results from planned price drops across the value line, partly offset by shipments of the new GO range.

Channel inventory

We ended the quarter with channel inventories owned by retailers at an appropriate level. Channel inventory grew modestly because of new availability of the GO 520 and 720 and to prepare the channel for the important fourth quarter.

Gross margin

The gross margin was 48.8%, an increase of 4.2 percentage points sequentially (Q2 2007: 44.6%) and 5.3 percentage points year on year (Q3 2006: 43.5%). The strong product margin is driven by continued cost savings, particularly on newly engineered products.

Operating expenses

Total operating expenses for the quarter decreased by 1.7% or €1.3 million to €74.8 million compared to the second quarter (Q2 2007: €76.1 million). The decline in total operating expenses was caused by the seasonal decrease in marketing spend (€12.2 million) offset by increased R&D and SG&A expenses. Year on year there was a 40.7% (€21.6 million) increase in total operating expenses (Q3 2006: €53.2 million). Operating expenses (excluding stock compensation expenses) as a proportion of revenue for the quarter decreased 2.6 percentage points to 15.4% (Q2 2007: 18%) and slightly increased year on year (Q2 2006: 13.6%).

The research and development (R&D) expenses for the quarter increased sequentially by 22% to €16.5 million (Q2 2007: €13.5 million), and year on year by 90% (Q3 2006: €8.6 million). This increase in R&D expenditure was driven by investment in new products and services to deliver our roadmaps in PNDs, content, automotive and traffic. R&D expenses represented 3.9% of revenue compared to 3.6% in the previous quarter and 2.4% in the third quarter of last year.

Marketing expenses were seasonally low at €21.1 million (Q2 2007: €33.3 million). Year on year marketing expenses increased by 36.4% (Q3 2006: €15.5 million). They represented 4.9% of revenue, down from 8.8% in the previous quarter and up from 4.4% in the third quarter of last year.

Selling, general and administrative (SG&A) expenses for the quarter increased by 32.0% to €28.3 million sequentially (Q2 2007: €21.5 million) and increased by

18.3% year on year (Q3 2006: €24.0 million). The sequential increase can be explained by the growth of our company in general. SG&A costs represented 6.6% of revenue compared to 5.6% in the previous quarter. In comparison with Q3 2006 SG&A costs were stable at 6.8%.

Stock compensation expenses for the quarter increased by 14.7% sequentially to €8.9 million (Q2 2007: €7.8 million; Q3 2006: €5.1 million). The stock compensation expenses for the quarter included €1.6 million of expenses for the share based incentive plan that was introduced in the second quarter and which has replaced the share option plan going forward.

The operating profit for the quarter was €133 million or 31.3% of revenue which was 6.8 percentage points higher than in the second quarter of 2007 and 2.8 percentage points higher than in the third quarter of 2006.

Financial income and expenses

Financial income and expenses consisted of an income of €0.3 million compared to a loss of €0.4 million in the second quarter of 2007 and an income of €3.3 million in the third quarter of 2006.

The income results from a €6.0 million interest income which was offset by a €5.7 million loss on foreign exchange hedge instruments and on the revaluation of non-euro denominated assets and liabilities as a result of the weakening of the US Dollar against the Euro during the quarter.

Tax

Income tax increased by 43.1% to €35.2 million compared to the second quarter of 2007 (Q2 2007: €24.6 million) and increased by 12.8% compared to the third quarter of 2006 (Q3 2006: €31.2 million). The effective tax rate for the quarter was 26.3% (Q2 2007: 26.5%; Q2 2006: 30.1%).

Cash flow

In the third quarter €178 million of cash was generated from operations mainly driven by the operating profit of €133 million in combination with a working capital decrease of €27 million. Net cash increased by €153 million.

Balance sheet

At the end of the third quarter, shareholder's equity had increased to €784 million, up from €679 million at the beginning of the quarter. Cash and cash equivalents at the end of the period amounted to €709 million (Q2 2007: €556 million).

Inventory increased by €58 million to €124 million as we prepared for the important fourth quarter. Our warranty and intellectual property related provisions increased by €10 million in the quarter which together with the increase of other liabilities reflected the growth of the business. Trade payables increased, in line with our increased stock level, to €88 million from €65 million at the start of the quarter.

Contacts

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Audio web cast Q3 2007 results

The information for our third quarter results audio web cast is as follows:

Time: Wednesday 24 October 2007 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 solution 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 range, the TomTom ONE XL, TomTom ONE and the TomTom RIDER. TomTom PLUS, is the location-based content and services offering for TomTom's navigation products easily available through TomTom HOME. TomTom also provides navigation software products which 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 Stock Exchange in The Netherlands. For more information, go to <http://www.tomtom.com>.

Consolidated income statements

(unaudited) (in € thousands)	Q3'07	Q3'06	YTD '07	YTD '06
Revenue	426,657	353,175	1,102,800	886,182
Cost of sales	218,363	199,414	606,859	525,838
Gross profit	208,294	153,761	495,941	360,344
Operating expenses				
Research & development	16,460	8,641	40,647	23,443
Marketing	21,113	15,480	75,212	56,203
Selling, general and administrative	28,324	23,951	72,411	51,387
Stock compensation	8,928	5,120	24,259	14,806
Total operating expenses	74,825	53,192	212,529	145,839
Operating profit	133,469	100,569	283,412	214,505
Net financial income and (expenses)	300	3,315	3,034	-13,416
Profit before tax	133,769	103,884	286,446	201,089
Income tax	35,227	31,243	75,813	59,340
Net profit	98,542	72,641	210,633	141,749
Average number of shares outstanding				
Basic (in 000s)	113,422	110,734	113,122	109,646
Diluted (in 000s)	119,189	117,047	118,064	117,022
Earnings Per Share, basic (in €)	0.87	0.66	1.86	1.29
Earnings Per Share, diluted (in €)	0.83	0.62	1.78	1.21

Consolidated balance sheets

(unaudited) (in € thousands)	30 Sep 2007	31 Dec 2006
Non-current assets		
Intangible assets	56,544	39,183
Property, plant and equipment	14,296	7,926
Deferred tax assets	18,435	12,061
Total non-current assets	89,275	59,170
Current Assets		
Inventories	124,143	123,005
Trade receivables	256,151	265,990
Other receivables and prepayments	18,801	16,320
Other financial assets	4,734	682
Cash and cash equivalents	708,844	437,801
Total current assets	1,112,673	843,798
Total assets	1,201,948	902,968
Equity and liabilities		
Shareholders' equity		
Share capital	22,696	22,584
Share Premium	115,973	115,075
Legal reserves	5,239	2,804
Stock compensation reserve	54,119	32,364
Retained earnings	586,026	377,963
Total equity	784,053	550,790
Provisions	76,890	43,785
Deferred tax liability	900	1,300
Current liabilities		
Trade payables	87,610	66,744
Tax and social security	72,107	72,557
Accruals	80,678	88,683
Other liabilities	99,710	79,109
Total current liabilities	340,105	307,093
Total equity and liabilities	1,201,948	902,968

Consolidated statements of cash flows

(unaudited)
(in € thousands)

	Q3'07	Q3'06	YTD 2007	YTD 2006
Cash flow from operating activities				
Operating profit	133,469	100,569	283,412	214,505
Financial losses	(5,609)	(5,065)	(17,284)	(13,079)
Depreciation and amortization	6,224	4,532	16,605	13,135
Change to provisions	10,204	10,299	33,135	16,075
Change to stock compensation reserve	6,788	5,120	21,412	14,571
Changes in working capital:				
Increase in inventories	(58,234)	(58,674)	(1,138)	(5,486)
Decrease/(Increase) in receivables and prepayments	5,687	(46,696)	6,811	(118,211)
Increase in current liabilities	79,425	107,347	37,688	138,703
Cash generated from operations	177,954	117,432	380,641	260,213
Interest received	6,030	2,671	14,831	5,851
Corporate income taxes paid	(24,851)	(19,029)	(84,673)	(36,619)
Net cash flow from operating activities	159,133	101,074	310,799	229,445
Investments in intangible assets	(1,448)	(2,351)	(28,880)	(19,986)
Investments in property, plant and equipment	(5,543)	(2,075)	(11,456)	(6,190)
Total cash flow used in investing activities	(6,991)	(4,426)	(40,336)	(26,176)
Proceeds on issue of shares	396	42	1,022	262
Total cash flow from financing activities	396	42	1,022	262
Net increase in cash and cash equivalents	152,538	96,690	271,485	203,531
Cash and Cash equivalents at beginning of period	556,438	281,282	437,801	178,377
Exchange rate effect on cash balances held in foreign currencies	(132)	(2)	(442)	(3,938)
Cash and Cash equivalents at end of period	708,844	377,970	708,844	377,970

Consolidated statement of changes in stockholders' equity

(unaudited) (in € thousands)	Share capital	Share premium	Legal reserves	Stock compens. reserve	Retained earnings	Total
31 Dec 2006	22,584	115,075	2,804	32,364	377,963	550,790
Translation differences			(135)			(135)
Transfer to legal reserves			2,570		(2,570)	0
Net income (expense) recognised directly in equity	0	0	2,435	0	(2,570)	(135)
Profit for the year					210,633	210,633
Total recognised income and expense	0	0	2,435	0	208,063	210,498
Stock compensation reserve				22,344	0	22,344
Issue of Share Capital	112	898		(589)		421
30 Sep 2007	22,696	115,973	5,239	54,119	586,026	784,053

Accounting policies

Basis of accounting

The condensed consolidated financial statements for the three-month period ended 30 September 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 30 September 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. The Company generates sales across different geographical regions.

(unaudited) (in € millions)	Q3'07	Q3'06	YTD '07	YTD '06
Revenues per Region				
Europe	366,072	312,192	931,468	794,839
North America	44,372	27,840	137,381	71,475
Rest of world	16,213	13,143	33,951	19,868
Total	426,657	353,175	1,102,800	886,182

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 recommended public offer by TomTom for all outstanding shares in the share capital of Tele Atlas. 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 defined below. Not for release, distribution or publication, in whole or in part to Australia, Canada or Japan.

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 this 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, serving as financial advisor to the Offeror, or its 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.

This announcement is a press release and not a prospectus and holders of ordinary shares in Tele Atlas should not make any decisions except on the basis of the information contained in the offer memorandum to be published in due course.

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.