Presentation

Operator

Good day, ladies and gentlemen. Welcome to the TomTom fourth quarter and full-year 2013 earnings conference call. (Operator Instructions). Please note that this conference is being recorded.

I will now turn the call over to your host for today's conference, Bisera Grubesic, Investor Relations Officer. You may begin.

Bisera Grubesic - TomTom NV - IR Officer

Thank you, operator. Good afternoon. And welcome to our conference call, during which we will discuss our operational highlights and financial results for the fourth quarter and full-year 2013 results. With me today are Harold Goddjin, our CEO; and Marina Wyatt, our CFO.

This call is being broadcast live on our website, and a recording of the call will be available shortly afterwards.

And, as usually, I would like to point out that Safe Harbor applies to this call.

We will start today's call with Harold, who will discuss the key operational developments and TomTom's strategy for business units; followed by a more detailed look at the 2013 financial results and the financial outlook for 2014 from Marina. We will then take your questions. And this call will finish at 2.45, CET.

With that, Harold, I would like to hand over to you.

Harold Goddjin - TomTom NV - CEO

Thank you very much, Bisera. Welcome, ladies and gentlemen. Thank you for joining us on today's earnings call.
2013 was a solid year for TomTom, both operationally and financially. We launched important new products, such as our new PND, and our first TomTom own-branded GPS sports watch, and we increased the velocity and productivity of our development activities.

We could release our first NavKit-based product this year. The first products based on Navkit were high-end PNDs for the European market. And NavKit will progressively end up in all of our products, both for consumer and automotive markets.

NavKit is designed to meet the requirements for connected devices, including cars, and comes with both device-centric components and server-based components for delivery of services and synchronization of content on user settings across multiple devices.

The new map format that supports incremental map updates over year, for always up-to-date for maps for PNDs and automotive applications, are part of our NavKit product road map.

This technology will solve one of the biggest usability issues for in-car navigation, the difficulties of updating out-of-date maps, and is a critical component for our new applications, including highly automated driving.

We made material progress in the transition from our existing map making platform to a new, real-time map making platform.

Real-time maps will be seamlessly integrated in our NavKit client and server applications. Real-time maps technology will make our mapping operations much more efficient. Once transition is complete we can retire our legacy platform completely. And we will benefit from the new platform incrementally during 2014.

Our new mapping platform allows for substantially improved efficiency and accuracy in the introduction of new highly automated forms of map making.

In the old world of map making, map improvements only ended up with customers after a long period of time; or never, when customers find it too hard to update. In the new world, however, updating of maps will happen on a continuous basis, and in the background.

All advantages of having a map stored locally on the device will be retained.

Car makers see this technology as a critical building block for making the highly automated car a reality. New cars are increasingly equipped with sensors, including cameras and radar, and our aim is to connect the output of those sensors to our real-time mapping production platform for efficient change detection.

We're also opening up possibilities for hundreds of millions of smartphone users who are using the TomTom maps to contribute to the map making process in a highly automated way.

Marina will provide further information on the financial highlights, and the financial outlook for 2014, later during this presentation.

In consumer market, our strategy is to maximize the value for the PND category, and to establish a multi-product consumer business.

Our European PND business held up well in 2013. We gained market share and slightly higher average selling prices for PNDs.

North America remains a challenging market for our PNDs. We've been disciplined with pricing, which led to contraction of our market share on the one hand, and higher profit on the other hand.

The complete new range of PNDs we introduced in Europe has been successful. Traffic information gets better every day, because every day more people are using it. The new PND comes standard with this traffic information, and much of the user experience revolves around traffic and other dynamic information. The new PND is better suited for every-day use; also, when you know your destination.
Within the new range, we target both the replacement market, there are 60 million TomTom devices out there, but also first-time buyers. New PNDs will start shipping in North America in the coming month.

In 2013, we also successfully introduced a range of GPS sports watches on our own brand, representing the beginning of significant diversification of our consumer product portfolio.

During 2014, we aim to have all our PNDs on a single software platform. This will materially simplify operations, and accelerate innovation. We will further improve and expand the sports watch range, and we will explore opportunities to diversify into other consumer product categories that have a natural fit with our brand; distribution; channel; and product design capabilities.

The automotive industry is in transition, and we are responding to that. We are capable to offer the building blocks to deliver high quality products faster, and we’re simplifying an otherwise complex supply chain.

In 2013, the Fiat line fit infotainment system was launched with TomTom navigation software map content.

Daimler cars started shipping in Europe with our traffic services, supporting the command multi-media systems.

Renault line fit infotainments systems, R-link, progressively rolled out across models with TomTom navigation software content, traffic, and other services.

During the year, we won nearly all traffic deals on the market. And with that, we will progressively improve our product database; and with that, further make our traffic product excel over competition offer. We extended our traffic coverage beyond Europe, and into North America.

The priority in 2014 is to effectively market our products, including demonstrating work navigation; data standard-based navigation software; to secure partnerships; and to win deals for new customer in-dash systems.

The licensing segment, which includes mobile device senders and Internet service providers, we are working with existing customers to deepen our current business, and targeting new potential customers with location-based applications, and a need for licensing terms consistent with the customer approach and business models.

In 2013, we continued to expand our map coverage, globally. Our map now covers 41 million kilometers of roads in 114 countries.

In 2013, we announced a partnership agreement with Total Traffic and Weather Network for North America. This agreement combines our real time and predictive traffic flow data with TTWN’s incident, construction, and congestion data to create the most comprehensive product available in the market. The combined offering will be available across multiple platforms, including radio, television, automotive, online, and mobile.

By the end of 2014, we expect to have substantially completed our new map making platform. And it has a good fit with the incremental update needed also for automotive in consumer markets.

In fleet management, we achieved market leadership in Europe. Our strategy is to continue to grow, both through organic growth and targeted acquisitions.

Our fleet management business grew strongly in 2013. This was achieved by a combination of solid organic growth, and the acquisition of Coordina, the Spanish market leader in fleet management.

The integration of Coordina progresses well. We’re adding 27,000 subscriptions to reach an active installed base of 330,000 vehicle subscriptions.

We broadened our fleet management product offering. During last year, we launched an App Center to present WEBFLEET applications from third parties, including CRM and ERP planning software.
We also introduced a remote download service for European digital tachograph for trucks. And we launched a new road roll – road toll reporting functionality, providing transport companies with greater cost transparency.

The underlying industry dynamics for our fleet management business remained favorable. A combination of short return on investment for our customers and underpenetrated and fragmented market allow us to plan for long term double-digit growth of our revenue.

We continue to look for small acquisitions to strengthen our fleet management business.

This concludes my part of the presentation, and I'm going to hand over now to Marina for a more detailed discussion on the financial highlights.

Marina Wyatt - TomTom NV - CFO

Thank you, Harold. Let's have a look at the financial results then. In summary, revenue, although lower, overall performed well relative to market trends; and the gross margin strengthened.

We invested more in new product development and in acquisitions than in recent years, and we generated significant cash from operations. We achieved a positive net cash position midway through the year.

If we look at revenue in a bit more detail, we generated revenue of EUR268 million in the fourth quarter; a decline of 7% compared to the fourth quarter of last year. This rate of decline was lower than the 9% revenue decline for the year as a whole.

PND revenue in Europe decreased at a lower level than the overall PND market because of market share gains and slightly higher ASPs. Our market share trend in Europe was positive all through 2013.

In the US, we managed the PND business tightly in a faster declining market.

Our two growth areas were business solutions and sports watches. In business solutions, the most important indicator of progress is the growth in the WEBFLEET platform revenue. This revenue grew by 25% for the year as a whole, and even by 30% in the fourth quarter.

Sports watch revenue more than doubled in 2013, but it's from a small base. And we will build on this growth as we go through 2014.

On a full-year basis, the gross margin increased by 2 percentage points to 54%. This was due to a combination of both geographical and product mix effects.

Total operating expenses for the year amounted to EUR496 million, which was EUR11 million higher than in the previous year. This was mainly the result of higher marketing and SG&A expenses. The increase in SG&A expenses was principally from higher sales costs in business solutions; some variable personnel costs; and some provisions for indirect taxes.

Our net result for the year was EUR20 million, compared to EUR49 million in 2012; of course, excluding the one-off tax gain. And this translated into the adjusted EPS of EUR0.26 for 2013, compared to EUR0.40 in 2012.

Our cash flow was the highlight of 2013. Owing both to the tax refund and to strong working capital management, we were able to generate cash from operations of some EUR260 million. We invested EUR91 million of this in CapEx on both our own development projects, and on acquisitions.

And still, with this, our net cash balances increased by EUR95 million, to finish the year at EUR83 million.

On the balance sheet, the working capital-related items were managed tightly. Inventory reduced, as did receivables, in part because of stronger collections.
Deferred revenue increased because of the higher revenue coming from bundled sales in consumer of lifetime maps and lifetime traffic.

If we look at the outlook for 2014, for the Group as a whole, we expect to deliver full-year revenue of around EUR900 million. We expect the gross margin to stay strong; we will maintain tight control on operating costs; and we expect to deliver adjusted earnings per share of around EUR0.20.

We will step up our CapEx investments to more than EUR100 million as we invest at a higher level in our new map making platform, and in navigation software, and also in certain automotive development contracts.

As explained by Harold, by the end of 2014, we expect to have substantially completed the first version of our real-time mapping platform. This is fundamental to our future, and will transform our digital map process.

So that concludes the formal part of the presentation. Operator, we'd now like to start with the Q&A session, please.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Alex Duval, Goldman Sachs.

Alex Duval - Goldman Sachs - Analyst

Just had a couple of quick questions. In the automotive segment, as you transition from a more hardware-focused business model to a more modularized software-based model, I wonder if you could talk about the cadence of revenues we should expect in 2014, and beyond. Any color you can give on that would be very helpful.

Then secondly, it looks like in European PND the average selling prices, and potentially market share, continue to benefit in the quarter from some of the bundling dynamic of software. Will this benefit ASPs and market share cease in the first half of 2014? How should we think about the cadence of that as we go through the year? Thank you very much.

Marina Wyatt - TomTom NV - CFO

Yes, what's going on – let me answer on automotive, first of all. What we see in 2014 is execution of the strategy to move away from selling hardware-based systems into software and content. We actually see that starting to really take hold in 2014 as, Renault aside, our other hardware contracts start to wind down, because the models our systems are in, the car models will start to be discontinued.

Then, what we see on the content side is that some of the deals that we have announced, such as PSA, and some of the traffic deals start to reach the end of the development process; particularly, with PSA, that won't have much impact until 2015.

So, all in all, what we expect in 2014, as we've said, is that the revenue levels will be muted; and by that we mean they won't grow, and, indeed, will be down a bit.

In terms of talking about the PND side, yes, we benefited significantly from higher market share in Europe in 2013. As we go into 2014, what we will expect is that – our goal is to keep our market share good and strong. In terms of going up from the levels that we're achieving now, I wouldn't plan that way. It might happen, it might not. But I think we made significant progress in 2013, and we want to hold that.
Alex Duval - Goldman Sachs - Analyst

That’s very helpful. And just one very quick follow up. Could you give a little bit more color on the shape of OpEx in 2014? You obviously state in the release that you’ll control OpEx strictly, but from a directional point of view, how should we be thinking about this? And could you give a bit more color in terms of the various items within OpEx? Many thanks.

Marina Wyatt - TomTom NV - CFO

Yes, sure, Alex. Directionally, OpEx will be lower in 2014 versus 2013. That really will come through we’re continuing to get more efficient in our G&A, and we plan that to come in at a lower level. Marketing spend will also be down. We try to run that in line with revenue.

Revenue’s going to be down a bit in 2014, so we will control marketing around that. And across the board, the other things, I guess, that will be happening is less discrete investment also in the PND side. So there are some discrete areas there that we can concretely say we can rely on in terms of bringing that overall OpEx level down.

Alex Duval - Goldman Sachs - Analyst

That’s very helpful. Thank you very much.

Operator

Alexandre Peterc, Exane BNP Paribas.

Alexandre Peterc - Exane BNP Paribas - Analyst

I’d like you to talk us a little bit more on your CapEx that is going to be hiked to over EUR100 million in spending this year. If I compare it to 2012, I think we were around EUR50 million back there, so what is the [relevant] information here in your business model? And are we now expecting a sustained level of investment at this high level in the coming years, as well, or is this just a one-off for 2014? Thanks.

Harold Godijn - TomTom NV - CEO

What we are doing in 2014 is we’re really keen to finish the transition, both for our mapping platform and for NavKit. That will give us a much better, more solidified position in the growth markets, especially automotive. And that is -- so we’re accelerating that in 2014 because also we want to reap the benefits of that transition early.

Map making, in particular, we’re running now two platforms in parallel during that transition. That is inefficient. It’s not good for innovation. It’s also not good for operational efficiency. The sooner we get that behind us, the earlier we start benefiting the operational efficiencies. But probably more importantly, it will give us a much more competitive position in the markets because of we will be the only ones with a real-time map making platform; and we see that as a critical element for some of the new applications that car makers are looking into at this moment.

Similar story for NavKit. We delivered -- we made significant progress in 2013. But there, again, we want to complete that transition; support a new map format that is complementary to the map making process, and have the whole chain of real-time map making, closed-loop feedback, have that closed by the end of the year at production quality.
Alexandre Peterc - Exane BNP Paribas - Analyst
Just to make clear, so you're going to transition from these two platforms that are in parallel right now and have only one by year-end; that will then transform your cost base as well from 2015, onwards?

Harold Goddjin - TomTom NV - CEO
It will make us much more efficient, and it will make it much easier to maintain and expand our technology platform going forward. Our ambition, of course, is to win deals in automotive. There's a lot of activity going on, and that will result in a large market share, I think, in the automotive industry for TomTom.

Alexandre Peterc - Exane BNP Paribas - Analyst
Thank you very much.

Operator
Stuart Jeffrey, Nomura.

Stuart Jeffrey - Nomura - Analyst
I've got a two-part question, if that's okay. The first one on Open Automotive Alliance, do you expect that to see broad adoption? If not, why not?

And then linked to that, if an OEM adopt Android, won't the situation there be similar to Android on smartphones, where perhaps Google Maps dominates? So maybe a talk around that would be very helpful.

And related to that, the competitive dynamic in automotive. If I look at the numbers, you're spending around EUR150 million on R&D, grossing up to maybe EUR250 million when we include the capitalized R&D. Nokia are spending around twice that, and obviously Google and Apple are spending a lot to try and penetrate this market.

Perhaps, you could just talk about whether you think you need to partner, or do something a bit more creative, or whether you think on that much lower spending level versus your peers you can still be competitive. Thank you.

Harold Goddjin - TomTom NV - CEO
Yes, thank you, Stuart. First question, yes, that alliance was announced. We know that Google has an interest in the automotive industry.

I think there's a natural hesitation with the car makers not to give too much away of what's happening in the car. On the other hand, they have a strong product portfolio. We don't know what that will mean in practice, and we need to see. But we don't -- whatever is going to happen, we expect it to happen slower than -- it will take some time before that will have an impact in the car industry. But it's obviously something that we're following very closely.

I think the discussion around Android and Android in the car is a different one. Android comes in many flavors. Android means different things to different people. It's an open source platform that I think car makers are interested in. That does not necessarily mean that they will also, at the same time, take all the content and services from Google, or the branded Google products.
But as an in-car platform, I think it has potential, next to other platforms. And we know that car makers are looking what the Android platform, as an open source platform, can mean for their in-vehicle technology.

The other question is how can we leverage our investment in technology? I think that's exactly what we're trying to do here. We are -- if we look at the whole value chain, what it takes to get a product into the dashboard especially, that is a very complex chain of events that people need to go through.

Invariably, the costs are high and the lead times are long. And we're trying to simplify at value chain by providing the industry the building blocks to create those end-user applications cost effectively, in a shorter period of time, better quality. For that, we're also actively talking with Tier 1s how we can do those things together, and work closer together, to make this a reality.

Because I think there is an awareness in the industry that something needs to give. Currently, the amount of money spent on automotive programs, and, of course, if the end result don't make for a pleasant read.

And with these building blocks providing the hard work in product quality components, we think a have a possibility to reduce complexity in our value chain. And for that, as you say, we're working closely with industry partners to see how we can bundle our development efforts, and tune our development efforts and cooperate better. I think that's also something that the car industry itself, the car makers are encouraging.

Stuart Jeffrey - Nomura - Analyst
Thanks

Operator
Hans Slob, Rabobank.

Hans Slob - Rabobank - Analyst
A question on the balance sheet. You have done a great job on the balance sheet with a lot of working capital improvements. When could TomTom start paying out dividends? How much net cash would you need on your balance sheet before feeling comfortable to pay out a cash dividend?

Marina Wyatt - TomTom NV - CFO
We turned cash positive in the course of this year, partly because of very strong working capital management; partly because we had a refund from the tax authorities that was significant.

We've talked about 2014, and what our main plans are for 2014. It's a bit early to talk in terms of dividends at this stage.

Hans Slob - Rabobank - Analyst
Okay. Another question; you're considering deals in fleet management space. In which geographies are you looking? Are there any [white] spots in your current, let's say, coverage?
Harold Goddjin - TomTom NV - CEO

No, we have -- so our business is concentrated in Europe. We have -- if you look at Europe, we are present in all European countries. In most of those countries, we have a leading position in terms of volume and size; but in other countries, [we're] number two, or even number three. I think we're predominantly looking at ways to get bigger in those countries where we're relatively small, get bigger faster.

Marina Wyatt - TomTom NV - CFO

I think the other thing I'd add to that is we have pretty strict acquisition criteria in that what we're really after is companies where we can -- the customer base can transition to our WEBFLEET platform. We want to keep things on one platform and simple, and enable the customer bases that we take on to get access as fast as possible to the full suite of products that we offer.

Hans Slob - Rabobank - Analyst

And we should not expect, let's say, a deal in North America, because I'm thinking of a partnership in North America? How is that working?

Marina Wyatt - TomTom NV - CFO

We have a two-pronged approach in North America. We have an organic team, so our own team, and then we also have a partnership with a company called LoJack, which we started last year.

I think what we've learnt about the North American market is that it takes some time to get established. I think in terms of our own team, it's really found its feet over the last year and is starting to grow quite well, but it's very small in a large market.

The LoJack partnership started during 2013 and needs more time to really start to take hold, and we'll watch the progress on that as we go through 2014.

Hans Slob - Rabobank - Analyst

Thanks a lot.

Operator

[Shyam Kumar], TT International.

Shyam Kumar - TT International - Analyst

Can I ask a couple of questions? The first thing is how to think about the strategic value of the underlying mapping databases that you own and control. We've obviously seen a couple of deals in this space of late, including yesterday with AutoNavi being bought. Previously, [Waves] was bought. I was just sort of wondering are we in a world whereby the actual inherent value that you have in your mapping databases is going up?

I guess attached to that, I'm thinking about the licensing business, and actually when are we going to see a pickup in growth in terms of new verticals driven by the Internet of Things location-based services? And how aggressive is your competition, like Google, being in that space, please?
If we look at the landscape -- so we are an independent map maker, which is great. There is a big strategic value associated to that map. I think if you -- and it's a source for driving a lot of applications and maintaining an ecosystem of developers that can connect to the platform. So I think the strategic value of that map database still there.

Encouraging to see that it is also seen in the industry [space]. The deal we've seen yesterday in China is indication that people do want to have access to map data. And map data are valuable and important to drive commerce location-based services, all sorts of forms. So I think that's still there.

On other verticals in licensing, there's a lot to do about the Internet of Things. People are trying to get their arms around that; what that means and which technologies need to come together to make that a reality. We're actively participating in that debate and looking for opportunities to develop applications for the Internet of Things in whatever shape or form it may get in the future.

A couple, if I could. Firstly, on the watch market, I understand that's quite a small portion of your business today. But I wonder if you could give more details around your intentions there, and the potential for what the margins look like on that market, given the likely competition that's coming down the pipeline from the likes of Apple; obviously, [you've seen] Samsung as well.

And secondly, I just wanted to follow up on an earlier question around CapEx. Most of what you're describing sounds very much like R&D, rather than CapEx. Could you give us a sense of what your capitalized R&D will look like in 2014 versus 2013? Thank you.

Yes, let me handle the first question. The watch market is, the fitness market, interesting. We think over term there will be more focus on health, and how you live, and how you can get the max out of your life. I think that is a trend that will not stop. We will see more interest in how you can stay fit and healthy longer.

Our first entry with the fitness watch gives us a better understanding and deeper insight in that market. I think we've earned a place in that market with our new products. We've seen that in our market share and now in the volumes we've done. We think we can more than double our revenue in that segment in 2014. But we also think it's a richer brand for further innovation and product diversification.

So although it's relatively small, we think it will gain in importance for TomTom quickly. It's a good overlap with the distribution, our design capabilities and our brand, so we have a lot to be successful in that market.

I think what we read about smart watches, I think that's a different debate. I think those are different products for different use cases. I don't want to confuse what we're doing in fitness with what's happening in connected smart watches, and whatever form or shape they will get. I think those two markets will live next to each other with a more specialized products for fitness and health and measurement, and more general applications for smart watches.
Marina Wyatt - TomTom NV - CFO

Let me answer the question about CapEx. About, roughly, 70% of our overall CapEx budget is capitalized R&D spend. It is on genuinely new things, but it is capitalized R&D. And then, about 30% is on IT systems; servers; tools and molds and production; tables and chairs; and that sort of thing. So that's roughly how it splits down.

Gareth Jenkins - UBS - Analyst

That's great, thank you.

Operator

Andrew Humphrey, Morgan Stanley.

Andrew Humphrey - Morgan Stanley - Analyst

Just a couple of questions from me, if I may? The first one is wondering if we can get any more granularity on, I guess, the level of duplication in OpEx that you're having to make to support both mapping platforms at the moment. Is there an amount that you can quantify; where you're spending money on; what in two or three years' time will be a legacy platform once the real-time mapping updates take over and are fully operational? And I have a follow up.

Marina Wyatt - TomTom NV - CFO

Yes, our goal is during 2015 to retire the legacy mapping platform, so that is our goal as a Company. As Harold already said, the tangible benefits from that are the fact that we will be able to focus everybody on the new platform, the new world, and on driving innovation faster.

It's difficult right now to quantify how much cost will drop out as a result of that. I think we need a bit more time to do that as we go through this year, so I'd like to defer that question. But I think the main benefit really comes from the 100% focus that we'll see on the new platform, and what that can deliver.

Andrew Humphrey - Morgan Stanley - Analyst

Okay, thanks. And maybe a question on the US, as well. I think in previous calls you've said you've been much more selective about the business you've targeted on the PND side, which it seems like has been vindicated with the improvement you've seen in profitability there.

I think you've also said that having a platform and a presence in the US also gives you a way in to potentially the largest market for the sports watch product, and clearly you're seeing a lot of strong growth there. I wonder, could you give us a bit more granularity on the level of sales you're seeing on the sport watch, and expect this year; and also, how that has split down between the US and Europe, and how you would expect that to develop in 2014?

Marina Wyatt - TomTom NV - CFO

Yes, we launched the sport watch, our own brand sport watch, first of all in the US market. And so initially sales were probably two-thirds there and one-third in Europe, but gradually, as we open up more distribution we would expect in Europe that the levels will go up.

Revenue-wise, for the fitness segment, you're looking at tens of millions only of revenue at the moment. It did double in 2013. Our plan in 2014 is to double that again. And the mix, US and Europe is pretty evenly spread, but in both we still have more distribution to open up in both markets.
Andrew Humphrey - Morgan Stanley - Analyst
Okay. Thank you, very helpful.

Operator
Johannes Schaller, Deutsche Bank.

Johannes Schaller - Deutsche Bank - Analyst
Just one from me. If you could maybe give us a little bit more color on how we should be thinking about the revenue trajectory in your consumer business for 2014?

I think in Q2 2013 you saw pretty good quarter, where revenues were just down 4%, because you launched some of your PNDs in Europe. Now you will do the same in Q1 in the US, so should we maybe be thinking about a pretty decent Q1 with very low decline rates, and then a return to more normal decline rates over the course of the year? Thank you.

Marina Wyatt - TomTom NV - CFO
If we look at consumer, what we're really looking at over the year is a significantly lower rate of decrease of revenue overall than we've seen in 2013, and overall a single-digit decline.

In terms of the quarterly split, I'm not sure there's a lot of difference in that. I'm afraid I don't have that information just to hand, but I will check it up and come back to you.

Johannes Schaller - Deutsche Bank - Analyst
Maybe a follow up; just if you could give us a bit of color. When you say you expect a lower decline this year, is this more driven by specific new product releases that you will do? Or do you feel the PND market is maybe getting to a more sustainable level already? Thank you.

Marina Wyatt - TomTom NV - CFO
It's difficult to say about PND market. We expect that the rate of decline in the PND market will be a little lower in 2014. But we need a bit more; we need more time and more visibility on that at this stage. I'm sure at some point in time we do see that slowing that much more, but right now I think lower rate of decline, but not too much lower.

Johannes Schaller - Deutsche Bank - Analyst
Okay, understood. That's very helpful, thank you.

Bisera Grubesic - TomTom NV - IR Officer
Thank you, all, for joining us today for this call. If you have any follow-up questions at a later time, please don't hesitate to give us a call. Thank you very much. Operator, you can close the call.
Operator

Thank you. This concludes TomTom's first -- fourth quarter and full-year 2013 earnings conference call. Thank you for participating. You may now disconnect.