TomTom Q4 2010 results

Harold Goddijn - CEO & Marina Wyatt - CFO | 18 February 2011
Financial highlights

- Content & Services revenue grew by 16% to €98 million
- Automotive revenue grew by 52% to €55 million
- Gross margin of 46% and EBIT margin of 13%
- Net cash flow from operating activities of €141 million
Operational highlights

Consumer
› HD Traffic expansion
› New GO LIVE range launched in US
› GPS sports watch announced

Extension of existing Automotive partnerships
› More Renault, Fiat and Toyota models with TomTom solutions
› LIVE Services go in-dash in 2011

Licensing contracts signed
› Content licensing agreement signed with HTC
› New MiTAC agreement to include Magellan

Business Solutions
› PRO TRUCK 7100 PND launched
› Active subscriber base grew to 134,000
Our assets

Business Solutions

Licensing

Automotive

Mobile

PND

Core content

3D landmarks

IQ routes

HD Traffic

HD Speed-cams

POIs

ADAS

Enhanced content

Software assets + web based publishing platform
2011 priorities (1/2)

Consumer

› Roll-out HD Traffic in US and monetise our European HD Traffic footprint
› Grow the proportion of connected devices in our sales mix
› Market share growth and limited ASP decline

Automotive

› Expand into more models, countries and increase take rates
› Win new contracts
› Attain a leading position in the rise of the connected car
2011 priorities (2/2)

Licensing

- Grow position in wireless market
- Develop new products to monetise our content assets
- Develop the Geographic Information System (GIS) opportunity

Business Solutions

- Grow organically at twice the speed of the European industry
- Launch additional services to enter new market segments
- Add systems to measure and manage CO2 emissions and costs
Outlook 2011

- Broaden revenue base
- Grow contribution of Content & Services
- Increase operating expenses to support development of new technologies and sales capabilities
- Broadly flat revenue and earnings per share compared to 2010
Revenue analysis – business units

Revenue Q4 2009: € 533 million
- Consumer 84%
- Licensing 7%
- Automotive 7%
- Business Solutions 3%

Revenue Q4 2010: € 516 million
- Consumer 79%
- Licensing 8%
- Automotive 11%
- Business Solutions 3%

Revenue FY 2009: € 1,480 million
- Consumer 82%
- Licensing 9%
- Automotive 7%
- Business Solutions 3%

Revenue FY 2010: € 1,521 million
- Consumer 76%
- Licensing 9%
- Automotive 12%
- Business Solutions 3%
Revenue analysis – segments

Revenue Q4 2009: € 533 million
- C&S: 16%
- Hardware: 84%

Revenue Q4 2010: € 516 million
- C&S: 19%
- Hardware: 81%

Revenue FY 2009: € 1,480 million
- C&S: 21%
- Hardware: 79%

Revenue FY 2010: € 1,521 million
- C&S: 23%
- Hardware: 77%
## Earnings overview

<table>
<thead>
<tr>
<th>in € millions</th>
<th>Q4 '09</th>
<th>Q1 '10</th>
<th>Q2 '10</th>
<th>Q3 '10</th>
<th>Q4 '10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross result</strong></td>
<td>245</td>
<td>144</td>
<td>185</td>
<td>178</td>
<td>237</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>46%</td>
<td>54%</td>
<td>51%</td>
<td>48%</td>
<td>46%</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>134</td>
<td>127</td>
<td>135</td>
<td>123</td>
<td>172</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>111</td>
<td>17</td>
<td>50</td>
<td>55</td>
<td>65</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>21%</td>
<td>6%</td>
<td>14%</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Interest result</strong></td>
<td>(11)</td>
<td>(8)</td>
<td>(9)</td>
<td>(10)</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Other finance result</strong></td>
<td>(6)</td>
<td>(6)</td>
<td>5</td>
<td>(20)</td>
<td>5</td>
</tr>
<tr>
<td><strong>Result associates</strong></td>
<td>1</td>
<td>1</td>
<td>(2)</td>
<td>(1)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Result before tax</strong></td>
<td>95</td>
<td>4</td>
<td>43</td>
<td>25</td>
<td>62</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(22)</td>
<td>(1)</td>
<td>(10)</td>
<td>(6)</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>23%</td>
<td>23%</td>
<td>22%</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>73</td>
<td>3</td>
<td>33</td>
<td>19</td>
<td>52</td>
</tr>
<tr>
<td><strong>Diluted EPS (in €)</strong></td>
<td>0.33</td>
<td>0.01</td>
<td>0.15</td>
<td>0.09</td>
<td>0.23</td>
</tr>
<tr>
<td><em><em>Diluted adjusted</em> EPS (in €)</em>*</td>
<td>0.39</td>
<td>0.07</td>
<td>0.21</td>
<td>0.14</td>
<td>0.29</td>
</tr>
</tbody>
</table>

* Earnings per share adjusted for acquisition related amortisation and restructuring charges on a post tax basis
Operating expenses

<table>
<thead>
<tr>
<th></th>
<th>Q4 '09</th>
<th>Q1 '10</th>
<th>Q2 '10</th>
<th>Q3 '10</th>
<th>Q4 '10</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D</td>
<td>37</td>
<td>41</td>
<td>40</td>
<td>36</td>
<td>44</td>
</tr>
<tr>
<td>Marketing</td>
<td>26</td>
<td>15</td>
<td>24</td>
<td>17</td>
<td>48</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>52</td>
<td>51</td>
<td>48</td>
<td>47</td>
<td>54</td>
</tr>
</tbody>
</table>

Total OPEX:
- Q4 '09: 134
- Q1 '10: 127
- Q2 '10: 135
- Q3 '10: 123
- Q4 '10: 172
## Cash flow

<table>
<thead>
<tr>
<th>in € millions</th>
<th>Q4 '09</th>
<th>Q1 '10</th>
<th>Q2 '10</th>
<th>Q3 '10</th>
<th>Q4 '10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result</td>
<td>111</td>
<td>17</td>
<td>50</td>
<td>55</td>
<td>65</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>26</td>
<td>27</td>
<td>26</td>
<td>26</td>
<td>31</td>
</tr>
<tr>
<td>Financial (losses) / gains</td>
<td>(4)</td>
<td>(10)</td>
<td>4</td>
<td>(1)</td>
<td>(4)</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>(3)</td>
<td>7</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>61</td>
<td>(54)</td>
<td>(5)</td>
<td>(16)</td>
<td>48</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>205</td>
<td>(23)</td>
<td>82</td>
<td>63</td>
<td>143</td>
</tr>
<tr>
<td>Interest received</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(9)</td>
<td>(6)</td>
<td>(5)</td>
<td>(8)</td>
<td>(6)</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(11)</td>
<td>(13)</td>
<td>(10)</td>
<td>(12)</td>
<td>(4)</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>186</td>
<td>(41)</td>
<td>67</td>
<td>43</td>
<td>141</td>
</tr>
<tr>
<td>Total cash flow used in investing activities</td>
<td>(32)</td>
<td>(15)</td>
<td>(12)</td>
<td>(16)</td>
<td>(22)</td>
</tr>
<tr>
<td>Total cash flow from financing activities</td>
<td>(210)</td>
<td>0</td>
<td>0</td>
<td>(125)</td>
<td>(84)</td>
</tr>
<tr>
<td>Net (decrease) / increase in cash and cash equivalents</td>
<td>(56)</td>
<td>(56)</td>
<td>55</td>
<td>(98)</td>
<td>35</td>
</tr>
</tbody>
</table>
## Balance sheet

<table>
<thead>
<tr>
<th>in € millions</th>
<th>31 Dec '09</th>
<th>31 Mar '10</th>
<th>30 Jun '10</th>
<th>30 Sep '10</th>
<th>31 Dec '10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>855</td>
<td>855</td>
<td>855</td>
<td>855</td>
<td>855</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>986</td>
<td>978</td>
<td>965</td>
<td>958</td>
<td>946</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>79</td>
<td>74</td>
<td>70</td>
<td>67</td>
<td>69</td>
</tr>
<tr>
<td>Inventories</td>
<td>67</td>
<td>61</td>
<td>63</td>
<td>80</td>
<td>94</td>
</tr>
<tr>
<td>Receivables, prepayments &amp; financial instruments</td>
<td>331</td>
<td>222</td>
<td>315</td>
<td>291</td>
<td>353</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>368</td>
<td>313</td>
<td>367</td>
<td>267</td>
<td>306</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>2,686</strong></td>
<td><strong>2,503</strong></td>
<td><strong>2,634</strong></td>
<td><strong>2,518</strong></td>
<td><strong>2,623</strong></td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>1,018</td>
<td>1,029</td>
<td>1,069</td>
<td>1,088</td>
<td>1,141</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>222</td>
<td>218</td>
<td>217</td>
<td>216</td>
<td>211</td>
</tr>
<tr>
<td>Non-current borrowings</td>
<td>588</td>
<td>593</td>
<td>592</td>
<td>595</td>
<td>384</td>
</tr>
<tr>
<td>Current borrowings</td>
<td>201</td>
<td>199</td>
<td>202</td>
<td>78</td>
<td>204</td>
</tr>
<tr>
<td>Provisions</td>
<td>114</td>
<td>109</td>
<td>112</td>
<td>108</td>
<td>109</td>
</tr>
<tr>
<td>Trade payables</td>
<td>201</td>
<td>102</td>
<td>174</td>
<td>180</td>
<td>218</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>341</td>
<td>253</td>
<td>267</td>
<td>253</td>
<td>355</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>2,686</strong></td>
<td><strong>2,503</strong></td>
<td><strong>2,634</strong></td>
<td><strong>2,518</strong></td>
<td><strong>2,623</strong></td>
</tr>
</tbody>
</table>
Thank you

Any questions?
PND market size and share*
Europe and North America

Market size
- Europe 3.5 million units (Q4 '09: 4.3 million)
- North America 6.5 million units (Q4 '09: 8.6 million)

Market share growth in Europe and North America

Source: GfK, NPD and company data

* Europe: 16 countries; North America: US and Canada (see maps)
PND market size Europe and North America*

<table>
<thead>
<tr>
<th>Volume (in millions)</th>
<th>Q1 '10</th>
<th>Q2 '10</th>
<th>Q3 '10</th>
<th>Q4 '10</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>2.8</td>
<td>3.1</td>
<td>3.5</td>
<td>3.5</td>
<td>12.8</td>
</tr>
<tr>
<td>North America</td>
<td>2.6</td>
<td>3.3</td>
<td>2.8</td>
<td>6.5</td>
<td>15.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Volume (in millions)</th>
<th>Q1 '09</th>
<th>Q2 '09</th>
<th>Q3 '09</th>
<th>Q4 '09</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>3.2</td>
<td>3.7</td>
<td>3.8</td>
<td>4.3</td>
<td>14.9</td>
</tr>
<tr>
<td>North America</td>
<td>2.6</td>
<td>3.5</td>
<td>3.1</td>
<td>8.6</td>
<td>17.8</td>
</tr>
</tbody>
</table>

* Rounded numbers; PND sell-out numbers based on GfK, NPD and company data. Europe includes 16 European countries, North America includes USA and Canada.
## Full year earnings overview

<table>
<thead>
<tr>
<th>in € millions</th>
<th>FY '09</th>
<th>FY '10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross result</strong></td>
<td>731</td>
<td>744</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>510</td>
<td>558</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>221</td>
<td>186</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Interest result</strong></td>
<td>(71)</td>
<td>(35)</td>
</tr>
<tr>
<td><strong>Other finance result</strong></td>
<td>(41)</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>Result associates</strong></td>
<td>3</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Result before tax</strong></td>
<td>111</td>
<td>134</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(25)</td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>87</td>
<td>108</td>
</tr>
<tr>
<td><strong>Diluted EPS (in €)</strong></td>
<td>0.47</td>
<td>0.49</td>
</tr>
<tr>
<td><em><em>Diluted adjusted</em> EPS (in €)</em>*</td>
<td>0.78</td>
<td>0.70</td>
</tr>
</tbody>
</table>

*Earnings per share adjusted for acquisition related amortisation and restructuring charges on a post tax basis*
## Full year cash flow

<table>
<thead>
<tr>
<th>in € millions</th>
<th>FY '09</th>
<th>FY '10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result</td>
<td>221</td>
<td>186</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>106</td>
<td>109</td>
</tr>
<tr>
<td>Financial losses</td>
<td>(20)</td>
<td>(12)</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>116</td>
<td>(26)</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>430</td>
<td>265</td>
</tr>
<tr>
<td>Interest received</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(66)</td>
<td>(26)</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(26)</td>
<td>(30)</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>340</td>
<td>210</td>
</tr>
<tr>
<td>Total cash flow used in investing activities</td>
<td>(90)</td>
<td>(65)</td>
</tr>
<tr>
<td>Total cash flow from financing activities</td>
<td>(206)</td>
<td>(209)</td>
</tr>
<tr>
<td>Net increase / (decrease) in cash and cash equivalents</td>
<td>45</td>
<td>(64)</td>
</tr>
</tbody>
</table>
## Impact of FX rate changes

Q4 '10 results based on current exchange rates and that of previous quarters compared

<table>
<thead>
<tr>
<th>in € millions</th>
<th>Q4 '10 rates</th>
<th>Q4 '09 rates</th>
<th>Q3 '10 rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>516</td>
<td>498</td>
<td>526</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>279</td>
<td>260</td>
<td>293</td>
</tr>
<tr>
<td>Gross margin</td>
<td>46%</td>
<td>48%</td>
<td>44%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>237</td>
<td>238</td>
<td>233</td>
</tr>
</tbody>
</table>

### P&L rates in €

<table>
<thead>
<tr>
<th>US dollar</th>
<th>Q4 '10 rates</th>
<th>Q4 '09 rates</th>
<th>Q3 '10 rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.35</td>
<td>1.48</td>
<td>1.27</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GB pound</th>
<th>Q4 '10 rates</th>
<th>Q4 '09 rates</th>
<th>Q3 '10 rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.86</td>
<td>0.90</td>
<td>0.83</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>AUS dollar</th>
<th>Q4 '10 rates</th>
<th>Q4 '09 rates</th>
<th>Q3 '10 rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.39</td>
<td>1.64</td>
<td>1.43</td>
<td></td>
</tr>
</tbody>
</table>

### Balance sheet rates in €

<table>
<thead>
<tr>
<th>US dollar</th>
<th>Q4 '10 rates</th>
<th>Q4 '09 rates</th>
<th>Q3 '10 rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.34</td>
<td>1.44</td>
<td>1.36</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GB pound</th>
<th>Q4 '10 rates</th>
<th>Q4 '09 rates</th>
<th>Q3 '10 rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.86</td>
<td>0.89</td>
<td>0.87</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AUS dollar</th>
<th>Q4 '10 rates</th>
<th>Q4 '09 rates</th>
<th>Q3 '10 rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.31</td>
<td>1.65</td>
<td>1.41</td>
<td></td>
</tr>
</tbody>
</table>
Debt development
History, future and leverage

Gross and net debt

Redemption schedule

Leverage

- €588 million gross debt
- €306 million cash on hand
- €294 million net debt
- Leverage ratio of 0.98
- €174 million undrawn revolving credit facility in place
# Outstanding Shares

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common shares outstanding end of Q3 '10</td>
<td>221,718,074</td>
</tr>
<tr>
<td>Common shares outstanding end of Q4 '10</td>
<td>221,808,085</td>
</tr>
</tbody>
</table>

**Average shares outstanding in Q4 '10** 221,747,864

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the money share options as of Q3 '10</td>
<td>0</td>
</tr>
<tr>
<td>In the money share options as of Q4 '10</td>
<td>12,300,172</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average dilutive share options outstanding Q4 '10</td>
<td>12,300,172</td>
</tr>
<tr>
<td>Non dilutive share options*</td>
<td>10,084,431</td>
</tr>
</tbody>
</table>

**Average shares outstanding from dilution of options** 2,215,741

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average fully diluted shares outstanding Q4 ’10</strong></td>
<td>223,963,605</td>
</tr>
</tbody>
</table>

* The average share price for the quarter was €6.79
** On a YTD basis, the average number of fully diluted shares outstanding is 222,040,350
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