



Third quarter 2005

## Another quarter of strong revenues and net profit growth

### Financial highlights:

- Revenue of € 250.0 million, up 373% on the prior year and 118% on the previous quarter
- 538,000 integrated units shipped, up 632% on the prior year and 105% on the previous quarter
- Average selling price for integrated units of € 402, up 10% on the previous quarter
- Net profit of € 58.7 million, up 166% on the previous quarter
- Fully diluted EPS of € 0.50 for the quarter, up from € 0.20 in the previous quarter

### Operational highlights:

- Consolidation of European market leadership position
- Successful ramp up of production volumes across the GO range
- Distribution in North America increased to 2500 outlets
- Acquisition of Datafactory ahead of entry into Tracking and Tracing market

### Outlook:

- Wide and deep retail presence and balanced stock levels in the channel ahead of the holiday season
- Launch of the TomTom ONE entry-level product in the fourth quarter
- North American advertising campaign including TV, radio and print has begun
- Full year 2005 guidance increased: revenues now expected to be approximately three and a half times 2004 revenues with the operating margin modestly higher than in 2004

### Key figures

(unaudited)  
(in € millions)

|                                   | Q3 '05 | Q3 '04 | Change | YTD '05 | YTD '04 | Change |
|-----------------------------------|--------|--------|--------|---------|---------|--------|
| Revenue                           | 250.0  | 52.8   | 373%   | 431.0   | 102.8   | 319%   |
| Operating profit                  | 82.2   | 13.0   | 532%   | 127.7   | 24.2    | 428%   |
| Net profit                        | 58.7   | 7.9    | 643%   | 94.5    | 15.3    | 518%   |
| EPS – fully diluted (€ per share) | 0.50   | 0.07   | 614%   | 0.84    | 0.14    | 500%   |

TomTom NV ('TomTom'), a leading provider of personal navigation products and services, reported today that it had grown revenue and profit substantially in the third quarter of 2005. TomTom's revenues for the third quarter increased from €52.8 million in 2004 to €250.0 million in 2005 and third quarter net profit rose from €7.9 million in 2004 to €58.7 million in 2005. The growth in revenues in the third quarter was primarily driven by the success of the GO family of products: the GO 300, the GO 500 and the GO 700.

**Tom Tom's Chief Executive Officer, Harold Goddijn said:**

"The market for personal navigation devices has continued to grow strongly. Integrated devices have overtaken PDA solutions as the driver of growth in the sector and we expect this trend to continue.

The third quarter was exceptionally strong in terms of both revenues and profits. Revenue growth accelerated as a result of healthy consumer demand and requirements by retailers to increase the level of inventory in the channel. Profitability was further enhanced as a result of an increase in the gross margin and because of seasonally low marketing spend.

In an increasingly competitive environment, we are well positioned with our range of GO products and our newly introduced entry-level product, TomTom ONE. With the TomTom ONE, which has just started to ship at a price of €399, we will have products at all of the important price points in the lead up to the holiday season. We have built European market leadership and a strong retail presence. The retail channel is well stocked and product availability is good as we head into the key holiday season.

Given the very strong third quarter which we had and based on the trends we are currently seeing in retail, we are increasing our estimates for the full year. We now estimate that full year revenues for 2005 will be approximately three and a half times those in 2004 with a full year operating margin modestly higher than 2004's reported operating margin"

**Full year development**

During the third quarter, we ramped up production to meet accelerating consumer demand and to address the requirement by retailers to increase stock in the channel as their stock levels were too low at the start of the quarter. We are now comfortable with product availability in the channel. We estimate that approximately one third of our third quarter revenues came from the increase of stock in the channel to the normal level required by retailers. In order to measure revenue growth in the fourth quarter, the impact on third quarter revenues of addressing the shortage of inventory in the channel at the end of the second quarter, should be taken into consideration.

The mix of revenues will change in the fourth quarter because of volume shipments of the TomTom ONE product, which will increase our volumes overall but reduce the average selling price of integrated devices to a level slightly lower than we have seen so far this year. TomTom ONE sales will also cause a modest reduction in the gross margin. We are supporting our sales activities in the fourth quarter with major investments in advertising both in Europe and North America.

**Operational review**

In the third quarter, we successfully ramped up production across the GO family; the GO 300, GO 500, and GO 700. We more than doubled volumes shipped from 262,000 integrated units in the second quarter to 538,000 units in the third quarter. The product mix included a higher proportion of GO 500s and 700s than in the second quarter, which resulted in a 10% increase in the average selling price of integrated devices for the quarter to €402.

We successfully executed our plan in North America as we increased the number of retail outlets to the 2500 number that we had planned to achieve by the end of the summer. We also signed an agreement for a MapQuest branded TomTom GO product. During the third quarter, we focused our marketing spend on merchandising and sales training in retail. In the fourth quarter, we will continue to expand our presence in retail, taking our distribution outlets in North America up to 3700, and we are supporting this expansion with a multi-million dollar advertising campaign including TV, radio and print across the USA.

In the automotive sector, the agreement with Nissan in France, signed in September, 2005 is the latest of a number of agreements which we have reached with different manufacturers across Europe. The agreement with car rental company AVIS, announced last quarter, has also been successful.

With the recent acquisition of the tracking and tracing company Datafactory, we are positioning ourselves to start addressing the convergence that is taking place between navigation, tracking and tracing, and messaging solutions.

## Financial Review

### Revenue

Revenues in the third quarter were € 250.0 million, compared with € 52.8 million in the third quarter of 2004, and they increased by € 135.2 million over second quarter revenues of € 114.8 million. Revenues from our North American operation grew from € 5.0 million in the second quarter to € 10.5 million in the third quarter. The strong growth in the quarter was driven by strong demand for the new GO range that we released in the second quarter. We shipped 538,000 GO units in the quarter up from 262,000 in the second quarter. The average selling price of integrated devices compared to the previous quarter increased from € 365 to € 402 reflecting the increased proportion of GO 500s and 700s in the mix and bringing the average selling price for the year to date for integrated units to € 395.

Revenues of non-integrated products increased in the quarter to € 20 million from € 12.6 million primarily because of higher sales of software for smartphones (Mobile 5) which both increased volumes and average selling prices.

Other revenues grew sharply in the period driven by map upgrade sales following new map releases in the second quarter. TomTom Plus (content and services), introduced in the second quarter, made a modest contribution to other revenue and continues to grow monthly driven principally by the sale of traffic information and celebrity voices.

| (unaudited)                           | Q3 '05         | Q3 '04         | Change      | YTD '05          | YTD '04        | Change      |
|---------------------------------------|----------------|----------------|-------------|------------------|----------------|-------------|
| <b>Revenue (in € millions)</b>        |                |                |             |                  |                |             |
| Integrated devices                    | 216.5          | 34.0           | 537%        | 359.2            | 45.0           | 698%        |
| Non-Integrated solutions              | 20.0           | 16.0           | 25%         | 49.0             | 53.2           | -/-8%       |
| Other                                 | 13.5           | 2.8            | 382%        | 22.8             | 4.6            | 396%        |
| <b>Total</b>                          | <b>250.0</b>   | <b>52.8</b>    | <b>373%</b> | <b>431.0</b>     | <b>102.8</b>   | <b>319%</b> |
| <b>Number of units sold</b>           |                |                |             |                  |                |             |
| Integrated devices                    | 537,952        | 73,467         | 632%        | 908,547          | 96,142         | 845%        |
| Non-Integrated solutions              | 159,954        | 96,815         | 65%         | 383,795          | 344,145        | 12%         |
| <b>Total</b>                          | <b>697,906</b> | <b>170,282</b> | <b>310%</b> | <b>1,292,342</b> | <b>440,287</b> | <b>194%</b> |
| <b>Average selling price (in €)</b>   |                |                |             |                  |                |             |
| Integrated devices                    | 402            | 463            | -/-13%      | 395              | 468            | -/-16%      |
| Non-Integrated solutions              | 125            | 165            | -/-24%      | 128              | 155            | -/-17%      |
| <b>Weighted average selling price</b> | <b>339</b>     | <b>293</b>     | <b>16%</b>  | <b>316</b>       | <b>223</b>     | <b>42%</b>  |

### **Gross Margin**

The gross margin in the quarter was 43.3% compared with 41.7% in the previous quarter. In the third quarter, we benefited from an improved product mix in integrated products with more GO 500s and GO 700s in the mix and also from cost savings in our product costs. However, the gross margin was reduced by a stronger US dollar in the period. The US dollar strengthened by 4.4% against the euro on average during the quarter, which had a negative impact of 1.9% on our gross margin.

### **Operating Expenses**

Operating expenses decreased sharply to 10.4% of revenue in the quarter compared with 18.2% in the second quarter principally because of seasonally low marketing spend as a percentage of revenue. Marketing expenditure was 4.3% of revenue compared with 10.5% in the second quarter. Research and development spend was 1.0% of revenue compared with 1.9% in the second quarter and other Selling, General & Administrative costs were 5.1% of revenue down from 5.8% in the second quarter.

### **Operating Margin**

The operating margin in the third quarter was 32.9% of revenue, significantly higher than in both the third quarter of last year and in the second quarter of 2005, respectively 24.5% and 23.5%. The change compared to the second quarter of 2005 was primarily driven by the increase in the gross margin and by the lower marketing spend as a percentage of revenue.

### **Financial Income and Expenses**

We recorded a net gain of €3.4 million in the quarter, which was mainly from gains on forward foreign exchange contracts to purchase US dollars in order to pay our most significant contract manufacturers. We revalue all forward contracts at the end of each period whether or not they have matured. This gain therefore is made up of both realized and unrealized net gains.

### **Tax**

The effective tax rate for the company in the quarter was 31.5% made up of the tax on the profits of the European operations comprised primarily of the Dutch tax rate of 31.5%.

### **Cash flow**

We generated cash from operations of €55.9 million after investing €39.9 million in working capital to support the growth of the company.

We invested €14.5 million in investing activities mainly on the acquisition of Datafactory, and our cash balances overall increased by €42.6m.

### **Balance sheet**

At the end of the quarter, we had shareholder's equity of €250.8 million and a net cash position of €230.5 million.

Included in shareholders' equity, is €1.1 million that was added to the stock compensation reserve for stock options granted in the quarter. It was also charged to operating expenses in line with IFRS requirements.

Overall, the working capital elements of the balance sheet increased in line with the growth in the business. The acquisition of Datafactory led to an increase in intangible assets of €12.4 million. Part of the consideration was deferred in the form of an earn-out, and this together with the growth related increase in the warranty provision was the reason for the increase in the provisions in the balance sheet.

## Contacts

### Investor relations & corporate media:

Taco Titulaer

[Investor.Relations@TomTom.com](mailto:Investor.Relations@TomTom.com)

+31 (0) 20 850 0994

**ISIN:** NL 0000387058

**Common Code:** 021984272

**Amsterdam Security Code Number:** 38705

**Eurolist by Euronext Symbol:** TOM2

### Q3 2005 Results Presentation Audio Web cast Information

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

**Time:** Thursday 27 October 2005 at 2 PM CET

**Place:** [www.tomtom.com](http://www.tomtom.com)

Please log on to our website to listen in.

### About TomTom

TomTom NV is a leading provider of personal navigation products and services to the consumer market. TomTom's products are developed with an emphasis on innovation, quality, ease of use and value. TomTom's products include all-in-one navigation devices which enable customers to navigate right out of the box, as well as navigation software products which integrate with third party devices such as PDAs and smartphones. TomTom's portfolio of products and services includes the award-winning TomTom GO family of integrated navigation devices, the TomTom ONE, the TomTom Navigator software for PDAs, TomTom MOBILE navigation software for smart phones and TomTom Plus, a location-based content and services offering for TomTom's navigation products and Datafactory's Webfleet platform for Tracking and Tracing services. TomTom was founded in 1991 in Amsterdam and has offices in the Netherlands, the United Kingdom, Germany, the United States and Taiwan. TomTom's products are sold through a network of leading retailers in 20 countries and online.

## TomTom NV Third Quarter Financial Statements

### 1.1 Consolidated Income Statement for the three month period from 1 July to 30 September

| <b>(unaudited)</b><br><b>(in € thousands)</b>                       | <b>Q3 2005</b> | <b>Q3 2004</b> |
|---|----------------|----------------|
| Revenue   | 250,001        | 52,844         |
| Cost of sales   | 141,670        | 28,882         |
| <b>Gross profit</b>   | <b>108,331</b> | <b>23,962</b>  |
| <b>Operating expenses</b>   |                |                |
| Research & development  | 2,646          | 945            |
| Marketing   | 10,755         | 7,033          |
| Selling, general and administrative                                 | 12,705         | 3,023          |
| <b>Total operating expenses</b>                                     | <b>26,106</b>  | <b>11,001</b>  |
| <b>Operating profit</b>   | <b>82,225</b>  | <b>12,961</b>  |
| Net financial income and (expenses)                                 | 3,419          | -344           |
| <b>Profit before taxation</b>                                       | <b>85,644</b>  | <b>12,617</b>  |
| Taxation  | 26,968         | 4,700          |
| <b>Net profit</b>   | <b>58,676</b>  | <b>7,917</b>   |
| <b>Average number of shares outstanding</b> (in thousands)          | <b>107,281</b> | <b>100,000</b> |
| <b>Average number of shares outstanding, diluted</b> (in thousands) | <b>116,719</b> | <b>107,726</b> |
| <b>Earnings per share - basic</b> (in Euros)                        | <b>0.55</b>    | <b>0.08</b>    |
| <b>Earnings per share- diluted</b> (in Euros)                       | <b>0.50</b>    | <b>0.07</b>    |

## TomTom NV Third Quarter Financial Statements

### 1.2 Consolidated Income Statement for the nine month period from 1 January to 30 September

| <b>(unaudited)</b><br><b>(in € thousands)</b>                       | <b>YTD 2005</b> | <b>YTD 2004</b> |
|---|-----------------|-----------------|
| Revenue   | 431,003         | 102,825         |
| Cost of sales   | 243,603         | 58,020          |
| <b>Gross profit</b>   | <b>187,400</b>  | <b>44,805</b>   |
| <b>Operating expenses</b>   |                 |                 |
| Research & development  | 6,560           | 2,814           |
| Marketing   | 27,991          | 9,998           |
| Selling, general and administrative                                 | 25,156          | 7,771           |
| <b>Total operating expenses</b>                                     | <b>59,707</b>   | <b>20,583</b>   |
| <b>Operating profit</b>   | <b>127,693</b>  | <b>24,222</b>   |
| Net financial income and (expenses)                                 | 10,827          | -169            |
| <b>Profit before taxation</b>                                       | <b>138,520</b>  | <b>24,053</b>   |
| Taxation  | 43,997          | 8,790           |
| <b>Net profit</b>   | <b>94,523</b>   | <b>15,263</b>   |
| <b>Average number of shares outstanding</b> (in thousands)          | <b>103,236</b>  | <b>100,000</b>  |
| <b>Average number of shares outstanding, diluted</b> (in thousands) | <b>112,595</b>  | <b>106,569</b>  |
| <b>Earnings per share - basic</b> (in Euros)                        | <b>0.92</b>     | <b>0.15</b>     |
| <b>Earnings per share- diluted</b> (in Euros)                       | <b>0.84</b>     | <b>0.14</b>     |

## TomTom NV Third Quarter Financial Statements

### 2. Consolidated Balance Sheet

| (unaudited)<br>(in € thousands)     | 30 Sept 2005   | 31 Dec 2004   |
|-------------------------------------|----------------|---------------|
| <b>Non-current assets</b>           |                |               |
| Intangible assets                   | 13,756         | 960           |
| Property, plant and equipment       | 3,777          | 2,050         |
| <b>Total non-current assets</b>     | <b>17,533</b>  | <b>3,010</b>  |
| <b>Current Assets</b>               |                |               |
| Inventories                         | 67,960         | 13,402        |
| Trade receivables                   | 117,327        | 29,383        |
| Other receivables and prepayments   | 13,920         | 4,975         |
| Financial instruments               | 4,935          | -             |
| Cash and cash equivalents           | 230,506        | 40,167        |
| <b>Total current assets</b>         | <b>434,648</b> | <b>87,927</b> |
| <b>Total assets</b>                 | <b>452,181</b> | <b>90,937</b> |
| <b>Equity and liabilities</b>       |                |               |
| <b>Shareholders' Equity</b>         |                |               |
| Share capital                       | 21,456         | 18            |
| Share Premium                       | 115,106        | 619           |
| Legal reserves                      | 1,151          | 946           |
| Cumulative translation reserve      | 4              | 15            |
| Stock compensation reserve          | 4,529          | 2,614         |
| Retained earnings                   | 108,549        | 33,594        |
| <b>Total equity</b>                 | <b>250,795</b> | <b>37,806</b> |
| <b>Provisions</b>                   | <b>10,285</b>  | <b>394</b>    |
| <b>Long term liabilities</b>        |                |               |
| Deferred tax liability              | 723            | 1,301         |
| Long term liabilities               | 293            | -             |
| <b>Total long term liabilities</b>  | <b>1,016</b>   | <b>1,301</b>  |
| <b>Current liabilities</b>          |                |               |
| Trade payables                      | 64,087         | 25,608        |
| Tax and social security             | 51,751         | 12,867        |
| Other accruals                      | 32,598         | 6,248         |
| Other liabilities                   | 41,409         | 6,713         |
| Financial instruments               | 240            | -             |
| <b>Total current liabilities</b>    | <b>190,085</b> | <b>51,436</b> |
| <b>Total equity and liabilities</b> | <b>452,181</b> | <b>90,937</b> |



## TomTom NV Third Quarter Financial Statements

### 3. Statement of changes in equity for the period ended 30 September, 2005.

| (unaudited)<br>(in € thousands)           | Share<br>capital | Share<br>premium | Legal<br>reserves | Cumul.<br>transl.<br>adjust. | Stock<br>compens.<br>reserve | Retained<br>earnings | Total          |
|---|------------------|------------------|-------------------|------------------------------|------------------------------|----------------------|----------------|
| <b>Balance 1 Jan 2004</b>                 | 18               | 619              | 579               | 30                           | 103                          | 6,244                | <b>7,593</b>   |
| Translation differences                   |                  |                  |                   |                              |                              |                      | -              |
| Profit for the year                       |                  |                  |                   |                              |                              | 15,262               | <b>15,262</b>  |
| Transfer to legal reserves                |                  |                  | 253               |                              |                              | -253                 | -              |
| Transfer to stock<br>compensation reserve |                  |                  |                   |                              | 379                          |                      | <b>379</b>     |
| <b>Balance 30 Sept 2004</b>               | <b>18</b>        | <b>619</b>       | <b>832</b>        | <b>30</b>                    | <b>482</b>                   | <b>21,253</b>        | <b>23,234</b>  |
| Translation differences                   |                  |                  |                   | -15                          |                              |                      | -15            |
| Profit for the year                       |                  |                  |                   |                              |                              | 12,455               | <b>12,455</b>  |
| Transfer to legal reserves                |                  |                  | 114               |                              |                              | -114                 | -              |
| Transfer to stock<br>compensation reserve |                  |                  |                   |                              | 2,132                        |                      | <b>2,132</b>   |
| <b>Balance 31 Dec 2004</b>                | <b>18</b>        | <b>619</b>       | <b>946</b>        | <b>15</b>                    | <b>2,614</b>                 | <b>33,594</b>        | <b>37,806</b>  |
| Translation differences                   |                  |                  |                   | -11                          |                              |                      | -11            |
| Profit for the year                       |                  |                  |                   |                              |                              | 94,523               | <b>94,523</b>  |
| Transfer to legal reserves                |                  |                  | 205               |                              |                              | -205                 | -              |
| Transfer to stock<br>compensation reserve |                  |                  |                   |                              | 1,915                        |                      | <b>1,915</b>   |
| Recapitalization                          | 19,982           | -619             |                   |                              |                              | -19,363              | -              |
| Issue of Share Capital                    | 1,456            | 115,106          |                   |                              |                              |                      | <b>116,562</b> |
| <b>Balance 30 Sept 2005</b>               | <b>21,456</b>    | <b>115,106</b>   | <b>1,151</b>      | <b>4</b>                     | <b>4,529</b>                 | <b>108,549</b>       | <b>250,795</b> |

## TomTom NV Third Quarter Financial Statements

### 4.1 Consolidated cash flow statement for Q3 2005

| (unaudited)<br>(in € thousands)                                | Q3 2005        | Q3 2004      |
|--|----------------|--------------|
| <b>Cash flow from operating activities</b>                     |                |              |
| Operating profit   | 82,225         | 12,960       |
| Foreign exchange results                                       | 2,484          | -338         |
| Adjustments for non-cash items:                                |                |              |
| Depreciation and amortization                                  | 857            | 317          |
| Additions to provisions and other liabilities                  | 9,145          | 175          |
| Additions to stock compensation reserve                        | 1,073          | 228          |
| Changes in working capital:                                    |                |              |
| Decrease / (Increase) in inventories                           | -39,761        | -10,860      |
| Decrease / (Increase) in receivables                           | -68,847        | -7,147       |
| (Decrease) / Increase in current liabilities (excl income tax) | 68,683         | 4,983        |
| <b>Cash generated from operations</b>                          | <u>55,859</u>  | <u>318</u>   |
| Interest (paid)  | 258            | -27          |
| Interest received  | 1,109          | 20           |
| Corporate income taxes (paid) / received                       | -48            | -186         |
| <b>Net cash flow from operating activities</b>                 | <u>57,178</u>  | <u>125</u>   |
| Investments in intangible fixed assets                         | -12,926        | -166         |
| Investments in property, plant and equipment                   | -1,594         | -242         |
| <b>Total cash flow used in investing activities</b>            | <u>-14,520</u> | <u>-408</u>  |
| Proceeds on issue of shares                                    | -56            | -            |
| <b>Total cash flow from financing activities</b>               | <u>-56</u>     | <u>-</u>     |
| <b>Net increase in cash and cash equivalents</b>               | <u>42,602</u>  | <u>-283</u>  |
| Cash and Cash equivalents at beginning of period               | 187,904        | 7,153        |
| <b>Cash and Cash equivalents at end of period</b>              | <u>230,506</u> | <u>6,870</u> |

## TomTom NV Third Financial Statements

### 4.2 Consolidated Cash Flow Statement for the period 1 January to 30 September

| <b>(unaudited)</b><br><b>(in € thousands)</b>                  | <b>YTD 2005</b> | <b>YTD 2004</b> |
|--|-----------------|-----------------|
| <b>Cash flow from operating activities</b>                     |                 |                 |
| Operating profit   | 127,693         | 24,221          |
| Foreign exchange results                                       | 4,289           | -151            |
| Adjustments for non-cash items:                                |                 |                 |
| Depreciation and amortisation                                  | 1,760           | 761             |
| Additions to provisions  | 10,184          | 125             |
| Additions to stock compensation reserve                        | 1,915           | 379             |
| Changes in working capital:                                    |                 |                 |
| Decrease / (Increase) in inventories                           | -54,558         | -18,785         |
| Decrease / (Increase) in receivables                           | -96,889         | -18,693         |
| (Decrease) / Increase in current liabilities (excl income tax) | 92,993          | 14,172          |
| <b>Cash generated from operations</b>                          | <b>87,387</b>   | <b>2,029</b>    |
| Interest paid  | 40              | -54             |
| Interest received  | 1,793           | 36              |
| Corporate income taxes (paid) / received                       | 840             | -304            |
| <b>Net cash flow from operating activities</b>                 | <b>90,060</b>   | <b>1,707</b>    |
| <b>Cash flow used in investing activities</b>                  |                 |                 |
| Investments in intangible assets                               | -13,387         | -465            |
| Investments in property, plant and equipment                   | -2,896          | -1,268          |
| <b>Total cash flow used in investing activities</b>            | <b>-16,283</b>  | <b>-1,733</b>   |
| <b>Cash flow from financing activities</b>                     |                 |                 |
| Proceeds on issue of shares                                    | 116,562         | -               |
| <b>Total cash flow from financing activities</b>               | <b>116,562</b>  | <b>-</b>        |
| <b>Net increase in cash and cash equivalents</b>               | <b>190,339</b>  | <b>-26</b>      |
| Cash and Cash equivalents at beginning of period               | 40,167          | 6,896           |
| <b>Cash and Cash equivalents at end of period</b>              | <b>230,506</b>  | <b>6,870</b>    |

## TomTom NV Third Quarter Financial Statements

### 5.1 Accounting policies

#### Basis of accounting

The financial statements for the three-month period ended 30 September 2005 with related comparative information have been prepared in accordance with International Financial Reporting Standards (IFRS). Accounting policies and methods of computation followed in the interim financial statements, for the period ended 30 September 2005, are the same as those followed in the Financial Statements included in the IPO prospectus.

#### Business combinations

Investments in affiliated companies are included in the balance sheet based on net asset value. The costs of the acquisition are allocated to assets and liabilities (purchase price allocation). Intangible assets arising from acquisitions are amortised using the straight-line method over their estimated economic lives. The part of the purchase price that cannot be allocated to assets and liabilities is allocated to goodwill.

### 5.2 Segment reporting

The Company offers integrated and non-integrated solutions under the business line of personal navigation solutions. The Company generates sales across different geographical regions.

| (unaudited)<br>(in € thousands) | Q3 2005        | Q3 2004       | YTD 2005       | YTD 2004       |
|---------------------------------|----------------|---------------|----------------|----------------|
| <b>Revenues per Region</b>      |                |               |                |                |
| Europe                          | 236,242        | 50,719        | 411,164        | 100,294        |
| North America                   | 10,496         | 2,125         | 15,929         | 2,531          |
| Rest of World                   | 3,263          | -             | 3,910          | -              |
| <b>Total</b>                    | <b>250,001</b> | <b>52,844</b> | <b>431,003</b> | <b>102,825</b> |

*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.*