TomTom ANNUAL REPORT 2015

FORWARD-LOOKING STATEMENTS

In this annual report the names ‘TomTom’ and ‘the company’ and ‘the group’ are sometimes used for convenience in contexts where reference is made to TomTom N.V. and/or any of its subsidiaries in general or where no useful purpose is served by identifying the particular company.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of TomTom and certain of the plans and objectives of TomTom with respect to these items. In particular the words ‘expect’, ‘anticipate’, ‘estimate’, ‘may’, ‘should’, ‘believe’, ‘outlook’, and similar expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on them. For a discussion of factors that could cause future results to differ from such forward-looking statements see also section Business Risks of this Annual Report.

THIRD-PARTY MARKET SHARE DATA

Statements regarding market share, including the company's competitive position, contained in this annual report are based on outside sources such as specialised research institutes, industry and dealer panels in combination with management estimates.

TABLE OF CONTENT

MESSAGE FROM THE CEO

Dear stakeholder,

I am pleased to report that we delivered top-line growth this year, for the first time since 2010. We continued to make further inroads in establishing a multi-product Consumer business with our GPS sport watches and action camera, we saw another record year of new bookings with Automotive customers, we delivered growth in our Licensing business through existing and new customers, and we saw continued strong growth in our fleet management business.

In 2015, we made substantial progress with our core technologies across the group. This gives us confidence that through our skills and expertise in location data and technologies, we are well positioned to capture growing opportunities in the area of Autonomous Driving, Connected Car, Fleet Management services and Consumer Wearables.

> WE CONTINUE TO BUILD ON A GROWTH AND PERFORMANCE-ORIENTED CULTURE *that embraces teamwork, strong employee engagement, and the drive for excellence*

Underpinning our growth ambition are our people. We encourage our employees to innovate and bring an entrepreneurial spirit to the company. We have more than 3,500 people in Research & Development, enabling us to deliver continuous innovation. Having the greatest talent enables us to deliver the best and most innovative products to our customers.

We achieved significant milestones with our mapping and navigation technologies this year. We have migrated to our unique transactional mapmaking platform that can deliver updated maps increasingly more frequently, to implement our vision of real-time maps. With this technological innovation, TomTom is uniquely well positioned to address the need for accurate and up-to-date maps, for navigation applications and driver assistance applications, including Autonomous Driving.

We launched RoadDNA, our innovative localisation technology that enables a car to calculate its exact position, which is essential for Autonomous Driving. We continue to partner with leading Automotive OEMs and Tier 1s and to position TomTom as a leading technology supplier for the future of driving.

We made good progress on creating our new modular navigation software stack. We have created maps in a new standard map format (NDS) for our 'on device' and server-based navigation applications. The ability to support incremental updates fits well with our transactional mapmaking capability, making it possible to keep an on-board map continously up-to-date.

We continued to increase our market share in traffic, increasing our global coverage and enhancing our traffic services. We now offer real-time and historical traffic information in 50 countries around the world. By knowing the traffic situation across the entire road network, including weather conditions, we give drivers more insight about the road ahead, making journeys faster and more predictable.

Our Consumer Drive products held up well in 2015, owed to a resilient PND category and the introduction of niche products. We strengthened our ASP, as our product mix in the year was skewed towards higher priced models. Our strategy is to continue to extract value from the PND category, which we believe will remain an important category for the foreseeable future.

Our Sports products' revenue grew considerably this year, which executes on our strategy to diversify our Consumer business. We launched a new generation GPS sport watch, with integrated music player, built-in heart-rate monitor and a 24/7 activity tracking. We entered the action camera market with the launch of the Bandit, the first action camera with a built-in media server, with a 'shake to edit' feature, making it easy to create and share videos in a matter of minutes. We will continue to diversify our Consumer business and look forward to bringing more innovative products to the market.

OUR 2015 BOOKINGS IN AUTOMOTIVE EXCEEDED €300 MILLION, A NEW RECORD FOR OUR AUTOMOTIVE BUSINESS; *together with earlier secured orders, this will grow Automotive revenue from 2016 onwards*

This level of bookings is substantially higher than in previous years and is a good indication that our strategy in automotive is taking hold. Our product portfolio delivers scalable, efficient to develop and flexible products to our customers, and is gaining a significant interest in the industry. We continued to strengthen our position as the premium traffic service provider with new contract wins such as with Daimler, Kia, Hyundai, Fiat, and Alfa Romeo.

In Licensing, we renewed and extended our global agreement with Apple for maps and related information. We also announced a global, multi-year agreement to provide maps and traffic data for the Uber driver app.

Our Telematics business continued to perform strongly. The subscriber installed base passed the 600,000 vehicles landmark by the year-end, a 30% growth compared with last year. This was achieved through a combination of organic growth and the acquisition of Finder, the leading fleet management service provider in Poland. Today, our Telematics business is recognised as the largest and fastest-growing telematics provider in Europe. Our established and scalable technology platform, in combination with our ongoing commitment to innovation, sustained investments in R&D and operational leverage, enables us to continue to capitalise on the favourable industry trends. The extensive vehicle-related data that Telematics technology can deliver is also opening up new opportunities for aftermarket Connected Car services.

The demand for location-based applications is expected to continue to grow globally across many industries and we will continue to look for opportunities to innovate and play a leading role. Each of our business units has its own strategy, which includes developing and launching new products, and addressing new markets. While remaining cautious about the short-term economic outlook in our core markets and closely monitoring the developments in the PND market, we are committed to deliver revenue growth in 2016 for the group. We expect the level of investments (both CAPEX and OPEX) in our core technologies to increase substantially compared with the levels seen in previous years. In particular, we are investing in advanced content and software for the automotive industry (e.g. to enable Autonomous Driving) and in our new mapmaking platform. We have prioritised these investment areas to continue to strengthen our capabilities and competitive position, which we believe is essential to drive growth for TomTom on the medium to long-term horizon.

I would like to thank all of our stakeholders: our shareholders for their continued support and confidence in TomTom as we continue our journey in this dynamic and fast moving industry; our customers for their loyalty and valuable feedback that drives us to constantly innovate; and finally our employees for their dedication, energy and hard work.

Harold Goddijn
Chief Executive Officer
TomTom NV

OVERVIEW

ABOUT TOMTOM

Every day, millions of people around the world depend on TomTom to make smarter decisions. We design and develop innovative products that make it easy for people to keep moving towards their goals. Best known for being a global leader in navigation and mapping products, we also create GPS sport watches, action cameras, as well as state-of-the-art fleet management solutions and industry-leading location-based products.

FOUNDATION

Founded in 1991, TomTom has grown from a Dutch-based start-up company into a leading multi-national, global brand. The original founders remain committed to the business and together with over 4,600 employees are focused on driving innovation and helping people achieve their goals.

TomTom began with software development for B2B mobile applications and personal digital assistants (PDAs) for consumers in 1991. Soon after, TomTom became the market leader in PDA software with navigation applications such as RoutePlanner and Citymaps. In 2002, the TomTom Navigator was launched providing customers across Europe with an easy-to-use, affordable navigation solution for the first time.

A year after the successful launch of TomTom Navigator, it was clear there was a strong demand for an all-in-one, easy-to-use, portable navigation device. The result was not just a new product, but also an entirely new category in consumer electronics: the Portable Navigation Device (PND).

The PND became the fastest selling consumer technology device in history, as the trusted travel companion for millions of drivers. Demand grew rapidly across Europe and North America and in the 11 years since its launch, over 78 million TomTom PNDs have been sold in 41 countries.

TOMTOM AIMS TO MAKE INNOVATIVE TECHNOLOGY
accessible to everyone

DIVERSIFICATION

In the years that followed, we continued to innovate and create new products, both in the B2C and the B2B segments.

In 2013, our consumer product portfolio was extended with TomTom GPS sport watches, providing sport enthusiasts easy-to-use devices on their wrist, eliminating the need for chest straps, smartphone and wires during their workout. In 2015, the TomTom Bandit action camera was launched, the first with a built-in media server, making it easy to create and share videos in a matter of minutes.

TODAY, TOMTOM'S B2C ACTIVITIES INCLUDE *PNDs, sport watches, action cameras and smartphone navigation applications*

Over the years, we acquired a number of new businesses including Datafactory (which formed TomTom Telematics), Applied Generics (which formed TomTom Traffic), the automotive engineering team from the Siemens R&D division (which formed TomTom's Automotive business unit) and Tele Atlas, one of the largest digital mapmaking companies in the world (which formed TomTom Maps).

These acquisitions provided specialist data, technology, knowledge, and resources to deliver a best-in-class navigation and location-based experience for our customers.

Our Telematics business grew into a leading global provider of fleet management and vehicle telematics solutions, reaching an installed base of 605,000 vehicles at the end of 2015. Telematics is recognised as the largest and fastest-growing telematics provider in Europe today.

We are revolutionising the way maps are delivered, with our new transactional mapmaking platform, that will enable near real-time maps. With the deployment of this important technological innovation, we are uniquely positioned to fully address the need for highly accurate and always up-to-date maps. TomTom is committed to using the NDS map format, which is integrated into our navigation software on device-based and server-based navigation applications.

The strength of our technology resulted in TomTom becoming a key partner for important strategic collaborations for Advanced Driver Assistance Systems (ADAS) and Autonomous Driving over the recent years. Together with our state-of-the-art real-time traffic information and navigation software, TomTom's products are sold to customers across various markets, reaching over 800 million people around the world every day.

TOMTOM'S B2B ACTIVITIES INCLUDE *fleet management solutions, embedded navigation systems & components and location-based solutions*

>78 MILLION

PNDs SOLD
SINCE 2004

46 MILLION
KILOMETRES OF ROADS

COVERED GLOBALLY
BY OUR **MAP DATABASE**

50 COUNTRIES
HAVE ACCESS TO

TOMTOM TRAFFIC

REAL-TIME
TRAFFIC INFORMATION
SERVICE

>600,000
TELEMATICS SUBSCRIPTIONS

SERVICING **DRIVERS** IN
>60 COUNTRIES

PRIVACY AND DATA GOVERNANCE

> **WE BELIEVE PRIVACY IS ABOUT FREEDOM AND BEING ABLE TO DECIDE FOR ONESELF** *how one's data is used and by whom; this is why we have established our Privacy Principles*

TomTom is a highly data intensive company. To create and maintain our various products and services, we process billions of data points every day and, for example, we use petabytes of road side imagery every day. We do this on a global scale. A significant part of the information is contributed by our users or in other ways relates to individuals. It is paramount to the continuity of us being able to use our users' data that we retain their trust.

We operate according to the privacy laws applicable in the various countries we are active. Because we are rooted in Europe, European privacy laws also apply. These laws are considered to be some of the most extensive in the world. They offer a high level of protection to our users by only allowing us to use their data when the strict conditions of these laws are met. Our company policy on privacy and processing of personal data reflects these laws and we apply this policy globally. To make it easier for our users to understand this policy, we have translated them into ten promises we make. These can be found on our website: **tomtom.com/privacy**.

To be able to live up to our promises, we employ what is generally known as 'privacy by design'. Effectively this means that when designing and engineering our products and services, privacy and properly dealing with data from or about our users is a topic we consider right from the start and have this thinking embedded throughout our engineering and operations.

TOMTOM PRIVACY PRINCIPLES

1. WE WILL ALWAYS KEEP YOU FULLY **INFORMED ABOUT YOUR DATA**

WE MAKE SURE YOU UNDERSTAND WHICH DATA FROM (OR ABOUT) YOU WE USE, WHY WE USE IT, HOW LONG WE USE IT AND WHO CAN USE IT.

2. WE ENABLE YOU TO **REMAIN IN CONTROL OF YOUR DATA**

WE CONSIDER THE DATA FROM OR ABOUT YOU TO BE YOURS. WE ONLY USE IT FOR THE PURPOSES FOR WHICH YOU HAVE GIVEN IT TO US, OR FOR WHICH WE COLLECTED IT FROM YOU. AT ANY TIME YOU CAN OPT-OUT OR OPT-IN USING OUR SOFTWARE AND WEBSITE.

3. WE **PROTECT** YOUR **DATA**

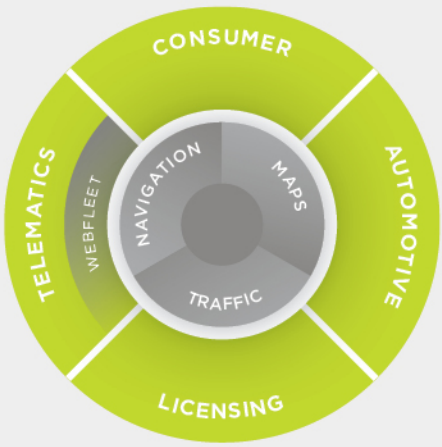
YOUR DATA IS YOURS. WE KEEP IT THAT WAY BY PROTECTING IT AS BEST AS WE REASONABLY CAN TO PREVENT IT FROM FALLING INTO THE WRONG HANDS.

TOMTOM'S ACTIVITIES AT A GLANCE

OUR CORE TECHNOLOGIES

TomTom's core technology assets are maps, traffic and navigation. These assets underlie many of TomTom's products, and are used in PNDs, embedded navigation systems, smartphone applications, and web-based applications. In addition, our Telematics business has its own proprietary technology called WEBFLEET, used by businesses to improve fleet performance, save fuel, support drivers and increase overall fleet efficiency.

Our R&D cash spending in 2015 totalled to €268 million, an increase of 9% compared with 2014. This reflects significant investments in our new mapmaking platform and in advanced content and software for the automotive industry. We have over 3,500 people working in R&D across 40 countries globally.



CORE TECHNOLOGIES AND BUSINESS UNITS

MAPS

We provide global map coverage with fully navigable maps for 135 countries, covering over 46 million kilometres and over 4 billion people worldwide.

Mapmaking at TomTom is about efficiently dealing with map changes, and the full implementation of our state-of-the-art mapmaking platform is now enabling us to deliver high quality map content with short delivery cycles. TomTom is the leader in the use of probe traces in quality mapmaking and in handling consumer feedback.

Next to the traditional navigable map, we also produce high-accuracy Advanced Driving Attributes (ADA) to enable Advanced Driver Assistance Systems (ADAS). In addition, we are creating HD map products on a global scale to enable Autonomous Driving. By delivering a highly accurate border-to-border model of the road, our HD Map enables a self-driving vehicle to see beyond its sensors. Together, these advanced map features extend the range of view for the vehicle while supporting smoother, safer and more efficient driving scenarios. In 2015, we launched RoadDNA, our proprietary precise localisation technology. HD Map and RoadDNA together represent the most accurate and robust technology in the market today to provide real-time information about a vehicle's precise location on a map and on the road whilst coping with changes in the environment.

TRAFFIC

We have a comprehensive product portfolio for traffic and travel information as well as road data analytics. We create real-time traffic and historical traffic information for highways, major roads and secondary roads. This information is available in 50 countries.

Our traffic service provides drivers highly accurate measurements of traffic jams and delays for better route calculation and expected times of arrival (ETAs). We use a wide range of sources to generate real-time traffic information. An important source of traffic data comes from our own community input that delivers over 8 billion speed measurements per day. Our traffic technology intelligently combines the data, including weather, from all available sources into a database with both traffic flow and incident data for the entire road network covered.

NAVIGATION

NavKit, our state-of-the-art navigation engine, is the foundation for many of our products and delivers best-in-class dynamic routing performance. NavKit is available in 135 countries.

Our navigation software is based on the NDS map format fully leveraging its incremental map update capabilities. Our navigation engine provides interfaces (APIs) that enable our customers to develop a fully customised navigation application on any device or platform. NavKit can be provided with an award winning User Interface. NavKit navigation technology is also offered with cloud-based services that enable hybrid navigation and storage facility for personal navigation data to allow for a seamless navigation experience across different devices.

WEBFLEET: SOFTWARE-AS-A-SERVICE FLEET MANAGEMENT SOLUTION

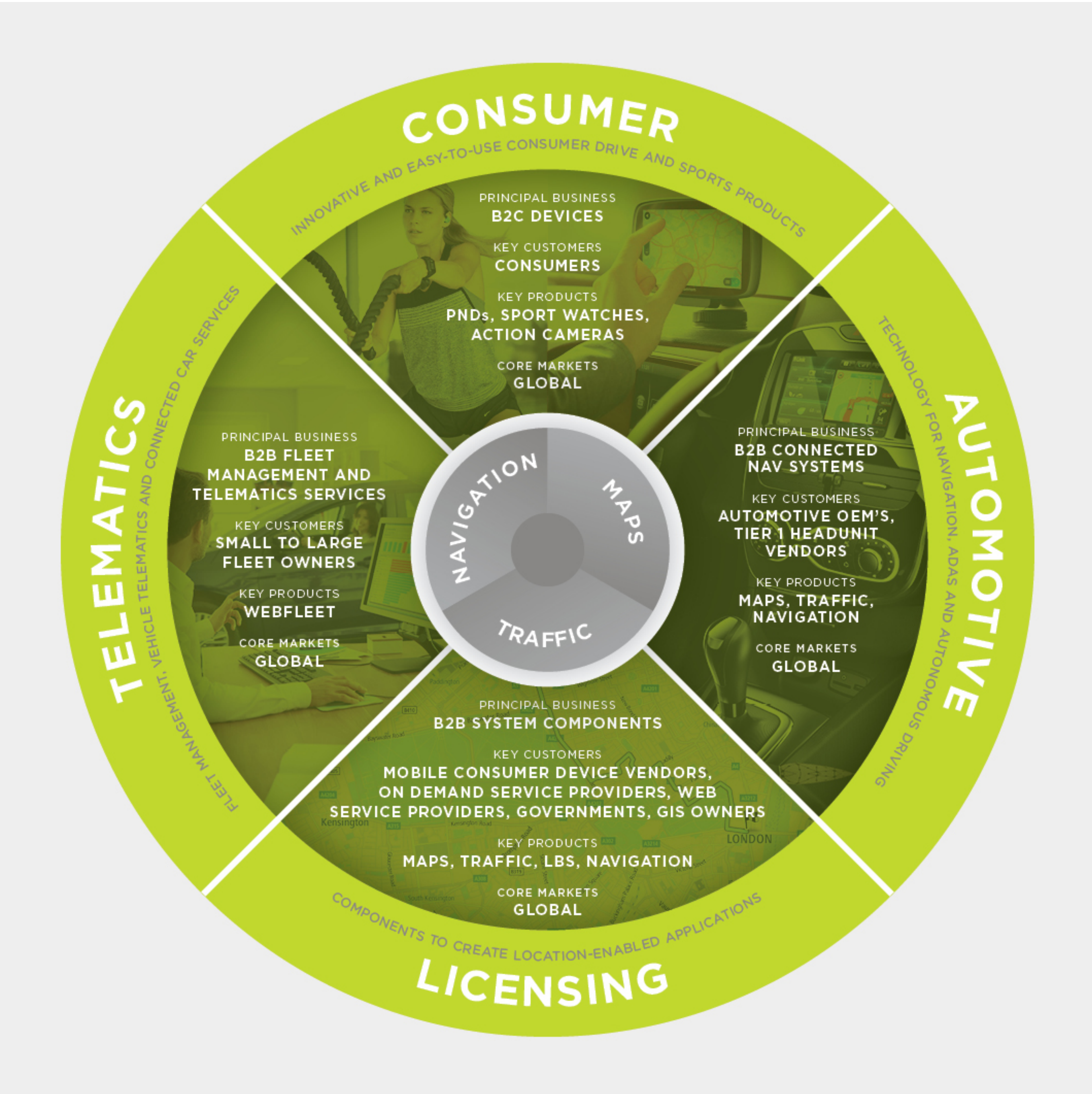
Our Telematics business offers fleet management solutions for commercial fleets of any size. WEBFLEET is a Software-as-a-Service solution – used by small to large businesses to improve vehicle performance, save fuel, support drivers, increase overall fleet efficiency and contribute to logistics operations.

Our leadership in the telematics industry lies in the strength and scalability of our proprietary technology – WEBFLEET, certified with ISO 27001:2013 for confidentiality, integrity and availability, re-audited in November 2015. WEBFLEET allows for seamless integration with third-party applications. To date, more than 350 software and hardware partners have integrated our WEBFLEET platform into their product applications – this represents the largest partner ecosystem in the fleet management industry today. Available third-party software solutions and apps include those for CRM and ERP, planning and scheduling, route optimisation, temperature control, mobile printing and lone worker safety. This makes our solution adaptable to any business requirement.

Vehicle-related data generated by our telematics technology can be extended into added-value products for aftermarket Connected Car services, including car OEMs, dealerships, importers, servicing, leasing and rental companies and the usage-based insurance (UBI) sector.

OUR GROUP BUSINESS STRUCTURE

Our activities are organised around four customer-facing business units that leverage our brand, capabilities, and common technology assets to provide consumers, businesses, governments and local authorities with industry-leading location-based products.



CONSUMER

Our Consumer business creates innovative and easy-to-use products that give consumers the knowledge they need to get where they want to go effortlessly and quickly. Consumer activities are focused on the Drive and Sports categories; products include PNDs, smartphone navigation applications, GPS sport watches and action cameras. TomTom consumer products are recognised for their smart and intuitive user interface, strong GPS performance and innovative design and features aimed at satisfying real consumer needs and desires.

AUTOMOTIVE

Our Automotive business provides cutting-edge modular software components - maps, traffic and navigation software - to car manufacturers (OEMs) and Tier 1 head unit vendors. Each component can be integrated as a stand-alone product, or combined into the Connected Navigation System, to deliver seamless compatibility, advanced user experience and cost-effective implementation. Automotive is also involved in a number of ADAS and Autonomous Driving partnerships, where our technology is being used to make Autonomous Driving a reality.

LICENSING

Our Licensing business sells maps, traffic and navigation software. It also offers cloud-based products and platforms that allow developers easy access to content to create location-enabled applications for businesses and governments. Licensing focuses on two types of customers: B2B2C, where TomTom's products are incorporated in end user applications such as smartphones, wearables and tablets, and on the internet; and B2B & Government, serving professional users for location-based applications such as geographical information systems (GIS) providers, governmental bodies and traffic management institutions.

TELEMATICS

Our Telematics business offers fleet management, vehicle telematics and connected car services. Our WEBFLEET platform is a Software-as-a-Service solution, used by small to large businesses to improve vehicle performance, save fuel, support drivers and increase overall fleet efficiency. In addition, Telematics provides services for the insurance, rental and leasing industries, car importers and companies that address businesses as well as consumers.

OUR PEOPLE

> **ENTREPRENEURIALISM IS VALUED IN OUR COMPANY;**
> *We believe that without organisational flexibility for people to make their own choices and thrive, we will stifle innovative thinking*

The true value of our business lies in our people. We aim to attract the best talent, invest in their development and give them the opportunity to grow and achieve more every day. TomTom attracts agile and adaptable people, capable of effectively dealing with and responding rapidly to changing circumstances. Having the best and diverse talent enables us to deliver the best and most innovative products to our customers.

In 2015, our global headcount grew by 12% to more than 4,600 people based in 35 countries. Number of new joiners was at an all-time high, with more than 922 people coming on board in 32 countries.

KEY FINANCIALS FOR 2015

	REVENUE	GROSS MARGIN	AEPS FULLY DILUTED	NET CASH
2015	**€1,007 MILLION**	**52%**	**€0.21**	**€98 MILLION**
2014	€950 MILLION	55%	€0.27	€103 MILLION

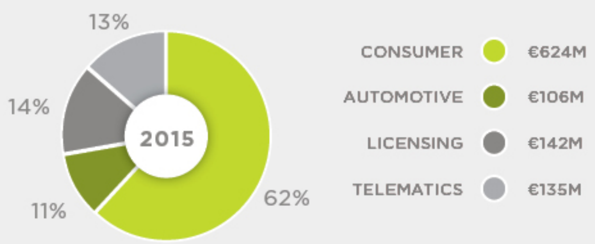
WE DELIVERED TOP-LINE GROWTH THIS YEAR, FOR THE FIRST TIME SINCE 2010; *In 2015, we invested more in our technologies and in acquisitions than in recent years and maintained a relatively flat net cash position*

In 2015, we delivered revenue of €1 billon, 6% higher compared with €950 million in 2014. Our Licensing, Telematics and Consumer Sports businesses grew strongly to offset the reduction in PND revenue, which remained the biggest revenue contributor for the group. Our Automotive business showed a modest decline year on year. This decline is mainly due to the phasing out of certain legacy contracts. Revenue from Content & Services grew to €449 million in 2015 (2014: €407 million) and accounted for 45% of total revenue.

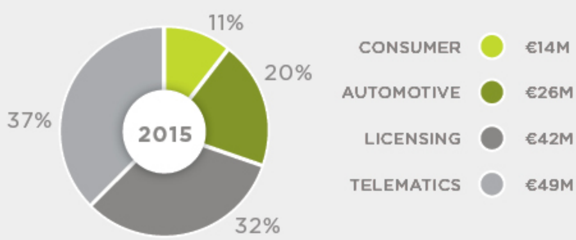
The weakening of the euro impacted our performance in 2015 negatively. We reported a gross margin of 52% in 2015. At constant currency rates, our 2015 gross margin equalled to 56%. Our group EBITDA reached €124 million this year, 9% lower compared with 2014 (2014: €136 million). The net result for 2015 was €18 million, which translates to adjusted earnings per share of €0.21.

We continued to broaden our Consumer product portfolio and invested more in advertising to support this. We made significant investments (both in capital expenditures and operating expenses) in our core technologies compared with previous years. In particular, we are investing in advanced content and software for the automotive industry (e.g. to enable Autonomous Driving) and in our new mapmaking platform. We expect these investments to lead to higher Automotive revenue in the mid-term. We have also invested more in acquisitions than in recent years.

REVENUE



SEGMENT EBITDA*



*EXCLUDES CORPORATE CHARGES OF €8 MILLION

STRATEGIC PRIORITIES

We have made substantial progress with our core technologies across the group over the recent years. This gives us confidence that through our skills and expertise in location data and technologies, we are well positioned to capture growing opportunities in the area of Consumer Wearables, Autonomous Driving, Connected Car and Telematics. These areas all require the technological and product expertise that TomTom is able to provide and form an important part of our growth strategy, product roadmap and investments for the foreseeable future.

We are determined to further build on our path of growth. This can be achieved through growth from non-PND product sales whilst extracting the value from the PND category, which we believe will remain a meaningful category in its own right for the foreseeable future. With the introduction of our own branded GPS sport watches and action camera, we have diversified our Consumer product portfolio into the sports market and aim to continue to build on this with innovative new products.

Our new mapmaking platform is essential for creating a stronger market position as well as for pursuing new opportunities in the Automotive and Licensing markets. We believe that our new mapmaking platform, together with our traffic and navigation software, will enable TomTom to pursue further growth opportunities with existing and new customers for connected navigation, Advanced Driver Assistance Systems (ADAS), and Autonomous Driving. We are committed to play a leading role in Autonomous Driving and our product roadmap reflects our strategy to map the global road network with precise road geometry data. In 2015, we delivered commercial samples of our HD map, which is designed for Autonomous Driving, for all highways in Germany. Our HD map is being extended to cover North America, Europe and other regions.

The underlying industry dynamics for our fleet management business remain favourable. A combination of short return on investment for our customers and an under-penetrated market allow us to plan for long-term double-digit growth of our Telematics revenue. We also see new opportunities arising in the aftermarket Connected Car services industry, which can take advantage of the capabilities of our Telematics technology. This allows us to target new business and consumer markets, including OEMs, dealerships, importers, servicing and leasing companies and the usage-based insurance (UBI) sector.

TOMTOM'S STRATEGIC PRIORITIES
ARE SUMMARISED AS FOLLOWS:

CONSUMER
EXTRACT VALUE FROM THE **PND** CATEGORY

ESTABLISH A **MULTI-PRODUCT** CONSUMER BUSINESS

AUTOMOTIVE
EFFECTIVELY MARKET OUR MODULAR NDS-BASED COMPONENTS FOR CONNECTED NAVIGATION SYSTEMS TO **OEMS** AND **TIER1'S**

PURSUE NEW GROWTH OPPORTUNITIES IN **ADAS** AND **AUTONOMOUS DRIVING**

TAKE ADVANTAGE OF THE **NEW** MAPMAKING **PLATFORM** TO DELIVER **REAL-TIME MAPS**

LICENSING
MAXIMISE LICENSING REVENUE VIA EXISTING AND NEW CUSTOMERS AND BROADENING OF THE PRODUCT PORTFOLIO

TAKE ADVANTAGE OF THE **NEW** MAPMAKING **PLATFORM** TO DELIVER **REAL-TIME MAPS**

TELEMATICS
CONTINUE TO **EXPAND** THE WEBFLEET **INSTALLED BASE**

DIVERSIFY INTO THE **AFTERMARKET** CONNECTED CAR **OPPORTUNITY**

TOMTOM MAPS

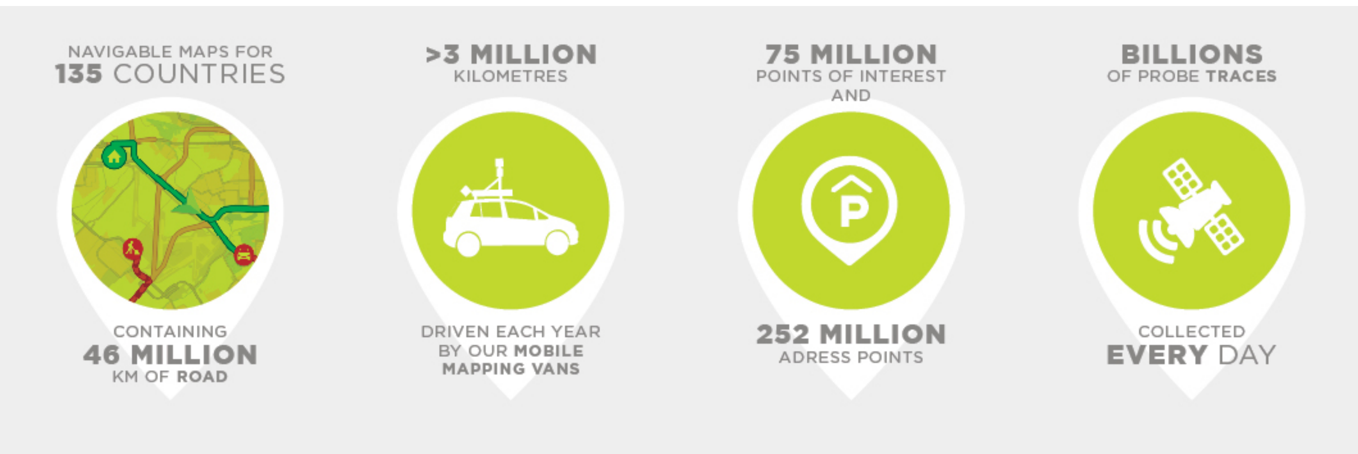
Location is increasingly relevant, playing a key role in enabling connectivity. In a connected world, users demand maps that are accurate and up-to-date, and which can be seamlessly integrated across automotive, mobile and online location-based applications. Future use cases, such as Autonomous Driving, require significantly more detailed and more accurate maps than are available today.

The need for a map that perfectly reflects the real-world will continue to grow. This will lead to new opportunities to create cutting edge software and technology. For example, we see an increased development of map use cases in the area of Autonomous Driving, where connected cars will be equipped with real-time maps that are used with sensors to navigate without human input. Autonomous Driving requires advanced map components to support numerous vehicle systems.

The challenge in mapmaking today is to deliver the highest quality and most detailed real-time maps in an efficient and cost-effective way to facilitate this vision. Changes in the map happen every day, in locations around the world. Mapmaking platforms will need to automatically process an increased volume of real-world changes reported by remote in-car sensors and connected devices while minimising the time between detecting changes in the real world and updating the map on the end user's device or platform.

TOMTOM IS A GLOBAL LEADER IN DIGITAL MAPPING

With more than 25 years of experience, we offer an extensive digital map database with global coverage. Our maps are used by more than 400 million devices worlwide: on PNDs, in-dash navigation devices, smartphone applications, and web-based applications.



2015 MILESTONES

In 2015, we achieved a significant milestone with the migration to our next generation mapmaking platform, the only of its kind in the industry. This enables us to address current and future needs for highly accurate maps that are always up-to-date in an efficient and cost-effective way.

In addition, enabled by our new technology and infrastructure, we launched two Autonomous Driving related products: HD Map and RoadDNA for all highways in Germany in 2015 and all interstate roads in California and Michigan in early 2016.

BUSINESS OUTLOOK

We will leave traditional batch mapmaking process behind and will fully leverage our transactional mapmaking platform to deliver the most up-to-date, accurate maps globally in 2016 and onwards. On-demand access to real-time maps via TomTom's Map Content API is planned for 2016.

Additionally, we will continue to launch our HD Map and RoadDNA products for additional geographies, helping to make Autonomous Driving a reality faster.

BUILDING AND DELIVERING THE LEADING MAP PRODUCTS

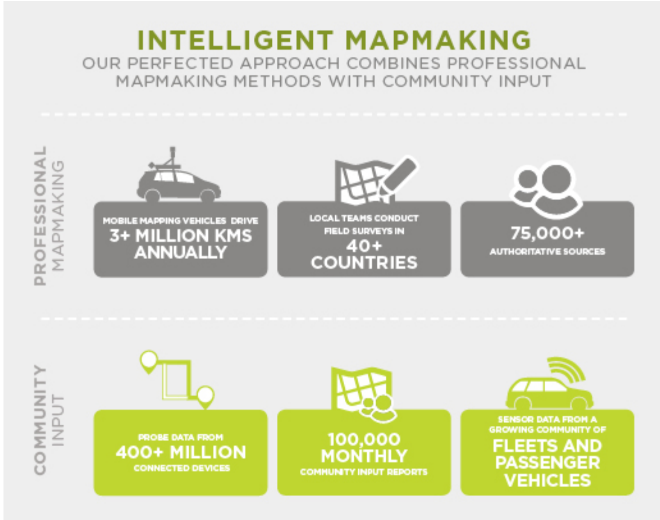
With our next generation mapmaking platform, we are revolutionising the way digital maps are created; we are moving away from traditional batch process towards a continuously releasable map, enabling highly accurate maps that are always up-to-date.

By shortening the time between detecting changes in the real world and updating the map on an end user's device, we can deliver near real-time maps. Our maps are created and delivered via a formula that relies on: Intelligent Mapmaking, Closed Loop and Easy-To-Use Map Delivery Formats.

In today's world, people expect to be always connected and their map data to be always up-to-date. However, changes in maps happen every day, in locations around the world. Every year about 15% of roads change: examples include new speed limits, a change in driving direction, adding address points or new geometry for a street. Ensuring that the map keeps up with these ongoing changes is a major challenge for mapmakers. Our new transactional mapmaking platform enables us to edit the map globally and shorten the time between editing the map and publishing it to end users.

INTELLIGENT MAPMAKING

TomTom uses intelligent mapmaking to deliver accurate and up-to-date maps. We invented and perfected a highly efficient hybrid approach that combines professional mapmaking methods with community input and has a focus on fast cycle-times and quality assurance. Through our mapmaking approach, we tap into local teams of highly skilled map technicians located in more than 40 countries and a fleet of mobile mapping vans that drive the streets every day. We have a growing community of hundreds of millions of users, of which many share map feedback with us as changes in the real world are detected. In addition, we continue to explore new sensor data as cars become more and more connected, to further extend our pool of hybrid mapmaking data. We believe that our mapmaking approach allows us to deliver highly accurate global maps more quickly.



CLOSED LOOP

Our transactional mapmaking platform allows us to rapidly close the loop between detecting changes in the real world and updating the map on an end user's device. Transactional means a map change can pass through our closed loop process end-to-end, be quality assured, and end up in the product for use in a matter of days, hours and eventually minutes, fulfilling a key requirement for real-time maps.

First, a map change is detected via our intelligent mapmaking process. Next, we select only the part of the map that is impacted by the change. We update the map and immediately conduct hunderds of quality checks that assure accuracy. We then merge the changed piece back into the map as an incremental update. As this quality assured process is transactional, the map database is continuously releasable.

EASY-TO-USE MAP DELIVERY FORMATS

TomTom delivers global real-time map updates to customers via fast and frictionless map distribution mechanisms, including MultiNet-R, Navigation Data Standard (NDS) and Map Content API. MultiNet-R delivers all the high quality content layers of the TomTom map database in a single and easy-to-use relational database model. As an industry leader in the adoption of the NDS, we offer modular, plug-and-play run-time maps. Finally, our Map Content API provides access to the latest possible map changes with total flexibility.

AUTONOMOUS DRIVING

Autonomous Driving is the most disruptive change in the automotive industry since the invention of the car. It will completely transform not only the way we commute but will boost the safety, comfort and efficiency of vehicles to a level beyond imagination. Autonomous Driving will require advanced map components to support numerous vehicle systems. Enabled by our new map technology and infrastructure, we launched two Autonomous Driving related products in 2015.

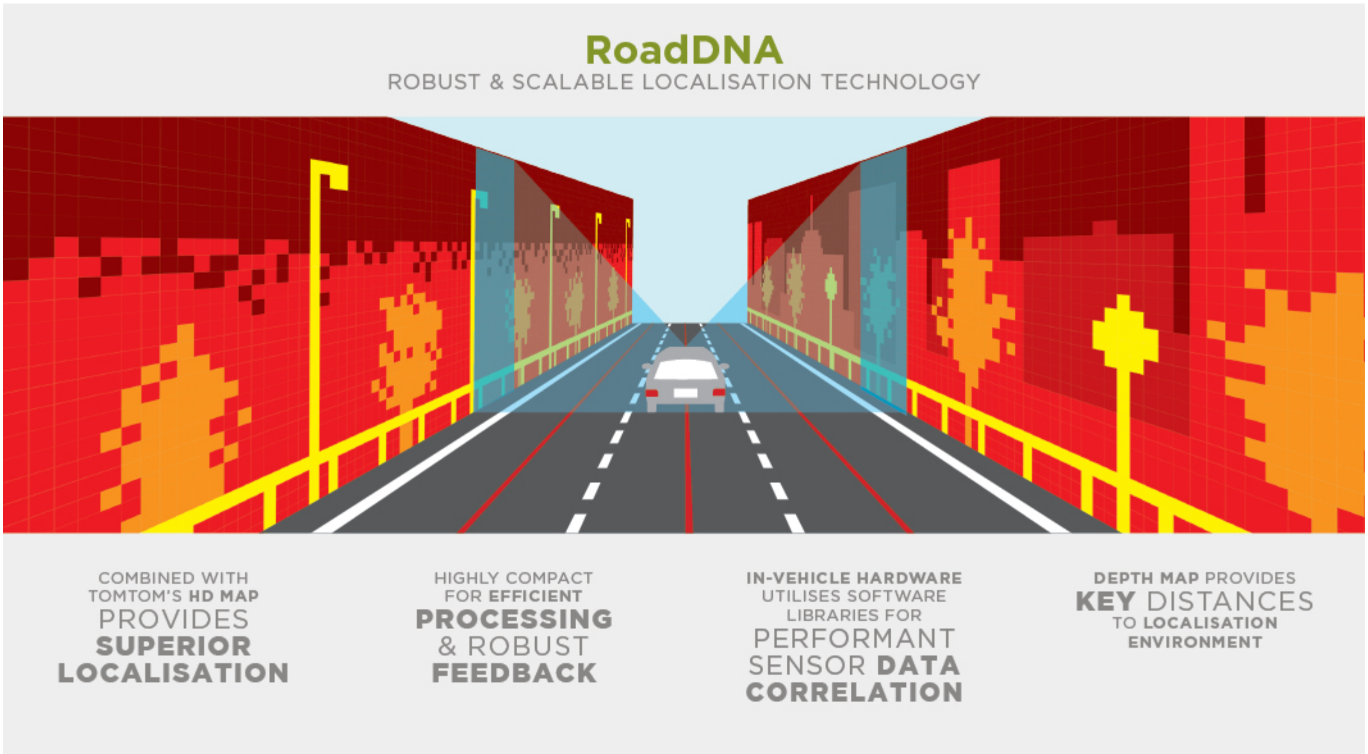
HD MAP

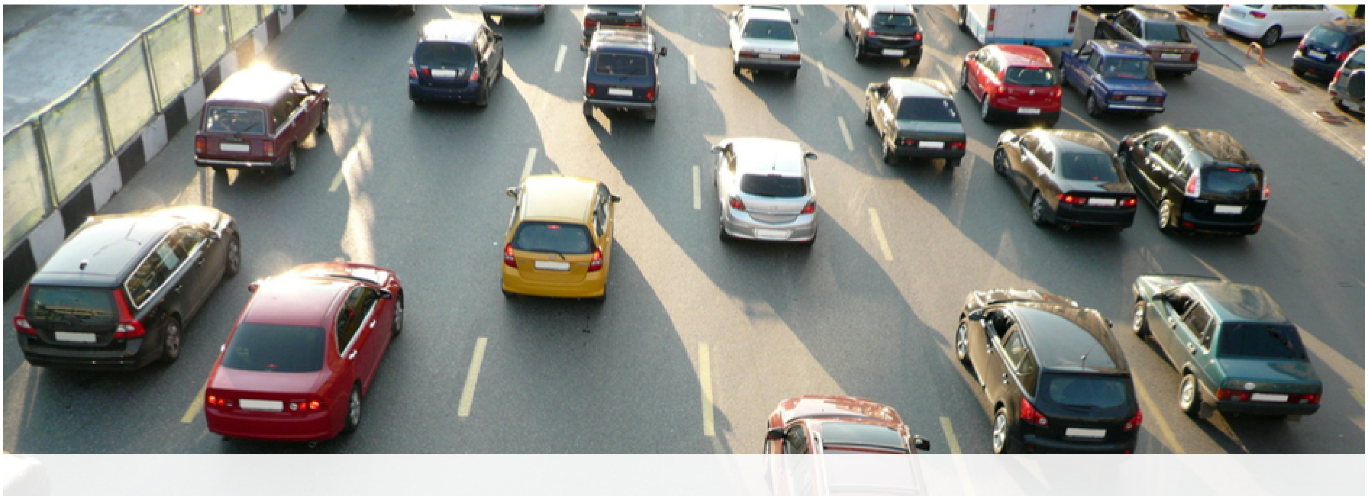
TomTom HD Map provides a highly accurate and realistic representation of the roadway profile, including 3D lane and road markings information. The HD Map extends the range of view for the vehicle enabling smoother, safer and more efficient driving scenarios. The HD Map can also be leveraged to fulfil a broad range of advanced driving applications. The first generation of the HD Map focuses on highway driving. Support for other environments including urban and rural will follow as HD evolves. In 2015, we launched publicly available HD test map data for Detroit, Michigan and the industry's first commercial launch of an HD Map for all highways in Germany.

ROADDNA

TomTom RoadDNA is a patented and highly optimised technology to enhance lateral and longitudinal positioning along the roadway. With this technology a vehicle can correlate RoadDNA data with data obtained by its own sensors. By doing this correlation in real-time, the vehicle accurately knows where it is located on the road, even while traveling at high speeds. By converting a 3D point cloud of roadside patterns into a compressed, 2D view of the roadway, RoadDNA delivers a solution that can be used in-vehicle with limited processing requirements. Without losing roadway detail, this technique eliminates the complexity of identifying each single roadway object, but rather creates a unique pattern of the roadway environment.

HD MAP AND RoadDNA TOGETHER REPRESENT THE MOST ACCURATE AND ROBUST TECHNOLOGY IN THE MARKET TODAY *to provide real-time information about a vehicle's precise location whilst coping with changes in the environment*





TOMTOM TRAFFIC

Cities and urban areas around the globe experience increasing urban mobility challenges as the populations and the number of cars on the road network continue to grow. Similar problems are being faced in all major cities as the traffic congestion increases and parking spaces become more difficult to find. Transportation authorities are facing growing challenges to manage their cities in a smart and efficient way. Therefore new, smarter and more efficient solutions are required to deal with traffic planning, traffic control and to organise safer, greener and more comfortable mobility in cities.

A GLOBAL LEADER IN REAL-TIME TRAFFIC INFORMATION

TomTom has created a comprehensive product portfolio for traffic and travel information as well as road data analytics to help improve mobility and provide solutions for better decision-making in transportation.

OUR REAL-TIME TRAFFIC INFORMATION, AVAILABLE IN 50 COUNTRIES, *is a vital tool for drivers and government authorities to save time and resources by reducing congestion*

Based on a global traffic community of over 400 million connected users, which generates over 8 billion anonymous speed measurements every day, we provide precise and up-to-date traffic information for highways, major roads and secondary roads on a global scale. We provide highly accurate measurements of traffic jams and delays for better route calculation, which helps drivers to make better decisions that save time.

Our historical traffic archive has continued to grow significantly and now contains over 14 trillion location measurements, which is used for road traffic analytics by governments and local authorities to help improve traffic flow on congested road networks.

We also utilise this information for congestion level benchmarking and long-term trend analysis. This data enables us to create TomTom Traffic Index, a global benchmark that is published annually comparing congestion levels and the impact they have on over 220 cities worldwide. The TomTom Traffic Index makes the congestion problem visible to the general public, the driving commuters and the city traffic planners.

2015 MILESTONES

We continued to expand our global footprint. TomTom's historical and real-time traffic information is now available in 50 countries. This includes Chile, Mexico, Greece, Hungary, Slovakia, Kuwait and Hong Kong, which all launched in 2015 and Indonesia and Slovenia, which launched in early 2016.

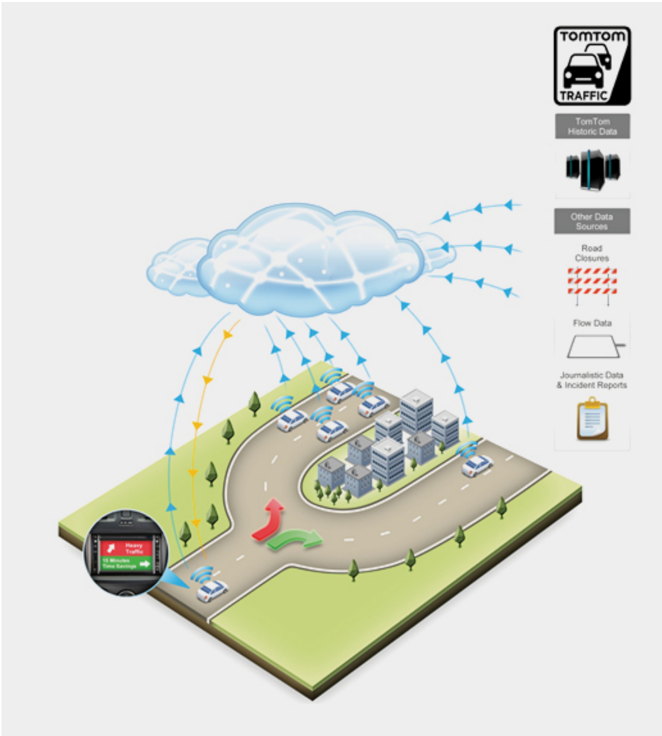
Our Speed Camera services expanded into 4 new markets in 2015 and is now available in 53 countries. Our Speed Camera app for Android phones was rolled out to 16 countries by the year-end, adding to a community of over 4.5 million users contributing to our speed camera database quality.

BUSINESS OUTLOOK

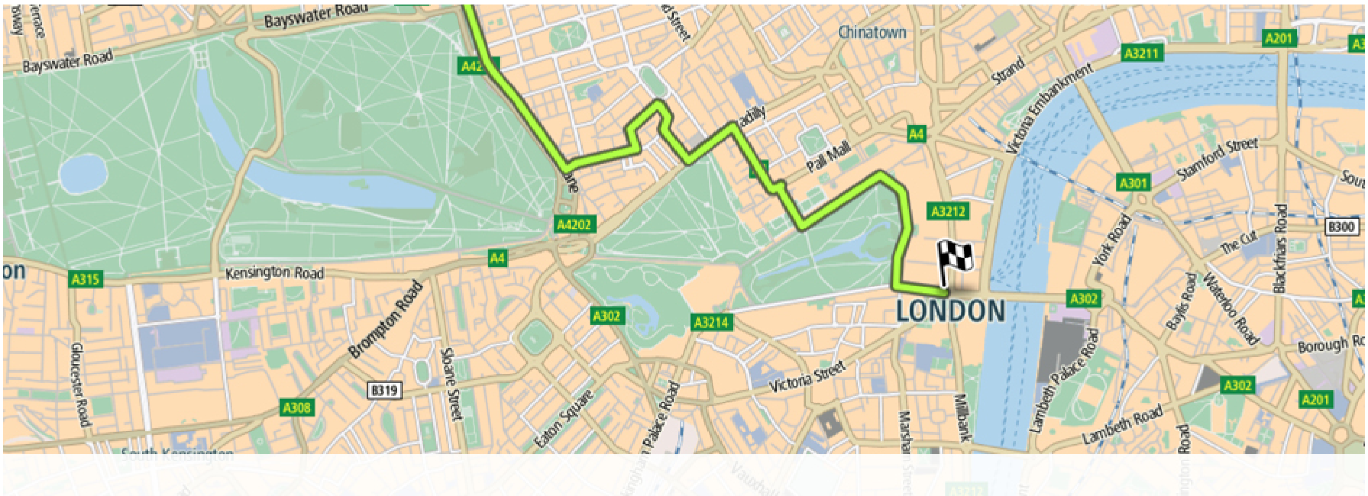
In 2016, we will continue to strengthen our traffic services with innovative content and delivery formats using a growing number of Floating Car Data. We will also deliver new services and platforms to help manage transportation in smarter cities. As urban traffic challenges increase, TomTom will contribute to help drivers and city authorities manage their journey and transportation in a more efficient and safer way. The expansion of our services to new countries will continue and we plan to connect more customers in automotive and GIS to our traffic and travel information platform.

CREATING THE LEADING TRAFFIC AND TRAVEL SERVICES

To achieve the quality and road coverage of our traffic service, we use a wide range of GPS probe data from fleets, PNDs, smartphones, in-dash systems and other data sources to generate precise real-time traffic information. With recent technology advances, our traffic service also incorporates weather and safety information so that drivers can benefit by knowing where bad weather is influencing the road and driving conditions and jam tail warnings that indicate where there is a sharp speed drop as drivers approach the back of a slow moving jam. We also introduced route-dependent traffic information to ensure drivers only get relevant congestion for their route at junctions on highways and in inner-cities, where traffic congestion is different depending on which turn their route will take them. This means that drivers will no longer be warned of congestion on an exit ramp if they are navigating along a highway with free flowing traffic, for example.



We create high quality traffic and other live content with our award-winning fusion technology using both active and passive community inputs. Our system combines the data from all available sources and enriches it with traffic flow and incident data for the entire road network. In 2015, our service delivery platform, which uses industry standard formats, was extended to also distribute weather, parking, speed camera and fuel price information. This year, we closed a partnership with the German Broadcast organization ARD for verbal Radio Traffic Alerts which is already used by 22 Radio broadcast stations.



TOMTOM NAVIGATION

The nature of navigation is changing. Navigation systems are rapidly becoming an ubiqutious and indispensable tool available on PNDs, smartphones and built-in automotive head units. The availability of connectivity and the wide availability of smartphones impact the navigation experience in several ways, some more device-centric and some more user-centric.

Smartphones can be used to add connectivity to stand-alone devices, allowing for access to services such as real-time traffic. The computational power of smartphones can be used to collaborate with in or on-dashboard devices that provide the screen and user interaction functions. There are currently many interfaces being developed to allow for this device integration.

In addition, applications on various user devices (including the car) work seamlessly together to allow for an integrated navigation experience, whenever and wherever the driver is.

Example use cases would be pre-trip planning and last mile navigation. Personalisation is an important characteristic of this integrated navigation experience and future navigation will go much further than just bringing a person from A to B.

Today, we are only at the brink of the abovementioned enrichment of the navigation experience for end users. At TomTom, we believe many different applications will be developed around navigation in the future.

A GLOBAL LEADER IN NAVIGATION SOFTWARE

With our mature software assets, we are well positioned to address the needs of hybrid navigation, ADAS and Autonomous Driving, as well as emerging trends such as Smart Cities, and urban mobility. The Connected Car, as well as connected personal devices, make it possible for intelligent transportation solutions that go beyond just providing routes. Instead, the connected traveller will experience how mobility as a whole will benefit individuals while also providing improved traffic solutions for municipalities.

We are collaborating with key partners in the automotive industry, public authorities, information service providers, standardisation bodies, and research institutions to shape the future of Intelligent Transportation System (ITS).

All our navigation systems are designed with the driver in mind. We deliver a state-of-the-art and off-the-shelf User Interface that is simple, intuitive and easy-to-use. We have also been a leader in enabling users to personalise their navigation experience for many years.

NavKit, our state-of-the-art navigation engine, is the foundation for many of TomTom's products. This engine implements our core navigation IP and algorithms. It also provides interfaces (APIs) that enable the development of fully customised navigation applications. NavKit is fully portable to any high-level Operating System (OS), such as Linux, Android, iOS, QNX, Tizen and Windows.

EMBEDDED AND ONLINE NAVIGATION USE SAME COMPONENTS

> **IN 2015, WE HAVE INTEGRATED THE NDS MAP FORMAT** *into our navigation software on device-based and server-based navigation applications*

2015 MILESTONES

We embraced the industry Navigation Data Standard (NDS) map format, and delivered a new set of navigation products based on this format in 2015. We completed our switch from the state-of-the-art TomTom Classic (TTC) run-time maps format to NDS; a complete technology renewal with latest architectural designs and a new and more-easily maintained code base. Subsequently, we rolled out competitive and novel features in our NavKit-based navigation products.

A key factor is that our new NDS-based code supports both embedded systems and online navigation services (Online Routing, Online Search and Online Maps). These products are built on the same code base, which gives them a consistent, robust API logic. The move to NDS has improved our own efficiency, allowing us to increase the pace of development and to roll out NDS-based online navigation services and embedded navigation at the same time. NDS allows our new products the flexibility to be paired with a wide range of partners' products, based on their specific requirements.

In 2015, we launched the TomTom MyDriveApp application and the MyDriveWeb website, both running on our all-new NDS-based navigation engines. We also launched NavCloud, a syncing and sharing service. NavCloud allows users to synchronise their favorites, home and work, current destination, and routes across their mobile devices and computers. All of these components are available to consumers, and we offer white-label connected navigation components to automotive and licensing customers.

We made good progress with our newly developed map visualisation engine for NDS. The map visualisation was built from the ground up, and offers impressive features including support for multi-display, cross platform (iOS, Android) interactive map rendering. The new technology offloads more object rendering to the Graphics Processing Unit, which allows superior scalability. This greatly improves the responsiveness and crispness of the user interface, for example when zooming in or out a map view; due to the vector-based graphics, zooming avoids blurry map tiles and provides a very smooth experience for the user. This technology will offer the driver lane-level guidance and 3D visualisation of bridges and tunnels. The customer interest in the new map visualisation solution is high and we are already integrating with OEM platforms for demonstration.

We delivered a free text search engine for NDS this year. This feature required development of new algorithms to enable a more flexible search paradigm. Free text search means that a user can search without using the structured format of listing the country, city, street name and address number. As with the other new NDS-based features, the same engines are used for embedded and online products such as the MyDriveApp and the MyDriveWeb website.

Finally, we enriched our industry-leading map matching algorithms, which now outsmart traffic and get customers there faster. These work independently for both TTC and NDS. Map matching is the feature that shows the user's location on the map. To do this, we use several last known positions instead of only one, to show more accurately the user's location, regardless of whether there are overpasses or other obstructions blocking the GPS signal.

BUSINESS OUTLOOK

We will soon release Decision Point Navigation based on NDS NavKit, which will add an innovative dimension to dynamic routing to outsmart traffic and real-time obstructions. We are well positioned to continue leading in NDS navigation software for superior navigation, search and map display.

Our connected navigation solutions and strategic research partnerships will continue to leverage real-time data sets to provide innovative solutions for tomorrow's problems, including megacity traffic, Autonomous Driving, urban smart mobility, and pollution.

MANAGEMENT BOARD REPORT

TOMTOM MANAGEMENT BOARD

HAROLD GODDIJN
55 / CHIEF EXECUTIVE OFFICER

NATIONALITY Dutch
YEAR OF FIRST APPOINTMENT 2001
TERM OF OFFICE 2013 - 2017
OTHER POSITIONS None

FORMER POSITIONS AND EDUCATION Harold began his career with a venture capital firm. In 1989, Harold founded and led Psion Netherlands BV, a joint venture with Psion PLC. He also served on the board of Psion PLC. In 1991, he co-founded TomTom together with Corinne Vigreux, Peter-Frans Pauwels and Pieter Geelen. Since 2001, Harold serves as the CEO of TomTom. Harold holds a Master's degree in Economics from the University of Amsterdam.

TACO TITULAER
44 / CHIEF FINANCIAL OFFICER

NATIONALITY Dutch
YEAR OF FIRST APPOINTMENT 2015
TERM OF OFFICE 2015 - 2019
OTHER POSITIONS None

FORMER POSITIONS AND EDUCATION Taco joined TomTom in 2005 and held various senior management positions in Group Control, Treasury and Investor Relations before his appointment as CFO in 2015. Before joining TomTom, Taco spent eight years with KPN. During this period he held various management roles in Finance and Investor Relations. Taco holds a Master's degree in Business Economics from the University of Groningen.

ALAIN DE TAEYE
58 / MEMBER OF THE MANAGEMENT BOARD

NATIONALITY Belgian
YEAR OF FIRST APPOINTMENT 2008
TERM OF OFFICE 2012 - 2016
OTHER POSITIONS Non-Executive Director of Cyient Ltd

FORMER POSITIONS AND EDUCATION Alain founded Informatics & Management Consultants (I&M) where, next to IT Consultancy, he continued his research work on digital map databases and routing. In 1989, I&M was integrated into the Dutch Tele Atlas Group. As of 1990, Alain headed Tele Atlas, which was acquired by TomTom in 2008. Alain became a member of the Management Board of TomTom in 2008. Alain graduated as an engineer-architect from the University of Gent.

CONSUMER BUSINESS & FINANCIAL REVIEW

STRATEGIC PRIORITIES

- Extract value from the PND category
- Establish a multi-product consumer business

BUSINESS REVIEW

In 2015, we continued to strengthen our leading position in the world of navigation, whilst successfully expanding our presence in the world of sports, fitness and action cameras.

DRIVE

We have introduced TomTom MyDrive, a website and mobile app designed to seamlessly connect the car to the digital world. Drivers can use their smartphone, tablet or PC to review real-time TomTom traffic information, plan routes and send destinations to their TomTom GO, before they get in the car. The MyDrive platform is open to developers and third parties; innovative driving concepts and applications can be developed and implemented in the future, benefiting drivers all over the world.

At the end of the first quarter, we launched the Go Mobile app for Android. Sharing the same user interface as the TomTom GO device, the mobile app now helps drivers get to their destinations faster every day. With offline Maps, TomTom Traffic, superior routing and Speed Camera warnings in countries where available, the app is the ideal travel companion for mobile users.

The new app features a global map license so drivers can use it all over the world even without a network connection.

Lifetime World Maps and Lifetime Speed Cameras were introduced to the GO range in the second quarter of the year. Lifetime World Maps allows people to drive with maps from around the world at no extra cost, for the lifetime of their TomTom GO device. Lifetime Speed Cameras lets drivers know the locations of all speed cameras – both fixed and mobile, also for the lifetime of the device.

In the second half of the year, we introduced the TomTom TRUCKER 5000 and 6000, a portable navigation device specifically designed for large vehicles. The TomTom TRUCKER ensures that drivers are on the right road with customised routes for the user's specific vehicle type, size, weight, cargo and speed. Through TomTom Traffic and advanced routing technology, drivers get a realistic ETA based on vehicle profile and real-time traffic information.

SPORTS AND FITNESS

In 2015, we completely refreshed our Running product range and introduced an action camera and a fitness watch with 24/7 activity tracking.

We made our range of TomTom Runner and Multi-Sport GPS Sport Watches compatible with Nike+. Users can track their progress, challenge their friends and share their successes with the Nike+ running community and earn NikeFuel. This was a next step in a partnership with Nike that began in 2011 with the launch of the Nike+ Sportwatch, which was powered by TomTom.

In the second quarter, we introduced our action camera. The TomTom Bandit is the first ever camera to come with a built-in media server, eliminating the need to download footage before being able to edit it. The camera works with a companion app, making it possible to create and share videos in a matter of minutes instead of hours. With the Bandit, which automatically selects movie highlights with the use of multiple built-in sensors, we have solved the biggest frustration people have with action cameras today: the time and effort it takes to edit and share their movies.

Following the successful innovation of heart-rate monitoring on the wrist in 2014, we introduced music on the wrist at the end of the third quarter in 2015. The next generation TomTom GPS sport watches with integrated music player, make it easier for fitness enthusiasts to boost their training. Now users no longer have to strap a phone to their arm or worry about wires getting in the way during their workout. The sport watch streams music to a wide range of Bluetooth® headphones and Playlists can be easily downloaded to the TomTom GPS sport watch.

The unique combination of an integrated music player, built-in heart-rate monitor, 24/7 activity tracking, multi-sport functionality and GPS, makes it easier than ever for people to get more from their workout, and improve their overall fitness level.

FINANCIAL REVIEW

Total Consumer revenue for the year was €624 million, an increase of 1% compared with last year (2014: €619 million). The year on year growth was mainly driven by a strong growth in our Sports category and a modestly higher Automotive hardware revenue, partially offset by lower PND revenue.

The biggest revenue contributor remains the PND category, including the related traffic and maps revenue. The European PND market volumes declined by 8% in 2015 (2014: -11%). The North American PND market declined by 22% in 2015 (2014: -23%).

Our PND business developed better than the market. We maintained our leading market position in Europe, improved our market share in North America and we strengthened our average selling price (ASP), which resulted in value share growth and a modest decline of our PND revenue in 2015.

Sports revenue amounted to €69 million in 2015, an increase of 40% compared with last year (2014: €50 million), fuelled by the launch of our new range GPS sport watches and our action camera.

(€ in millions, unless stated otherwise)	2015	2014	y.o.y. change[1]
Consumer products	551.2	548.4	1%
Automotive hardware	72.4	70.7	2%
Total Revenue	623.6	619.1	1%
EBITDA	14.1	55.3	-75%
EBITDA margin (%)	*2%*	*9%*	
EBIT	2.6	36.2	-93%
EBIT margin (%)	*0%*	*6%*	
KEY PND MARKET DATA			
Market size Europe (# units sold in millions)[2]	6.8	7.4	-8%
TomTom market share (%)	52%	52%	
Market size North America (# units sold in millions)	3.2	4.0	-22%
TomTom market share (%)	17%	15%	

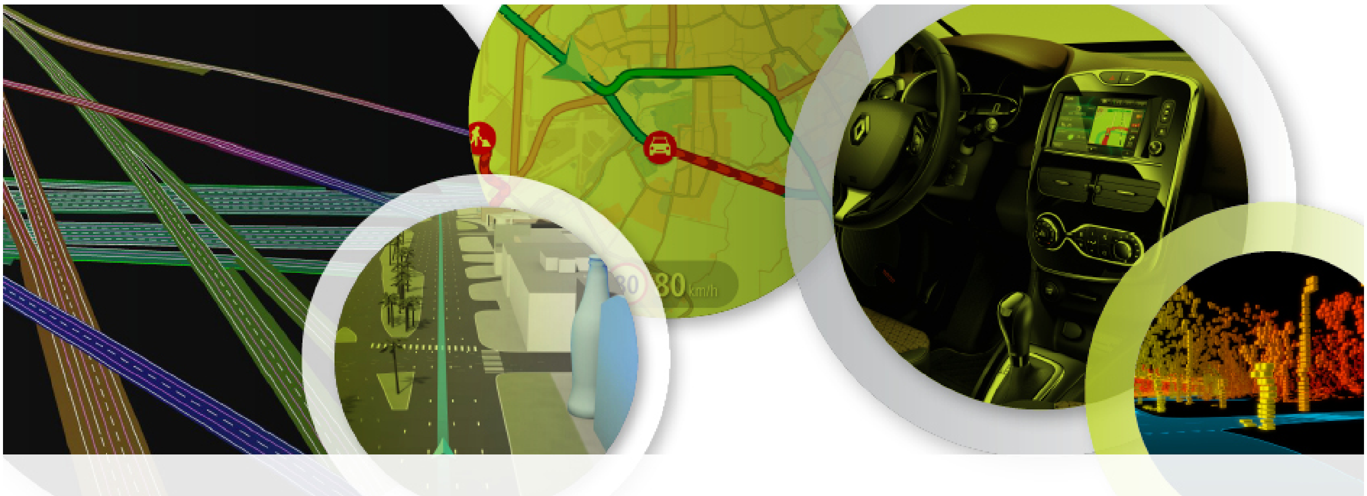
1. Change percentages are based on non-rounded figures.
2. Europe refers to EMEA17: AT, CH, DE, BE, NL, FR, IT, GB, ES, PT, TR, CZ, PL, DK, SE, FI, ZA.

Consumer generated EBITDA of €14 million in 2015 (2014: €55 million). The EBIT for the year was €3 million compared with €36 million last year. This translates into a break-even EBIT margin in 2015, compared with 6% in 2014. Consumer operating result in 2015 was significantly negatively impacted by the weakening of the euro against the US dollar and additional investments in marketing to support new product introductions, partly offset by a gain following a legal settlement.

BUSINESS OUTLOOK

In 2016, we will bring new features to the Mydrive app and to our GO range of products to improve the overall user experience and drive preference for replacement buyers in the market.

We will continue expanding our range of products in the Sports and Fitness category and establish ourselves as a credible sports and fitness consumer electronics brand.



AUTOMOTIVE BUSINESS & FINANCIAL REVIEW

STRATEGIC PRIORITIES

- Take advantage of the new mapmaking platform to deliver real-time maps
- Effectively market our modular NDS-based components for Connected Navigation Systems to OEMs and Tier1s
- Pursue new growth opportunities in ADAS and Autonomous Driving

BUSINESS REVIEW

Our Automotive business delivers class-leading maps, software components and services to OEMs and Tier 1 head unit vendors.

Although we previously also developed in-dash hardware, which we will continue to deliver to existing OEM customers as part of previous projects, our focus has shifted towards software, maps and services. This shift has broadened our customer base such that we are now a strong, recognised partner to both OEMs and Tier 1 vendors.

OEM expectations for embedded systems are evolving quickly, driven by innovation in consumer electronic devices such as smartphones and tablets and by advances in Autonomous Driving. The challenge for car makers is to offer embedded navigation systems that match the expectations of their customers, while keeping them affordable; navigation products must therefore be scalable, customisable, global and able to cover their vehicle range.

Car makers increasingly demand future-proof solutions that are open, modular and upgradeable. Given the complexity of building state-of-the-art infotainment systems, they are looking for suppliers who can help create competitive, low-risk products that have a fast time-to-market. TomTom automotive connected navigation components can easily be integrated to create location and navigation functions for connected cars. In addition, we are the only automotive quality map provider with a transactional mapmaking platform. We believe this state-of-the-art platform represents a perfect match for car makers' need for future-proof solutions and enables them to offer Advanced Driver Assistance Systems (ADAS) and Autonomous Driving.

We believe that navigation will remain essential to the future of in-vehicle infotainment systems. This will include knowing where you are and how to get to your destination, but the navigation function will evolve to span the entire journey, from beginning to end, inside and outside the car.

The best end user experience is achieved when the embedded navigation system, with an embedded map, is augmented with connected real-time navigation services. This hybrid navigation approach maximises the use of connected services, while ensuring critical functionality will work even with no connectivity. Our move to the NDS industry standard format in 2015 has been another significant step for TomTom.

We also believe that embedded maps represent an essential component for ADAS and Autonomous Driving, as self-driving cars need up-to-date, high quality maps to properly position themselves on the road. Our transactional mapmaking platform enables TomTom to deliver real-time map updates to customers, also enabling OEMs to offer safe, accurate and competitive ADAS and Autonomous Driving solutions. In line with this vision, in 2015, TomTom released the industry's first commercial HD map for a complete country. TomTom's HD Map of Germany, covering the complete Autobahn network, provides a 3D lane map for 24,000 kilometres of roads. By delivering this highly accurate border-to-border model of the road, TomTom's HD Map enables a vehicle to see beyond its sensors.

Our Automotive strategy has been well received by automotive OEMs and Tier 1 head unit vendors, reflected in a record level of bookings for 2015 of over €300 million. This will continue to support our top-line growth in Automotive business from 2016 onwards.

We made good progress in delivering a complete set of leading connected navigation components to our existing customers as well as securing new deals and partnerships. TomTom provides real-time traffic services, turn-by-turn navigation and maps for the new Jeep Renegade, the new Alfa Romeo Giulia and the entire Fiat 500 family for Europe. Our real-time traffic service is also provided to most Hyundai and Kia models in Europe. TomTom traffic was also chosen by Volkswagen Group for its cars across Europe, beginning with Audi and Volkswagen. In addition, TomTom provides turn-by-turn navigation and maps to SsangYong in Europe, as well as for the Fiat Bravo, Punto and Linea for Latin America. Finally, Daimler chose TomTom's navigation services for its Mercedes me app.

In 2015, we partnered with Tech Mahindra to showcase their full line-up of Advanced Driver Assistance Systems services, creating an innovative portfolio for the Connected Car market. In addition, we continued to strengthen and build on existing partnerships with Bosch SoftTec and Volkswagen Research. The latter partnership also resulted in TomTom maps powering Audi's 550-mile automated test drive from the west coast of California to Las Vegas leading up to CES 2015 in January.

FINANCIAL REVIEW

Revenue for the year was €106 million, compared with €109 million in 2014. The modest year on year decline was mainly the result of the phasing out of certain legacy contracts in combination with a higher share of deferred revenue compared with 2014. Deferred revenue in Automotive relates to map and traffic services from recent contract wins that will be delivered over time.

(€ in millions, unless stated otherwise)	2015	2014	y.o.y. change[1]
Revenue	105.9	109.4	-3%
EBITDA[2]	26.1	20.1	30%
EBITDA margin (%)	*25%*	*18%*	
EBIT	-33.9	-28.7	18%
EBIT margin (%)	*-32%*	*-26%*	

1. Change percentages are based on non-rounded figures.
2. Automotive D&A costs mainly include amortisation related to our map asset (including acquisition-related amortisation) and our navigation software development.

Automotive generated EBITDA of €26 million in 2015, which compares to €20 million in 2014. The EBITDA margin was 25% in 2015 (2014: 18%). The maps cost are shared between the business units based upon certain allocation keys, of which one of them is revenue. As Automotive revenue modestly declined and Licensing revenue strongly grew in 2015, Automotive was allocated relatively less maps cost in 2015 compared with last year. This explains the year on year improvement of Automotive EBITDA and EBITDA margin.

EBIT amounted to -€34 million in 2015 (2014: -€29 million). This year on year decline is mainly as a result of a €11 million impairment charge on a certain customer specific technology partly offset by the above-mentioned relatively lower allocated maps cost and lower navigation software cost.

BUSINESS OUTLOOK

In 2016, we will continue expanding the footprint of our maps, software components and services to more automotive OEM and Tier 1 customers, seizing new ADAS and Autonomous Driving opportunities.

Building on our strategic partnerships with Tech Mahindra, Volkswagen Research and Bosch SoftTec, we will reaffirm our position as a key partner in the automotive industry with the mapping, navigation and traffic expertise necessary for the future of Autonomous Driving.

LICENSING BUSINESS & FINANCIAL REVIEW

STRATEGIC PRIORITIES

- Take advantage of the new mapmaking platform to deliver real-time maps
- Maximise Licensing revenue via existing and new customers
- Broaden product portfolio by new map feature offerings and by stronger location-based services delivering online maps

BUSINESS REVIEW

In 2015, we have seen an increased interest in our strengthening product portfolio, especially as a result of the development and launch of our new mapmaking platform. In addition, recent developments within the mapmaking landscape and competition led to an increased number of existing and new customer discussions. As a result, our sales channels, Consumer Licensing, TomTom Geospatial and Expansion Markets, grew and diversified their global customer base during the year.

We signed several new partnerships, such as Uber, who will be using our global maps and traffic products for the Uber driver application. We have also renewed and extended many existing partnerships, including with Apple, which renewed its global agreement with TomTom for maps and related information.

The partnership announced with Mozilla to bring our Maps and Navigation online apps to the Firefox OS smartphone devices is a good example of the ongoing diversification in our product portfolio, which now also contains online maps. By using our maps online, consumers have the benefit of not having to download the full map content to their device.

With the growing crowd-source reports and expanding sensor input (e.g. probes) received via our customer partnerships we continue to improve our real-time map products with high levels of efficiency. Through these partnerships we were also able to further improve and expand our traffic product.

FINANCIAL REVIEW

Licensing revenue in 2015 was €142 million, 27% higher compared with last year (2014: €112 million). The increase in revenue was driven by the renewal and increased scope of existing contracts, addition of new customers in the B2BC segment as well as good progress made in the Geospatial segment.

(€ in millions, unless stated otherwise)	2015	2014	y.o.y. change[1]
Revenue	142.1	111.6	27%
EBITDA[2]	42.3	30.1	41%
EBITDA margin (%)	*30%*	*27%*	
EBIT	0.0	-11.4	-100%
EBIT margin (%)	*0%*	*-10%*	

1. Change percentages are based on non-rounded figures.
2. Licensing D&A costs mainly relate to our map asset (including acquisition-related amortisation).

Licensing generated EBITDA of €42 million in 2015, 41% higher compared with last year (2014: €30 million). This translates into an EBITDA margin of 30% (2014: 27%). Licensing EBIT amounted to nil in 2015 (2014: -€11 million). The year on year increase in Licensing profitability is the result of a higher revenue and improved gross margin partly offset by higher investments in our maps.

BUSINESS OUTLOOK

We believe that the trend of growing location awareness will provide a wealth of future opportunities. As TomTom is a truly independent content and service provider that has developed the technology of the future, we are well positioned to play an important role.

The new mapmaking platform will enable us to create fresh and more detailed maps with high quality that takes full advantage of the growing sensor data offered through connected devices. These maps, combined with our leading traffic products and online delivery platform, give us a very competitive and complete product portfolio.

In 2016, we will focus on growing our online maps and traffic business. We aim to achieve this by further broadening the customer base and with new product introductions.

TELEMATICS BUSINESS & FINANCIAL REVIEW

STRATEGIC PRIORITIES

- Continue to expand the WEBFLEET installed base
- Continue to expand the eco-system of software and hardware partners
- Diversify into the aftermarket Connected Car opportunity using our Telematics capability

BUSINESS REVIEW

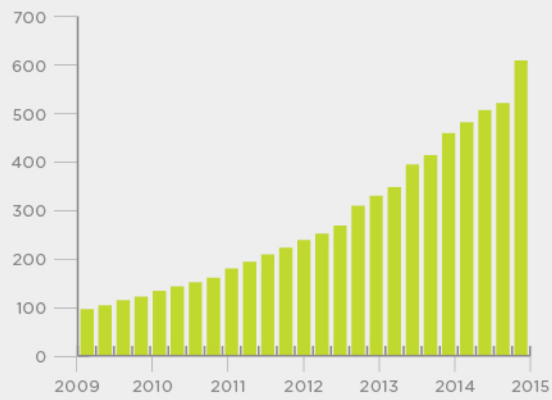
SUBSCRIBER BASE

Our Telematics business continued to perform strongly in 2015. We saw strong growth in our subscriber base reaching 605,000 subscriptions at the end of 2015, a 30% growth compared with last year. Telematics now serves more than 40,000 customers worldwide.

Our strong growth was achieved through a combination of organic growth and the acquisition of Finder S.A., the leading Polish fleet management service provider. This acquisition added over 60,000 subscriptions to our active installed base and enables us to further strengthen our market position in one of the fastest growing telematics markets in Europe.

In December, WEBFLEET was launched in Mexico and Chile in order to capitalise on two emerging South American markets. This launch is built on the infrastructure previously owned by Coordina, which was acquired by TomTom in 2013. It will allow operators in these countries, particularly medium-sized companies, to use WEBFLEET to improve operational efficiency.

TELEMATICS SUBSCRIBERS
INSTALLED BASE* IN THOUSANDS



*ON A QUARTERLY BASIS AS OF Q4 2009

AWARD-WINNING INNOVATION

In 2015, Telematics has been recognised as Europe's largest and fastest-growing provider of fleet management solutions by Berg Insight. A strong product portfolio, with WEBFLEET at its centre, has been key to our market-leading success. Continuous innovation ensures customers benefit from a market-leading fleet management software that is adaptable and future-proof.

The market-leading position of WEBFLEET has been recognised with a series of awards, including Best Commercial Vehicle Systems Integrator at the global TU-Automotive Awards and the Safety Innovation Award from UK charity Brake. Availability and confidentiality are essential. WEBFLEET complies with ISO 27001 certified standards of information confidentiality, integrity and availability.

OPTIDRIVE 360

This year, we launched OptiDrive 360 following extensive research conducted by the academically-led European Union ecoDriver project. OptiDrive 360 combines pre-trip, real-time and post-trip advice to provide a complete approach to driver improvement. The real-time element uses vehicle and map data to provide fleet drivers with predictive real-time driving advice. The success of the product has also resulted in the creation of partnerships with a number of European eco-driving and road safety organisations, including DEKRA, RACC and Prévention Routière. OptiDrive 360 has also been recognised by the industry, winning the Brake Fleet Safety Product Award, the Deutschen Telematik Preis and a fleet innovation award from Link2Fleet.

WEBFLEET TECHNOLOGY PLATFORM

The open WEBFLEET platform, made possible through stable open APIs and SDKs, was showcased at the 2015 .connect Developer Conference. This has led to increased integration possibilities for customers and development of further connected, third-party applications. An ecosystem of more than 350 software and hardware application developer partners includes key partnerships with Esri and PTV. The PRO 8 series driver terminals have extended the WEBFLEET platform by integrating real-time information captured in the field into back-end systems. We announced a partnership with Shell this year to integrate euroShell Card data with the WEBFLEET platform, making fuel transactions and fuel management information available for customers in one system.

AFTERMARKET CONNECTED CAR

Further expansion of our WEBFLEET technology has been achieved by creating opportunities in markets where Connected Car technology has great future potential. This includes usage-based insurance (UBI), where new products have been created with Allianz in France, Woop and Towergate in the UK and Signal Iduna in Germany. Our CURFER product, underpinned by LINK 100, was launched to showcase the insurance solution, using a smartphone app to provide feedback on driving style. Pon, the largest importer of cars in the Netherlands, adopted the Connected Car technology from Telematics to offer dealerships and customers real-time information into their vehicles' status and performance.

FINANCIAL REVIEW

Telematics revenue in 2015 was €135 million, a 22% growth year on year (2014: €110 million). The recurring subscription revenue for the year was €98 million compared with €76 million in 2014, an increase of 29% year on year. This strong increase was driven by the ongoing growth of the subscriber installed base. Hardware revenue and other services increased by 7% year on year, which is lower than in previous years as a result of a higher proportion of hardware rental in our new subscriber sales mix.

(€ in millions,unless stated otherwise)	2015[1]	2014	y.o.y. change[2]
Hardware and other services revenue[3]	37.2	34.6	7%
Subscription revenue	97.8	75.6	29%
Total Revenue	135.0	110.2	22%
EBITDA	49.0	39.1	25%
EBITDA margin (%)	*36%*	*35%*	
EBIT	39.7	33.8	17%
EBIT margin (%)	*29%*	*31%*	
Monthly subscription ARPU	15.9	16.2	-2%
Subscriber installed base (# in thousands)	605	464	30%

1. 2015 financial metrics and YoY change percentages exclude Finder S.A.; the acquisition is effective as of the end of December 2015.
2. Change percentages are based on non-rounded figures.
3. Other services revenue comprises installation services and separately purchased traffic service and/or map content.

Telematics EBITDA increased by 25% year on year to €49 million in 2015 (2014: €39 million), which led to an EBITDA margin of 36% in 2015, slightly higher compared with last year. EBIT amounted to €40 million in 2015, a 17% increase compared with last year (2014: €34 million). In 2015, Telematics saw a strong gross margin slightly offset by higher operating expenses. Telematics increased its sales and marketing cost in 2015 to support further organic growth. Operating expenses were also impacted by the integration cost related to our recent acquisitions. Monthly subscription ARPU was 2% lower year on year.

BUSINESS OUTLOOK

With our ongoing commitment to innovation, sustained investment in R&D and capacity to leverage economies of scale, we are in a strong position to capitalise on favourable market opportunities. We expect to see continued strong growth in our Telematics business in 2016 and we are committed to continued investment in innovation to build on the strength, reliability and performance of our WEBFLEET platform.

The growth potential for aftermarket Connected Car services offers opportunities for increased adoption of WEBFLEET and wider TomTom Telematics technologies, for both consumer and business solutions. Telematics aims to capitalise on these opportunities and develop further partnerships with industries such as insurance and automotive.

GROUP FINANCIAL REVIEW

KEY FIGURES OVERVIEW

(€ in millions, unless stated otherwise)	2015	2014	y.o.y. change[1]
Consumer	623.6	619.1	1%
Automotive	105.9	109.4	-3%
Licensing	142.1	111.6	27%
Telematics	135.0	110.2	22%
Total Revenue	1,006.6	950.3	6%
Gross result[2]	518.5	523.3	-1%
Gross margin (%)	*52%*	*55%*	
EBIT[2]	0.6	21.1	-97%
EBIT margin (%)	*0%*	*2%*	
Net result[2]	18.3	22.7	-19%
Adjusted net result[3]	49.6	60.3	-18%
EPS - fully diluted (€)	0.08	0.10	-22%
Adjusted EPS - fully diluted (€)[4]	0.21	0.27	-20%
Depreciation & amortisation[2]	123.1	114.7	7%
of which acquisition-related	52.1	50.3	3%
EBITDA	123.7	135.8	-9%
EBITDA margin %	*12%*	*14%*	
Cash flows from operating activities	118.8	118.6	0%
Cash flows from investing activities	-154.2	-106.5	45%
Net cash	98.3	103.0	-5%

1. Change percentages are based on non-rounded figures.
2. 2015 includes a €11 million impairment charge on customer specific technology.
3. Net result adjusted for acquisition-related amortisation & gain on a post-tax basis.
4. Earnings per fully diluted share count adjusted for acquisition-related amortisation & gain on a post-tax basis.

REVENUE

In 2015, we generated revenue of €1,007 million, a growth of 6% compared with €950 million in 2014. PND revenue remained the biggest revenue contributor for the group. This revenue growth, which is the first time since 2010, is driven by the growth in Licensing, Telematics and Consumer while Automotive showed a modest year on year decline. Revenue growth in our Consumer Sports business and in Content & Services revenue in Telematics and Licensing more than offset the marginal decline in the PND category. 77% of our 2015 revenue was generated in Europe (2014: 76%), 18% in North America (2014: 17%) and the remaining 5% in the rest of the world (2014: 7%).

GROSS RESULT

Our gross result for 2015 was €519 million (2014: €523 million), which represents a gross margin of 52% compared with 55% in 2014. Our gross margin in 2015 was negatively impacted by the weakening of the euro against the US dollar, especially in the first half of the year, and a €11 million impairment charge of certain Automotive customer specific technology recorded as part of cost of sales. At constant currency rates and excluding this impairment charge, our gross margin would have been 57% in 2015.

OPERATING EXPENSES

Operating expenses for the year were €518 million compared with €502 million in 2014. The increase in our operating expenses was mainly driven by higher personnel expenses and marketing expenses, partly offset by a decrease in depreciation and amortisation and a one-off gain from a settlement of a litigation case.

From a categorical perspective, research and development (R&D) expenses increased by €11 million year on year. Total R&D cash spending during the year, including capital expenditures, amounted to €268 million compared with €246 million last year. We also invested more in marketing to support the launches of our new products this year, which resulted in a €14 million increase of marketing expenses compared with 2014. Selling, general and administrative (SG&A) expenses increased by €2 million year on year to €172 million, mainly due to higher sales expenses in Telematics, which was the result of a combination of more FTE and higher amortisation related to acquisitions.

Total depreciation, amortisation and impairment for the year was €123 million (2014: €115 million) which includes a €11 million impairment charge recorded in cost of sales. Amortisation of technology and databases decreased by €11 million year on year, partly driven by lower amortisation due to change in useful life of certain navigation technologies. Acquisition-related amortisation increased to €52 million from €50 million in 2014, mainly reflecting additional amortisation from acquisitions that took place at the end of 2014 and early 2015, partly offset by lower amortisation on mapmaking tools.

As a result of the above-mentioned increase in operating expenses and the decrease in our gross margin, our EBIT for the year was at break-even compared with €21 million last year.

FINANCIAL RESULTS AND TAXATION

The net interest expense for the year was €0.9 million versus €3.1 million in 2014, mainly due to lower interest rates applied against lower outstanding borrowings during the year. The other financial result consisted mainly of a foreign currency loss of €7.4 million compared with a loss of €3.8 million in 2014.

The income tax for the year was a gain of €26 million, mainly as a result of remeasuring certain deferred tax assets and liabilities to a lower rate due to the application of the innovation box facility in the Netherlands, as well as some other one-off releases of provisions.

NET RESULT

The net result for the year was €18 million (2014: €23 million). The net result adjusted for acquisition-related amortisation & gain on a post-tax basis was €50 million compared with €60 million in 2014. The adjusted EPS for the year was €0.21 (2014: €0.27).

INVESTMENTS

Total cash used in investing activities in 2015 was €154 million, an increase of €48 million compared with €106 million in 2014, reflecting increased investments in our technology platforms and acquisitions. We continued investing in our core technologies such as our transactional mapmaking platform and the NDS based navigation system and expanded our global map footprint through acquisition of an Australian mapping company. We also further expanded our Telematics business by acquiring Finder S.A., the leading fleet management service provider in Poland.

CASH FLOW FROM OPERATIONS, LIQUIDITY AND DEBT FINANCING

Net cash from operating activities for the year was €119 million, flat compared with 2014, despite the lower operating result in 2015.

Net cash from financing activities for the year was a net cash inflow of €29 million compared with a net cash outflow of €118 million in 2014, the latter mainly related to a loan repayment of €125 million in December 2014. The net cash inflow for 2015 mainly came from €34 million cash inflow from the exercise of 6.9 million options related to our long-term employee incentive programmes, partly offset by a €5 million repayment of our loan facility during the year.

At the end of 2015, our net cash position was €98 million (2014: €103 million). Our outstanding borrowings comprised of €45 million that we utilised from our revolving credit facility of €250 million and some external borrowings from the recently acquired Polish subsidiary amounting to €4 million.

2016 OUTLOOK

In 2016, we plan for revenue and earnings growth. We expect revenue of around €1,050 million. Adjusted EPS is expected to grow by around 10% to €0.23.

We expect the level of investment (both CAPEX and OPEX) in our core technologies to be higher than last year. In particular, we are investing in advanced content and software for the automotive industry (e.g. to enable Autonomous Driving) and in our new mapmaking platform.

The number of employees in 2016 is expected to be higher compared with 2015.

HUMAN RESOURCES

The true value of our business lies in our people. We need to attract the best people, invest in their development and give them the opportunity to grow and achieve more every day. Entrepreneurialism is valued in our company and we believe that organisational flexibility will allow for people to make their own choices and thrive.

TomTom attracts agile and adaptable people, capable of effectively dealing with and responding rapidly to changing circumstances. Having the best people enables us to deliver the greatest and most innovative products and services to our customers.

> **OUR AMBITION IS TO BE**
> *the employer of choice in technology*

To deliver on this ambition, HR has positioned itself as a strategic partner to work with the organisation to deliver against our business objectives for growth. This position allows us to better prepare for the changing landscape of the future of work as well as the changing needs of our business.

FROM SERVICE PROVIDER TO STRATEGIC PARTNER

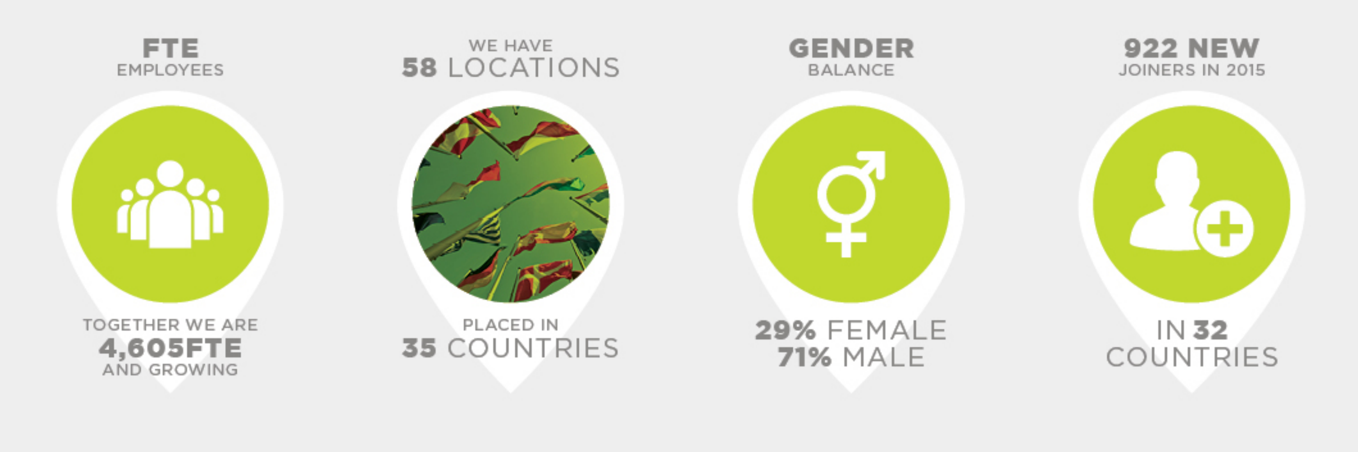
Our HR strategy focuses on three key areas that help set the foundation to better shape our workforce needs. These areas are: People, Management Capabilities and Employer Brand. Each of these areas is important to growth. We have made significant investments in understanding exactly what our employees need and want so that we can offer customised experiences, in having the right managers in place to manage our increasingly agile and talented workforce and in ensuring that we have the right employer brand strategy in place to attract and retain the talent we need to further grow.

PEOPLE ARE OUR GREATEST ASSET

At TomTom, our people are our greatest asset and we employ the best people. Our employees have unique skill sets that are in high demand by other companies in different industries.

Our strategy to attract, develop, and retain the right people is about creating the conditions for our employees to achieve more, faster, than at any other company. We do this through a segmented and targeted approach, creating an employee experience that is customised to the needs of our employees with respect to their compensation and benefits, learning, communication, level of empowerment, and even the management style.

We aim to be the most attractive employer for our employees, standing out from competition, with an understanding of what drives them to be their best and enable them to achieve more than they could anywhere else.



CAREER DEVELOPMENT - PUTTING OUR PEOPLE FIRST

TomTom is committed to the advancement and career development of our employees. This is exemplified by our policy to first recruit from within the company, which supports our 'Achieve More' proposition. In support of this policy, we are strongly promoting internal hires for leadership and management roles before recruiting externally.

We continue to develop and improve our career track programmes in Finance, Customer Care, Map Operations and Software Development. The World Class Software Development Programme has continued to deliver value to the company in its third year of existence. These results have included further refining the way TomTom scales its Agile development, sharing best practices across product units, organising events such as Agile Summits and an external speaker series.

Our World Class Product Management Programme continued to make progress with strategies and roadmaps continually improving. Through our external engagements TomTom is increasingly visible as a leader in Agile organisations and this visibility has contributed to our recruitment and talent development. Finally, our product units have further refined and documented the different software development frameworks in place and made further improvements in the use of software development key performance indicators.

In 2015, TomTom ran a 'Path to Excellence' World Class Graduate Programme. Its aim is to attract graduates from the best universities worldwide. The programme focus this year was Product Management. We attracted over 650 graduates from around the world (up by 30% from 2014). Graduates came from top tier universities: MIT, ESSEC, HEC, LSE, and Imperial College London. Fifty-four strong candidates were invited to our rigorous assessment days, of which seven were hired. Three of the seven graduate hires were female, which shows that we continue our support of a diverse workforce.

This programme continues to recruit the strongest performing employees who deliver significant results for the business. Our ambition is to continuously raise the level of this programme and to create a competitive engineering track that is a highly sought after placement for those who qualify.

TALENT - FINDING THE RIGHT PEOPLE

To be the employer of choice in technology, TomTom needs the best talent. In 2015, our global headcount grew by 12% to more than 4,600 people. As the market continues to change and accelerate, we are transforming how we attract, develop and retain the right talent for our business – now and for the future. We source actively for all roles. We organise hackathons, use social media, work with our Fellows for thought leadership, and engage and involve our leadership.

LEARNING AND DEVELOPMENT - DEVELOPING OUR PEOPLE TO ACHIEVE MORE

Enabling our people's development and growth is key to delivering our Achieve More promise to employees. Our people are learning all the time and they are learning from each other. To expand these support structures, we are building a network for people to find each other and build valuable mentoring relationships. Our learning and development platforms have content that is meaningful and relevant.

In 2015, learning and development provided employees with the opportunity to enhance their engineering skills through various online and offline events, such as webinars, classroom courses and external presentations.

COMPENSATION & BENEFITS - OUR PEOPLE'S NEEDS MATTER

Our remuneration strategy is key for attracting and retaining talent. We aim to provide fair, competitive and responsible compensation for each of our employees. However, we recognise that the workforce is changing and markets are becoming highly competitive with respect to benefits, compensation and perks. A one-size-fits-all policy does not make sense for the workforce of the future.

Given the changes in the market, especially in the technology sector, we have initiated a project to understand the individual needs of our employees so that we can create customised, personalised programmes for different segments of our employee population. This will lead to a unique attraction and retention approach and will enable us to compete effectively against other benefit and perk-driven employers.

In terms of employee benefits, TomTom is committed to offering all employees market competitive benefits such as pension and health care according to each country's unique context. Next to these important benefits, we also offer a product discount programme to encourage ownership of TomTom products.

Long-term incentives for senior management and key individuals are part of our remuneration policy. These incentives are intended to attract and retain talent to the company. Our long-term incentive programme includes phantom stock and stock options, along with restricted stock, which are offered to key talents. All of our long-term incentive programmes are conditional to continued employment of the employee only and have a vesting period of three years.

Our performance-related bonus plan is in line with TomTom's vision, which is that success for our business should also mean success for the individual employee. The bonuses paid as a percentage of base salary vary according to the job grade and reflect the level of influence that each role has in the execution of TomTom's strategy.

MANAGEMENT CAPABILITIES

In 2015, we redesigned our Management Development Programme to address the needs of our current and future workforce. With 54% of our global employee population born between 1980 and 2000, we are operating in a millennials world and we recognise that the 'future of work', and how younger generations perceive their employer and workplace, will shift dramatically in the coming decade. Their expectations towards people managers as facilitators of personal growth have great impact on the manager profiles.

We want our managers to act as multipliers, coaching their teams to achieve more every single day. With this in mind we have designed two levels within the programme. The first level supports people who are transitioning from individual contributors to managers, and the second level is an advanced programme for senior managers who lead large teams or other managers.

EMPLOYER BRAND

We are bringing our employees to the forefront of the business and celebrating who we are, our talent, and what we have accomplished at TomTom. Our unique culture is what sets us apart from other technology companies and we are actively communicating what it is like to work at TomTom to the outside world. We have re-launched and re-branded our career site (**tomtom.com/careers**) to reflect our new Achieve More proposition. The site is a platform for candidates to discover new job openings as well as an opportunity to lift the lid on what it is like to work at TomTom.

We work closely with all organisational units on targeted recruitment and retention tactics that will contribute to our goal to be the employer of choice in technology. This includes encouraging all employees to be part of the recruitment and hiring process. It is everyone's responsibility to bring the best people on board.

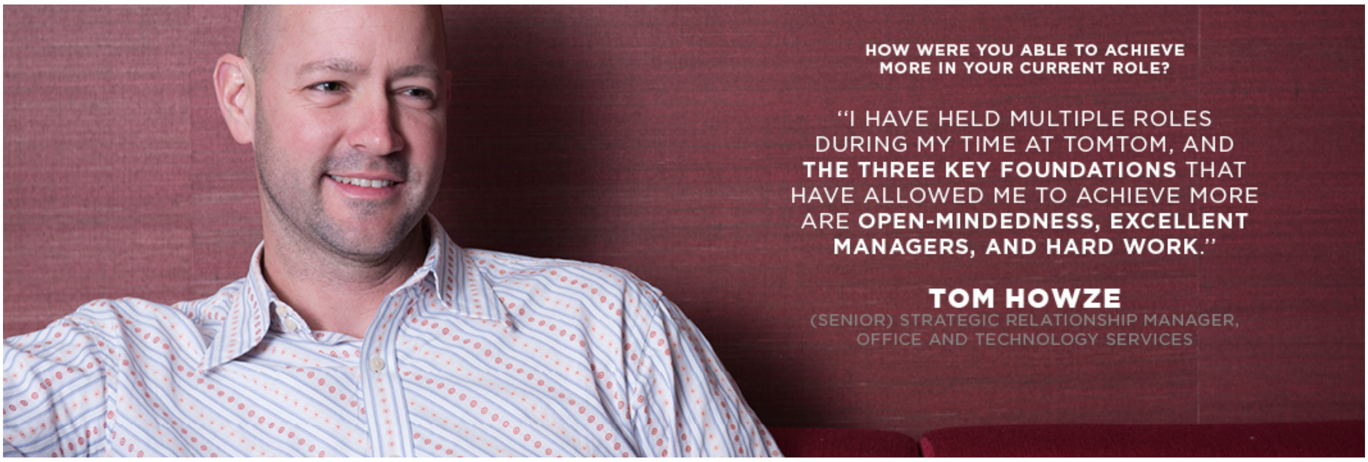
To amplify these initiatives, we support all global offices with recruitment activities such as hackathons, events and brand awareness campaigns that support their recruitment plans.

In addition to our segmentation exercise, we continue to engage and get-to-know our employees on a daily basis. In 2015, we created several internal initiatives to build bridges and further relationships across the globe and bring employees together.

These include 'Behind the Launch', a programme to celebrate employees who worked behind the scenes of product creation; 'Beyond the Code: Women in Technology', a programme nurturing our female employees in technology and reinforcing our support of gender diversity at TomTom; and an internal crowd funding platform called 'TomTom Crowdrise', a programme that supports our Corporate Social Responsibility initiatives and employees who volunteer and raise money for charitable activities. All of these programmes enable us to create strong employee stories to share internally and externally to further position TomTom as a company of choice.

We have been recognised as A Great Place to Work® in Pune, India, our second largest site with approximately 800 employees.

In 2015, we launched our Achieve More Proposition – '*At TomTom you can achieve more in less time than at any other company*'. This employee value proposition not only reflects the general consensus about what makes working at TomTom a unique experience, but also has been substantiated and validated by numerous employees from many of our 58 locations worldwide.



CREATING A STRONGER FOUNDATION TO DELIVER

ORGANISATIONAL EFFECTIVENESS

In 2015, we further optimised our organisational structure to suit the needs of the evolving workforce. This includes levelling our corporate hierarchies to become less layered and more agile. We believe a flatter organisation leads to better performance, innovation and 'Intrapreneurialism', our internal employee 'Entrepreneurs'. We have reduced layers of management and continue to look at ways to bring more cross-functional collaboration and equality for our employees across the business.

INVESTMENT IN TECHNOLOGY

At TomTom we use analytics to help in decision-making. We understand the necessity of talent management tools that leverage big data and hidden metrics tied to employee value. In 2016, we will replace our Human Capital Management system, HR analytics and all other HR applications. The expected benefits from this are to provide a best-in-class user experience to employees and managers and to unify all employee data in one system. This will allow us to provide more robust analytics to better understand our workforce. By acquiring state-of-the-art HR tools we will bring HR processes in line with TomTom's brand values – allowing ease, movement and smarter decisions for managers, employees and HR alike.

This new generation of technology will streamline the talent acquisition process and provide full visibility from planning to sourcing, selection and on-boarding. Pipeline management analytics will provide the hiring team with complete insights into internal and external hiring pools. The Human Capital Management system will become a single source for recruiting, and talent management, so managers can analyse their talent supply & demand and take immediate action - all from one application.

To ensure we deliver a seamless candidate experience across all touch-points, our new solution also makes it easy for candidates to search and apply for jobs from any device and import relevant information from social profiles, such as LinkedIn, giving TomTom a competitive edge in the War for Talent.

In 2015, we appointed Pontoon Solutions as the global Managed Service Provider for External Temporary Workers (ETW). The partnership is designed to drive quality processes related to management of the ETW workforce, and ensure that TomTom is optimally equipped to deliver on company goals across the countries we operate in.

BUSINESS OUTLOOK

In 2016, we will begin to implement our new technology platform that will not only deliver a better user experience but will underpin everything we do in HR.

We will continue to focus on management capabilities, ensuring that we have the right people to lead us into growth for the future. Finally, we will continue to invest in our employer brand, embedding the employee value proposition, and communicating that to the outside world.

CORPORATE SOCIAL RESPONSIBILITY

COMMUNITY GIVING

At TomTom we are committed to having a strong, positive social impact. In 2015, we continued to focus our CSR activities on supporting causes across the world through financial contributions, donations of TomTom products & services, and by getting kids active through our 'Be Active' programme. Taking an active role and giving back to our local communities has always been an important part of our working culture. In 2015, we launched Be Active, a new CSR programme where we partnered with local charities that are focused on getting kids fit and active. This effort was carried out after research showed that on average, 74% of kids today do not get the recommended 60 minutes of daily exercise. This is a troubling statistic given that our research highlighted that 98% of parents believe active lifestyles at an early age is important for their children's physical and mental development. As a result, this year we launched Be Active in three key markets: the Netherlands, the UK and the United States. These markets were identified as they are key markets for TomTom where we have a large market presence and therefore can make the most impact.

In the UK, we partnered with 'Kids Run Free' a charity that creates opportunities for children to run relay races in and out of school. TomTom supported them with funding for 10 races and provided our GPS watches and coaching for the young runners. In the Netherlands, we partnered with the 'Richard Krajicek Foundation'. This organisation was founded by Dutch Wimbledon Champion Richard Krajicek and gives underprivileged youth the opportunity to participate in sports. The programme supports these kids by building playgrounds, organising sport activities and even providing academic scholarships to those who continue to mentor other kids in the programme. Our employees have hosted a number of fundraisers throughout the year to directly support these efforts. In the United States, we sponsored the American 'Heart Association's Hoops for Heart Campaign'. Their mission is to teach kids how to stay healthy and make a difference in the lives of others, whilst having fun. In 2015, we were involved in 'Hoops for Heart's' events at North Attleboro Middle School in Massachusetts and at Excel Academy of East Boston, Massachusetts. Students from North Attleboro raised an amazing $108,000 this year for the American Heart Association. In addition, we sponsored local initiatives in Amsterdam such as Girls Day, Amsterdam City Swim, EU Code Week, the Dam tot Dam Loop and World Solar Challenge.

In April 2015, a 7.8 magnitude earthquake struck Nepal, killing over 8,500 people, leaving thousands injured and badly damaging roads and infrastructure. To support the rescue efforts, we partnered with Digital Globe and Open StreetMap to combine our mapping technology and re-map devastated areas of the country. Together we were able to revise 30,000 road edges and our overall contributions resulted in 321,726 map updates. The updates allowed various agencies such as USAID, the Red Cross, the Canadian Armed Forces and the Nepal army to carry out relief efforts throughout Nepal.

BUSINESS OUTLOOK

Our aim for 2016 is to continue to expand our Be Active programme and continue encouraging our employees to get involved in local initiatives and community giving.

SUPPLY CHAIN

As a global business we are committed to continuously improving our supply management practices. TomTom uses its full membership of the Electronic Industry Citizenship Coalition (EICC), to achieve these objectives.

We have adopted and implemented the EICC Code of Conduct in our business processes and operations. This code sets out the electronics supply chain standards and practices for business conduct that we expect from our employees and our suppliers.

A management system has been established to ensure compliance with applicable laws, regulations, customer requirements and the EICC Code of Conduct. This framework also enables us to identify and mitigate operational risks and facilitates continual improvement in our supply management practices.

We expect our suppliers to comply with the EICC Code of Conduct and to share our commitment to corporate social responsibility and continuous improvement in social and environmental performance. Not only in the development and manufacturing of products but also in the way they conduct their businesses.

The EICC Code of Conduct is embedded in our vendor selection process and is signed by all our major tier one suppliers. We continue to believe that a risk management approach enables us to spend our resources efficiently by identifying areas of high risk. The risk profile, self-assessments and audits are all based on EICC industry developed tools and practices, which we continue to believe are the most appropriate and relevant to our business and our supply chain.

Using EICC tools is not only efficient for TomTom but it also sends a consistent message to our suppliers, and minimises the duplication of their effort between different customer requirements.

In 2015, we completed facility risk assessments for 100% of our tier one major suppliers using EICC developed tools. This includes electronics assembly suppliers for the PND, in-dash navigation systems and sports products. These suppliers accounted for almost 88% of TomTom's total supply chain spend. It also included 50% of our logistics suppliers, accounting for a further 6.5% of total supply chain spend. We found that the majority of the supplier facility risk assessments had a low-risk profile and there were no high-risk findings. As a result, we did not conduct any independent supplier audits in 2015.

BUSINESS OUTLOOK

In 2016, we shall maintain our efforts to improve internal processes for the management of our product compliance programme.

BUSINESS RISKS

TomTom can be adversely affected by a variety of business risks and economic developments. A structured risk management process helps management to better understand how risks might impact the company and to take appropriate risk mitigation initiatives that provide reasonable, but not absolute assurance regarding the achievement of the strategic, operational and financial objectives, reliability of the financial statements and compliance with laws and regulations.

APPROACH TO RISK MANAGEMENT

Senior management together agree on the risk management priorities for the group. The group risk profile is discussed and agreed with the Management Board. A single owner is assigned responsibility for each risk, which helps to ensure clear accountability for the mitigating actions. The Business Assurance department facilitates the annual assessment of business risks to achieve an appropriate level of objectivity in our assessment of risks. We update our group risk profile every year in order to manage our most important risks. Over the year, we monitor the mitigating actions in relation to each risk and the trend for each risk. The business risk profile is taken into account when establishing our strategy, annual business plans and budgets.

Risk management is a process that we are committed to continuously improve. In 2015, we strengthened our control environment with the Internal Control Department driving risk and control ownership by business process owners. We will continue to focus on this in 2016. The key features of the systems of internal control are described in the In Control and Responsibility Statement section. We also increased the alignment between risk management efforts and our internal audit roadmap to gain more value from our internal audits. The result has been a more responsive and relevant internal audit planning from which we will benefit in 2016 onwards.

RISK APPETITE AND IMPACT

Our willingness to assume risks and uncertainties (the risk appetite) differ for each risk category. The level of the company's risk appetite gives guidance as to whether TomTom would take measures to control such uncertainties. The risk overview table shows the risk appetite and the expected impact on the group's achievement of its strategic, financial and operational objectives if one or more of the main risks and uncertainties were to materialise. The likelihood of the risk taking place is also disclosed. The risks are shown net. This means that the risks are described after taking the risk response into consideration.

RISK OVERVIEW

RISK CATEGORY	RISK	RISK APPETITE	IMPACT	LIKELY-HOOD
STRATEGIC RISKS	FAILURE TO ESTABLISH A MULTI-PRODUCT CONSUMER BUSINESS	Medium	High	Medium
	FAILURE TO GROW OUR AUTOMOTIVE BUSINESS	Medium	High	Medium
	REPUTATION DAMAGE	Low	Medium	Medium
	FAILURE TO GROW A PROFITABLE MAP BUSINESS	Low	High	Medium
OPERATIONAL RISKS	INABILITY TO ATTRACT, DEVELOP AND RETAIN TALENT	Low	Medium	Medium
	UNAVAILABILITY OF ONLINE SERVICES	Low	High	Low
	FAILURE TO RECOVER FROM A DISASTER	Medium	High	Low
LEGAL AND COMPLIANCE RISKS	INTELLECTUAL PROPERTY CLAIM	Medium	Medium	Low
	PRIVACY OF CUSTOMER DATA RISK	Low	High	Low
	INFORMATION SECURITY RISK	Low	High	Low
FINANCIAL RISKS	UNFAVORABLE MOVEMENTS IN FOREIGN CURRENCIES	Medium	High	High

LOW MEDIUM HIGH

GROUP RISK PROFILE

Below is an overview of the risks that we believe are most relevant to the achievement of our strategy. The sequence of risks below does not reflect an order of importance, vulnerability or materiality. This overview is not exhaustive and should be considered in connection with forward-looking statements. There may be risks not yet known to us or which are currently not deemed to be material.

STRATEGIC RISKS

FAILURE TO ESTABLISH A MULTI-PRODUCT CONSUMER BUSINESS

Although the PND market shows a declining trend, a significant part of our revenue is still derived from PNDs and we expect this to remain a meaningful category in its own right for the foreseeable future. If we are unable to successfully launch new Consumer products and fail to adapt our organisation to remain competitive this could have a material adverse effect on our business and TomTom's financial condition, results of operations and liquidity.

Many of our current competitors are large, well-known organisations with greater financial, technical and human resources than ours. They may have greater ability to fund product research and development and capitalise on potential market opportunities. New competitors interested in the same markets and products may also emerge. Industry consolidation may also result in increased competition.

RISK RESPONSE

We aim to establish a multi-product Consumer business while maximising the value from the PND category. We continuously develop new innovative products in the navigation area as well as in sports. When opportunities arise we enter into carefully selected strategic partnerships to bring competitive products and service offerings to the market.

FAILURE TO GROW OUR AUTOMOTIVE BUSINESS

We might be unable to pursue new automotive opportunities and lose market share versus competition. Also, new map and navigation providers may choose to enter the automotive market, which could significantly increase the level of competition we face. There could be additional operational and technical challenges in growing our Automotive business and maintaining profitability over the longer term in such a rapidly evolving environment. If we are unsuccessful in maintaining and growing a profitable Automotive business, our financial condition, results of operations and liquidity may be materially adversely affected.

In 2015, one of TomTom's global competitors in mapping (HERE) was acquired from Nokia Corporation by a consortium comprised of AUDI AG, BMW Group and Daimler AG. This change in ownership to a consortium of automotive companies significantly impacts a substantial market in which TomTom operates, creating both risks as well as opportunities.

RISK RESPONSE

We believe TomTom is well positioned to address the future needs of our customers and to successfully pursue Automotive opportunities. With our technological innovation we continuously develop new product and service offerings in the area of navigation, traffic and maps (such as our easy to integrate NDS-based Connected Navigation System and RoadDNA). We believe these and other innovations will allow us to remain competitive in the automotive market.

REPUTATION DAMAGE

All our products and services are brought to market under one brand. This leads to brand concentration risk. Brand value can be severely damaged, even by isolated incidents affecting the reputation of our business or our products and services. Some of these incidents may be beyond our ability to control and can erode customer confidence in our products or services.

Factors that negatively affect our reputation or brand image, such as adverse consumer publicity, inferior product quality or poor service, could have a material adverse effect on our financial condition and results of operation.

RISK RESPONSE

TomTom employs a rigorous continuous quality management process for its products and services before they are entered into the market. Additionally, TomTom's Customer Care department aims to provide quality, fast-response customer service and proactively monitors various digital platforms for customer feedback and issues. Furthermore, internal policies and our Code of Conduct are designed to further mitigate the risk of incidents that could result in reputation or brand damage.

FAILURE TO GROW A PROFITABLE MAP BUSINESS

The competitive environment requires continuous investment in new technology for creating and updating map databases. Maps need to be continuously updated for changes in the environment and we are continuously adding new geographies and attributes to our map database to enable us to meet the needs of existing and new customers, bring out new products and expand into new markets. If we are unable to invest sufficiently to compete with other global map providers in terms of both the quality and coverage and to modernise our map delivery platforms, our business, our financial condition, results of operations and liquidity may be materially adversely affected.

RISK RESPONSE

Over the last few years, we have invested significantly in developing a new Content Production Platform (CPP) which went into production in the fourth quarter of 2015. This transactional mapmaking platform revolutionises mapmaking and we believe will strengthen TomTom's competitive positioning by moving away from traditional batch processing towards a continuously releasable real-time map. Additionally, we have set up partnerships to develop technologies to support Autonomous Driving.

OPERATIONAL RISKS

INABILITY TO ATTRACT, DEVELOP AND RETAIN TALENT

Our markets are characterised by rapid technological change, which challenges us to deliver highly competitive products and services on an ongoing basis. In order to be a market leader in our industry, we need to have the most talented people working effectively together.

We aim to employ highly talented people in our organisation. Having the best people enables us to create and deliver highly innovative products and services to our customers. If we are unable to attract, develop and retain the right people, our ability to operate our business successfully could be significantly impaired.

RISK RESPONSE

In our ambition to be the employer of choice in technology, our rigorous recruitment process aims to attract the best talents. We monitor the organisational health of the company and have programmes in place to retain and keep key employees engaged. Ongoing significant investments are made in understanding what our employees need and want so we can offer customised experiences. We invest in our increasingly agile and talented workforce and in ensuring that we have the right employer brand strategy in place to attract and retain the talent we need. For example, we continuously invest in and develop our software engineering and product management capabilities through initiatives such as our World Class Software Development Programme.

UNAVAILABILITY OF ONLINE SERVICES

We provide a variety customer-facing online services on a 24/7 basis. These include fleet management services, live traffic information, location-based services and sales via our website. To provide these services to our customers we rely on our own, as well as outsourced, information technology, tele-communications and other infrastructure systems. A significant disruption to the availability of these systems could cause interruptions in our service to customers that may cause reputational damage for TomTom and could trigger contractual penalties, which could have a material adverse effect on our financial condition and results of operations.

RISK RESPONSE

We have established a process in relation to Business Continuity for internal infrastructure including full redundancy for key services such as fleet management, location-based services and some traffic delivery platforms. We also agreed minimum service levels with relevant outsourced service providers. Continuous monitoring of system availability is in place.

FAILURE TO RECOVER FROM A DISASTER

Unforeseen business disruptions could affect our service to customers and cause loss of, or delays in TomTom's critical business systems, our research and development work and/or product shipments. Any permanent or temporary loss of these systems would result in reputational damage, loss of revenue and liabilities to our clients. In the case of a catastrophic disaster, our company's success rests on our ability to restore our critical data and rebuild our IT business systems.

RISK RESPONSE

We have business continuity and disaster recovery planning in place for business critical systems and various eventualities. However, we are unable to plan for every possible disaster or incident. A major failure of a business critical system from which we are not able to quickly recover, could have a material adverse effect on our financial condition, results of operations and liquidity.

LEGAL AND COMPLIANCE RISKS

INTELLECTUAL PROPERTY CLAIM

We rely on a combination of trademarks, trade names, patents, confidentiality and non-disclosure agreements, copyrights and design rights, to defend and protect our trade secrets and the intellectual property in our expanding range of products. We may be faced with claims that we have infringed the intellectual property rights or patents of others, which if asserted against us may result in us being ordered to pay substantial damages or forced to stop or delay the development, manufacturing or sale of infringing products. Any such outcome could have a material adverse effect on our financial condition, results of operations and liquidity. Furthermore, even if we were to prevail, any litigation could be costly and time-consuming.

RISK RESPONSE

We have a dedicated Intellectual Property team responsible for the protection of TomTom's products and services against unauthorised use by third parties. By obtaining and enforcing intellectual property rights, such as patents and trademarks, TomTom can prevent the competition from reproducing our unique products. TomTom has built a substantial prior art portfolio and has a reputation for strongly defending its position in all intellectual property litigation, including against non-practicing entities (NPE).

PRIVACY OF CUSTOMER DATA RISK

We provide location-based and fitness products and services to individual customers and as there is growing public awareness and increased scrutiny by regulatory authorities, this means that compliance with privacy regulations and customer expectations is increasingly important in maintaining our competitive position. Next to this, various governments across the globe are implementing legislation allowing law enforcement and intelligence services bodies direct access to data held by businesses. Depending on country and cultural background, this could raise additional concerns regarding the use of our products and services. Our reputation and brand may suffer and regulatory sanctions may be imposed if we fail to comply with privacy laws and regulations or otherwise fail to meet our customers' expectations in relation to privacy matters.

RISK RESPONSE

Inherent in the design and operations of our products and services we apply 'privacy-by-design' to ensure that TomTom's own Privacy Principles as well as obligations from applicable privacy laws and regulations are structurally adhered to in the design of our products and services and throughout our operations.

INFORMATION SECURITY RISK

Our business operations and reputation are substantially dependent on our ability to maintain confidentiality, integrity and availability of information regarding customers, employees, suppliers, proprietary technologies, intellectual property and business processes. Additionally, the volume and sophistication of information security ('cybersecurity') threats continue to grow. The inadvertent disclosure of confidential information, unauthorised access to our systems and networks, defective products and sanctions potentially imposed by regulators could adversely affect our business, our reputation and could have a material adverse effect on our financial conditions, results of operations and liquidity.

RISK RESPONSE

We structurally deploy and maintain information security governance, controls, processes and tools in our engineering, operations and products using a risk-based approach, based on ISO information security standards.

FINANCIAL RISKS

The financial risk relevant to the risk section is foreign currency risk. Other risks related to financial instruments are credit, liquidity and loan covenants, interest rates and capital risk management. These are presented in note 28 in the consolidated financial statements.

UNFAVORABLE MOVEMENTS IN FOREIGN CURRENCIES

The group operates internationally and conducts business in multiple currencies. Revenues are earned in euro, pound sterling, the US dollar and other currencies, and do not necessarily match cost of sales and other costs which are largely in euro and the US dollar and to a lesser extent in other currencies. Foreign currency exposures on commercial transactions relate mainly to estimated purchases and sales transactions that are denominated in currencies other than reporting currency - the euro (€). Unfavourable foreign currency movements such as a strengthening of the US dollar will have a negative impact on our profitability.

RISK RESPONSE

We manage foreign currency transaction risk through options and forward contracts to cover forecasted net exposures. All such transactions are carried out within the guidelines set by our Corporate Treasury Policy. Furthermore we try to temper any negative foreign currency effect by conscious and calculated pricing of TomTom products and services to combat the negative impact of the exchange rate movement. For additional information, see note 28 to the consolidated financial statements.

IN CONTROL AND RESPONSIBILITY STATEMENT

The Management Board is responsible for TomTom's risk management and internal control systems. The Management Board believes that the company maintains an adequate and effective system of risk management and internal control that complies with the requirements of the Dutch Corporate Governance Code (the Code).

The internal control systems are designed to manage, rather than eliminate, the risk that we fail to achieve our business objectives and can provide reasonable, but not absolute, assurance against financial loss or material misstatements in the financial statements. The Management Board reviews the effectiveness of TomTom's systems of internal control relative to strategic, financial, operational and compliance risks and discusses risk management and internal controls with the Audit Committee on at least a quarterly basis.

TomTom embeds risk management in its strategic business planning. A top-down approach is followed in which management identifies the major risks that could affect the company's business objectives - and assesses the effectiveness of the processes and internal controls in place to manage and mitigate these risks. For an overview of our most important business risks, please refer to the Business Risks section. Assurance on the effectiveness of controls is obtained through management reviews, monitoring control dashboards, control self-assessments, internal audits and testing of certain aspects of our internal financial control systems by the external auditors during their annual audit. This, however, does not imply that certainty as to the realisation of our business and financial objectives can be provided, nor can the approach of the company to control its financial reporting be expected to prevent or detect all misstatements, errors, fraud or violation of law or regulations. The key features of the systems of internal control are as follows:

- Clearly defined lines of accountability and delegation of authority are in place, together with comprehensive reporting and analysis against approved budgets;
- Operating risk is minimised by ensuring that the appropriate infrastructure, controls, policies, systems and people are in place throughout the business;
- An organisational design is in place that supports business objectives and a culture that encourages open and transparent communication;
- A financial shared service centre with a centralised ERP environment which allows us to monitor our business throughout all regions and apply a consistent level of control;
- Centralised Treasury operations manage cash balances and exposure to credit default and currency risks through treasury policies, risk limits and monitoring procedures; and
- A Code of Conduct is accessible to all staff via the intranet, which includes whistleblowing facilities.

The key controls over financial reporting policies and procedures include controls to ensure that:

- Commitments and expenditures are appropriately authorised by the Management Board;
- Records are maintained which accurately and fairly reflect transactions;
- Any unauthorised acquisition, use or disposal of the company's assets that could have a material effect on the Financial Statements are detected on a timely basis;
- Transactions are recorded as required to permit the preparation of financial statements; and
- Reporting of the financial statements is done in compliance with IFRS.

The Management Board believes, based on the activities performed in 2015 and in accordance with best practice provision II.1.5 of the Code, that the risk management and control systems with regard to the financial reporting risks have functioned effectively in 2015, and that the risk management and control systems provide a reasonable assurance that the 2015 financial statements do not contain any errors of material importance. With reference to the statement within the meaning of Article 5:25 (2c) of the Financial Supervision Act, the Management Board states that, to the best of its knowledge:

- The annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and that
- The Management Board Report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the company faces.

Amsterdam, 9 February 2016
The Management Board
Harold Goddijn / Chief Executive Officer
Taco Titulaer / Chief Financial Officer
Alain De Taeye / Member of the Management Board

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

TomTom is committed to conducting business in a transparent, ethical and accountable manner. Our corporate governance structure supports and contributes to fulfilling this commitment to all our stakeholders.

GENERAL

TomTom N.V. is a public limited liability company incorporated under Dutch law and listed on NYSE Euronext Amsterdam in the Netherlands. We have a two-tier board structure, consisting of a Management Board and an independent Supervisory Board, accountable to the General Meeting for the performance of their duties.

Our corporate governance structure is based on the company's Articles of Association, the requirements of the Dutch Civil Code, the Dutch Corporate Governance Code (the Code), applicable securities laws, and the rules and regulations of NYSE Euronext Amsterdam.

We continuously monitor and assess our corporate governance structure and compliance with the Code and applicable laws and regulations. In order to drive governance, consistency and functional excellence throughout the company, the Management Board has established a Code of Conduct, and a set of business policies and procedures, which have been rolled out to all employees globally.

In this section, we address our overall corporate governance, and provide information on our compliance with the best practice provisions of the Code. Occasional deviations from the Code are explained and information on the reasons for any such deviations are provided at the end of this section.

In case of any substantial changes to the corporate governance structure of TomTom and its compliance with the Code, the shareholders shall be informed hereof at a General Meeting.

MANAGEMENT BOARD

The Management Board is responsible for the day-to-day management of the operations of the company. Its responsibilities involve setting and achieving the company's strategic objectives, managing the company's strategic risks, legal compliance and corporate social responsibility matters insofar as relevant to the company's business. The Management Board is accountable for this to the Supervisory Board and to the General Meeting.

In fulfilling its duties, the Management Board is guided by the interests of the company, taking into consideration the interests of the company's stakeholders as a whole. The Management Board provides the Supervisory Board in a timely manner with all information necessary for the Supervisory Board to fulfil its duties. Furthermore, the Management Board consults with the Supervisory Board on important matters and submits important decisions to the Supervisory Board for its prior approval.

COMPOSITION AND APPOINTMENT

The company's Articles of Association provide that the Management Board must consist of at least two members. Each member of the Management Board is appointed for a maximum period of four years with the possibility of re-appointment for consecutive four year terms in accordance with the Code. The General Meeting appoints the members of the Management Board, subject to the right of the Supervisory Board to make a binding nomination.

The General Meeting may at all times, by a resolution passed with a majority of at least two-thirds of the votes cast, and representing more than 50% of the issued share capital, resolve that the nomination submitted by the Supervisory Board is not binding. In such a case, the General Meeting may appoint a member of the Management Board in contravention of the Supervisory Board's nomination by a resolution passed with a majority of at least two-thirds of the votes cast, representing more than 50% of the issued share capital. If the Supervisory Board fails to use its right to submit a binding nomination, the General Meeting may appoint members of the Management Board with a majority of at least two-thirds of the votes cast, representing more than 50% of the issued share capital.

A resolution of the General Meeting to suspend or dismiss members of the Management Board requires a majority of at least two-thirds of the votes cast, representing more than 50% of the company's issued share capital.

The Management Board currently consists of three members: Harold Goddijn, Taco Titulaer and Alain De Taeye. The members of the Management Board are jointly authorised to represent the company. Biographies of the members of the Management

Board, as well as other details relating to their careers can be found in the Management Board Report section.

On 1 August 2015, Taco Titulaer was appointed as CFO succeeding Marina Wyatt who left TomTom at the end of July 2015. At the Extraordinary General Meeting of 8 October 2015, Taco Titulaer was appointed as member of the Management Board for a period of four years. Mr Titulaer was selected based on his thorough understanding of the company and in-depth knowledge of the market, as well as his extensive financial experience.

With the departure of Mrs Wyatt and the appointment of Mr Titulaer as a member of the Management Board, TomTom no longer complies with the gender diversity requirement as set out in the Act on Management and Supervision ('Wet Bestuur & Toezicht'). TomTom recognises the benefits of diversity in the Management Board and throughout the company. However, the extensive experience and expertise of Taco Titulaer and the fact that he comes from within the company were the decisive factors for his nomination and appointment. Gender diversity has the continuous attention of the Supervisory Board in its own succession planning and its aim to have a balanced Management Board composition.

REMUNERATION

The remuneration of each member of the Management Board is determined by the Supervisory Board, upon a proposal by the Remuneration Committee, and based on the company's remuneration policy for the Management Board. The remuneration policy has most recently been amended by the General Meeting in 2014.

For further information about the remuneration policy and how it is applied in 2015, reference is made to the Remuneration Report in the Supervisory Board Report, and note 33 Remunerations of members of the Management Board and the Supervisory Board in the consolidated financial statements.

CONFLICTS OF INTEREST

Members of the Management Board must report any (potential) conflict of interest to the Chairman of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. The member of the Management Board who has a (potential) conflict of interest may not be present at such meetings. The member of the Management Board with a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the company. Matters in which the company has a conflict of interest with a member of the Management Board in his private capacity are subject to the prior approval of the Supervisory Board. During 2015, no such conflicts of interest were reported.

SUPERVISORY BOARD

The Supervisory Board supervises the conduct of management by the Management Board and the general course of affairs of the company and supports the Management Board by providing advice. The Management Board can also request the Supervisory Board's advice. The Supervisory Board acts in the interest of the company as well as that of its stakeholders as a whole in performing its duties.

The company's Articles of Association require that certain decisions of the Management Board be subject to the approval of the Supervisory Board, such as resolutions of the Management Board to issue shares, to grant rights to acquire shares or to restrict or exclude pre-emptive rights. Other resolutions that have to be approved by the Supervisory Board are, among others:

- Proposals to amend the Articles of Association;
- Proposals to conclude a legal merger or a legal demerger;
- Proposals to reduce the issued share capital; and
- Matters in which the company has a conflict of interest with a member of the Management Board in his private capacity.

COMPOSITION AND APPOINTMENT

The company's Articles of Association provide that the Supervisory Board shall consist of a minimum of three members. Members of the Supervisory Board may be appointed for a maximum period of twelve years in accordance with the Code.

The Supervisory Board appoints a Chairman and a Deputy Chairman from amongst its members. The members of the Supervisory Board retire periodically in accordance with a rotation plan, which can be downloaded from the company's website.

The General Meeting appoints the members of the Supervisory Board, subject to the right of the Supervisory Board to make a binding nomination. The full procedure of appointment and dismissal of members of the Supervisory Board is explained in article 17 of the Company's Articles of Association.

The General Meeting may at all times, by a resolution passed with a majority of at least two-thirds of the votes cast, and representing more than 50% of the issued share capital, resolve that the nomination submitted by the Supervisory Board is not binding. In such cases, the appointment of a member of the Supervisory Board in contravention of the nomination requires a resolution of the General Meeting adopted with a majority of at least two-thirds of the votes cast, representing more than 50% of the issued share capital. A resolution of the General Meeting to suspend or dismiss members of the Supervisory Board requires a majority of at least two-thirds of the votes cast, representing more than 50% of the issued share capital.

The Supervisory Board has determined a profile regarding its size and composition, taking into account the nature of TomTom's business, its activities and the desired expertise. The Supervisory Board aims for a diverse composition and will strive for a fair balance between experience, expertise, gender, age and background. When nominating a candidate for (re-)appointment, however, the qualifications of the candidate and the specific requirements of the positions to be filled will prevail. The Supervisory Board profile and Supervisory Board Rules covering, among others, its decision-making process are posted on TomTom's corporate website: **corporate.tomtom.com/articles.cfm**.

The Supervisory Board currently consists of six members, who are all independent from the company as defined in III.2.2 of the Code. Biographies of the members of the Supervisory Board, as well as other details relating to their careers can be found in the Supervisory Board section.

The Supervisory Board confirms that its current composition has the necessary experience, expertise, and independence to ensure that its members are able to properly execute their duties. All current members of the Supervisory Board were appointed in accordance with the Supervisory Board profile.

In September 2015, Toine van Laack decided to step down from the Supervisory Board of TomTom due to the fact that he has ended his employment at Janivo Holding B.V. Toine van Laack was appointed in 2013 upon the nomination of Janivo Holding B.V. and Dasym Investment Strategies B.V.

According to the Act on Management and Supervision ('Wet Bestuur en Toezicht'), a proper composition of the Supervisory Board means that at least 30% of the seats are held by women and at least 30% by men. Currently two out of six Supervisory Board members are female (33%), and as such the company complies with this Act. With regards to the same Act, no member of the Supervisory Board holds more than five supervisory positions at Dutch 'large companies'.

THE COMMITTEES

In line with the Code, the Supervisory Board has established an Audit Committee, a Remuneration Committee and a Selection and Appointment Committee. Each of these committees is staffed by members of the Supervisory Board and at least one of the members of the Audit Committee is a financial expert. For an overview of all activities performed by the Committees, reference is made to the Supervisory Board Report section.

The terms of reference of each committee can be found on TomTom's corporate website: **corporate.tomtom.com/supboard.cfm**.

REMUNERATION

The remuneration of the Supervisory Board members and the additional remuneration of the Chairman and the members of its committees is determined by the General Meeting, last amended in 2009. Members of the Supervisory Board are not authorised to receive any payments under the company's pension or bonus schemes or under the option or share plans. No shares or rights to shares were granted to a Supervisory Board member by way of remuneration. At present, none of the Supervisory Board members own any shares in the company.

The annual remuneration of the Supervisory Board and sub-committees membership remained unchanged during 2015. Respective amounts are shown in the below table.

Role	Chairman	Member
Supervisory Board	€50,000	€40,000
Audit Committee	€10,000	€7,000
Remuneration Committee	€7,000	€4,000
Selection and Appointment Committee	€7,000	€4,000

For more detailed information about the remuneration of individual members of the Supervisory Board see note 33 Remunerations of members of the Management Board and the Supervisory Board in the consolidated financial statements.

CONFLICTS OF INTEREST

Members of the Supervisory Board (excluding the Chairman) must report any (potential) conflict of interest to the Chairman of the Supervisory Board. If the (potential) conflict of interest involves the Chairman of the Supervisory Board, it must be reported to the Deputy Chairman of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists.

The member of the Supervisory Board who has a (potential) conflict of interest may not be present at such meetings. The member of the Supervisory Board with a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the company. Such transactions shall be disclosed in the annual report.

No transactions in which there were conflicts of interest with members of the Supervisory Board were reported in 2015.

In accordance with provision III.6.4 of the Code, TomTom reports that no transactions occurred in 2015 between the company and legal or natural persons who hold at least 10% of the shares in the Company.

SHARES AND SHAREHOLDER'S RIGHTS

FUNCTIONING OF THE GENERAL MEETING

The General Meeting is held at least once a year and generally takes place in Amsterdam, the Netherlands. The General Meeting is convened by public notice via the company's corporate website: **corporate.tomtom.com/agm.cfm**.

The compilation of the annual report is a recurring agenda item, as well as the adoption of the annual accounts, the release from liability of the members of the Management Board and Supervisory Board and the execution of the remuneration policy during the present year. When deemed necessary in the interests of the company, an Extraordinary General Meeting may be convened by resolution of the Management Board or the Supervisory Board. On 8 October 2015, an Extraordinary General Meeting was convened to appoint Taco Titulaer as member of the Management Board.

Shareholders may appoint a proxy who is then empowered to vote on their behalf in the General Meeting. The minutes and the resolutions of the General Meeting are recorded in writing. The minutes will be made available to the shareholders on TomTom's corporate website no later than three months after the meeting.

VOTING RIGHTS

Each of our ordinary shares and preferred shares is entitled to one vote. Shareholders may vote by proxy. The voting rights attached to any company shares held by the company are suspended as long as they are held in treasury.

Resolutions of the General Meeting are adopted by an absolute majority of votes cast, except where Dutch law or TomTom's Articles of Association provide for a special majority.

According to TomTom's Articles of Association, the following decisions of the General Meeting require a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital:

- Resolution to cancel a binding nomination for the appointment of a member of the Management Board or the Supervisory Board;
- Resolution to appoint a member of the Management Board or the Supervisory Board in contravention of the binding nomination by the Supervisory Board; and
- Resolution to dismiss or suspend a member of the Management Board or the Supervisory Board.

In addition, in accordance with Dutch law, TomTom's Articles of Association provide that, if less than 50% of our issued share capital is represented at the meeting, certain decisions of the General Meeting require a majority of at least two-thirds of the issued capital represented. This includes decisions of our General Meeting regarding:

- The restriction and exclusion of pre-emptive rights, or the designation of the Management Board as the authorised body to exclude or restrict such rights;
- The reduction of the issued share capital; and
- A legal merger or legal demerger of the company.

AMENDMENT OF THE ARTICLES OF ASSOCIATION

The General Meeting may resolve to amend the Articles of Association of the company if it acts on a proposal by the Management Board that has also been approved by the Supervisory Board.

A resolution of the General Meeting to amend the Articles of Association requires an absolute majority of votes cast, irrespective of the share capital represented at the General Meeting.

The company's Articles of Association were last amended at the 2013 General Meeting.

THE CAPITAL STRUCTURE

The company's authorised share capital amounts to €180,000,000 and is divided into 600,000,000 ordinary shares with a nominal value of €0.20 each and 300,000,000 preferred shares, with a nominal value of €0.20 each. On 31 December 2015, a total of 230,495,981 ordinary shares were issued and outstanding.

ISSUE OF SHARES

The Management Board has the power to issue shares or grant rights to subscribe for shares if so designated by the General Meeting or the company's Articles of Association. This Management Board resolution is subject to the prior approval of the Supervisory Board. No resolution of the General Meeting or the Management Board is required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares.

The Management Board continues to believe it is in the company's best interests that it should be in a position to react promptly when business opportunities arise that require the issue of ordinary shares. When such occasions arise, the Management Board therefore wishes to be authorised to issue ordinary shares and to grant rights to subscribe for such shares without the need to obtain prior approval from company shareholders at an Extraordinary General Meeting. Such meetings take time to convene and could generate disruptive market speculation.

On 24 April 2015, the General Meeting passed a resolution extending the Management Board's authorisation to resolve to issue ordinary shares or grant rights to subscribe for such shares until 24 October 2016. This authority is limited to 10% of the number of issued ordinary shares for general purposes, and an additional 10% in connection with or on the occasion of a merger or acquisition, and authorises the restriction or exclusion of the pre-emption rights for existing shareholders for such issue or grant of rights.

Separately, the Management Board has been authorised to grant, subject to the prior approval of the Supervisory Board, rights to subscribe for ordinary shares and to restrict or exclude the pre-emption rights for existing shareholders for those rights, up to 2,300,000 ordinary shares for the purpose of executing the TomTom Employee Stock Option Plan and the Management Board Stock Option Plan. It was granted for a period starting from the 2015 General Meeting and ending with the General Meeting to be held in 2016.

REPURCHASE BY THE COMPANY OF ITS OWN SHARES

The 2015 General Meeting has resolved to authorise the Management Board to acquire shares in the capital of the company up to 10% of the issued share capital. The authorisation was granted for a period of 18 months, and will be in effect until 24 October 2016.

PREFERRED SHARES

Foundation Continuity TomTom ('Stichting Continuïteit TomTom') is a foundation established in 2005, with a board independent of TomTom (the Foundation). The purpose of the Foundation is to safeguard the interests of the company and all of its stakeholders. It does so by ensuring that the company is in a position to resist influences that could affect its independence, continuity and/or corporate identity in any manner that would be in contravention of the interests of the company or its stakeholders. The granting of rights to subscribe for preferred shares to the Foundation may help to prevent, discourage or otherwise delay unsolicited attempts to obtain (de facto) control of the company.

On 23 April 2013, the General Meeting adopted the proposal of the Management Board to grant the Foundation a call option entitling it to subscribe for preferred shares up to 100% of the aggregate nominal value of the outstanding ordinary shares at the time of issue, up to a maximum of the number of preferred shares included in the authorised capital at the time of issue.

The Foundation shall subscribe for the preferred shares at par. Immediately after subscribing for preferred shares, the Foundation shall proceed to pay one-fourth of the nominal value of the preferred shares at the time of issue. Three-fourths of the nominal amount shall only need to be paid upon call by the company, without prejudice to the provisions of section 2:84 of the Dutch Civil Code. The Foundation is entitled to exercise the option right in one or more tranches. The possible issuance of preferred shares to the Foundation will be temporary and subject to the company's Articles of Association and the legislation on takeovers. Currently, there are no preferred shares outstanding.

Unless the preferred shares have been issued pursuant to a resolution of the General Meeting, the company's Articles of Association require that a General Meeting be held within one year after the issue of preferred shares to consider their purchase or withdrawal. If no resolution on the purchase or withdrawal of the preferred shares is adopted at such a General Meeting, a General Meeting will be held every year thereafter for as long as preferred shares remain outstanding.

SUBSTANTIAL SHAREHOLDINGS AND SHORT POSITIONS

Shareholders owning 3% or more of the issued capital of a listed company (a substantial shareholding or short position) must report this to the Netherlands Authority for Financial Markets (AFM) as soon as this threshold is reached or exceeded.

Subsequently, notification to the AFM must be done as soon as a substantial shareholding or short position reaches, exceeds or falls below set thresholds. The thresholds are: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of the company's issued share capital.

As at 31 December 2015, the following shareholders owning 3% or more of the company's voting rights were registered with the AFM:

Name	% voting rights[1]
Founder - Harold Goddijn	>10%
Founder - Corinne Goddijn-Vigreux	>10%
Founder - Pieter Geelen/Stichting Beheer Moerbei	>10%
Founder - Peter-Frans Pauwels/Stichting Beheer Pillar Arc	>10%
Flevo Deelnemingen IV BV	>5%
John de Mol	>5%

1. These percentages, which include both direct and indirect capital interests/voting rights, do not necessarily reflect the actual shareholding in the company due to the notification requirements with the AFM.

COMPLIANCE WITH THE CODE

As a Dutch listed company, TomTom is subject to the Code. The Management Board and Supervisory Board recognise the importance of good corporate governance and are committed to complying with the best practice provisions of the Code.

TomTom complies with all of the relevant provisions of the Code, with the exception of the following provisions: II.2.4 and IV.1.1. The nature of and reasons for these deviations are explained below.

PROVISION II.2.4

Best practice provision II.2.4 provides that if options are granted, they shall, in any event, not be exercised in the first three years after the date of granting. The number of options to be granted shall be dependent on the achievement of challenging targets specified beforehand.

At the 2014 General Meeting, the proposal to amend the remuneration policy with regard to the long-term incentive component laid down in the TomTom N.V. Management Board Stock Option Plan (the Plan) was adopted. As a result of this decision, the performance conditions for the vesting of the options were removed. All options granted under the Plan shall be granted conditional to continued employment of the members of the Management Board only. TomTom deviates from best practice provision II.2.4 to the extent that it does not specify targets beforehand. A vesting period of three years remains applicable.

The reason for amending the remuneration policy was to align it better with international high-tech sector practice. Under the new Plan, the Management Board remains continuously focused on creating more value for the company's shareholders.

TomTom's comparable and competitor companies are international companies in the high-tech sector. These companies continue to favour stock option plans and operate in environments not subject to the Code. The current Plan is reflective of competitive practices and enables TomTom to be competitive for international senior leadership talent.

Furthermore, the inclusion of vesting conditions in addition to the increase of TomTom's share price of the options results in multiple hurdles for the Management Board to potentially obtain value. Stock options carry an innate de facto performance condition that focuses on achieving stock price growth before value can be derived from stock option grants. The value of the stock option remains wholly dependent on the development of the company's stock price.

PROVISION IV.1.1

Best practice provision IV.1.1 provides that the General Meeting may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the Management Board or the Supervisory Board and/or a resolution to dismiss a member of the Management Board or of the Supervisory Board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third.

TomTom's Articles of Association provide that a binding nomination for the appointment of members of the Management Board or of the Supervisory Board may only be set aside by a resolution of the General Meeting passed with a two-thirds majority representing more than 50% of its issued share capital. The same provision applies to any resolution to dismiss a member of the Management Board or of the Supervisory Board.

The company deviates from the best practice provision outlined in the preceding paragraph because it believes that maintaining continuity in its Management Board and Supervisory Board is critical for delivering long-term shareholder value. The company would like to protect its stakeholders against a sudden change in management by maintaining the qualified majority and voting quorum requirement, which is consistent with Dutch law.

CORPORATE GOVERNANCE STATEMENT

Article 2a of the Dutch Decree on additional requirements for annual reports, last amended on 1 January 2010, requires companies to publish a statement concerning their approach to corporate governance and compliance with the Corporate Governance Code. The information required to be included in this corporate governance statement as described in articles 3, 3a and 3b of the Decree are incorporated in the Corporate Governance section of this annual report.

The main characteristics of the company's internal risk management measures and control systems connected to its financial reporting process, as required by article 3a sub a of the Decree, are described in the In Control and Responsibility Statement, in the Management Board Report section.

The Dutch Corporate Governance Code was last amended on 10 December 2008 and can be found at **www.commissiecorporategovernance.nl**.

INFORMATION PURSUANT TO ARTICLE 10 TAKEOVER DIRECTIVE

The Management Board states that all information, which must be disclosed pursuant to Article 10 of the EU Takeover Directive Decree, is included in the Corporate Governance section, the Supervisory Board Report and the notes referred to herein, to the extent that it is applicable to TomTom.

SUPERVISORY BOARD

TOMTOM SUPERVISORY BOARD

PETER WAKKIE
67 / CHAIRMAN

NATIONALITY Dutch
DATE OF FIRST APPOINTMENT 28 April 2009
TERM OF OFFICE 2013 - 2017

FORMER POSITIONS Vice-Chairman of the Supervisory Board of ABN AMRO Group NV, ABN AMRO Bank NV, member of the Executive Board of Koninklijke Ahold NV
CURRENT POSITIONS Founding partner of Spinath + Wakkie BV, Chairman of the Supervisory Board of Wolters Kluwer NV and member of the Supervisory Board of BCD Holdings NV
COMMITTEES Remuneration Committee, Selection and Appointment Committee (Chairman)

DOUG DUNN
71 / DEPUTY CHAIRMAN

NATIONALITY British
DATE OF FIRST APPOINTMENT 13 May 2005
TERM OF OFFICE 2015 - 2017

FORMER POSITIONS Chief Executive Officer and President of ASML Holding NV
CURRENT POSITIONS Non-Executive Director of Soitec SA and Global Foundries and Vice-Chairman of the Supervisory Board of BE Semiconductor Industries NV
COMMITTEES Audit Committee

GUY DEMUYNCK
64

NATIONALITY Belgian
DATE OF FIRST APPOINTMENT 13 May 2005
TERM OF OFFICE 2012 - 2016

FORMER POSITIONS Member of the Board of Directors of Koninklijke KPN NV, Chief Executive Officer of Kroymans Corporation BV, member of the Supervisory Board of Apollo Vredestein BV and Chief Executive Director of Liquavista BV
CURRENT POSITIONS Non-Executive Director of Belgacom NV and Wizz Air Holdings PLC, member of the Supervisory Board of Teleplan International NV and Divitel Holding BV and Chairman of the Supervisory Board of Aito BV
COMMITTEES Remuneration Committee (Chairman), Selection and Appointment Committee

BEN VAN DER VEER
64

NATIONALITY Dutch
DATE OF FIRST APPOINTMENT 1 October 2008
TERM OF OFFICE 2012 - 2016

FORMER POSITIONS Member of the Supervisory Board of Royal Imtech NV, member of the Supervisory Board of Siemens Nederland NV, member and Chairman of the Board of Management of KPMG NV
CURRENT POSITIONS Non-Executive Director of RELX Group PLC, RELX PLC and RELX NV and member of the Supervisory Board of AEGON NV, Koninklijke Friesland Campina NV and Amsterdam Museum
COMMITTEES Audit Committee (Chairman)

JACQUELINE TAMMENOMS BAKKER
62

NATIONALITY Dutch
DATE OF FIRST APPOINTMENT 1 May 2014
TERM OF OFFICE 2014 – 2018

FORMER POSITIONS Non-executive Director of Tesco PLC (UK), Vivendi (FR) and Director General at the Dutch Ministry of Transport, responsible for Civil Aviation and Freight Transport and Chairman of the High Level Group for the future of aviation regulation in Europe
CURRENT POSITIONS Member of Supervisory Board of CNH Industrial NV, Unibail- Rodamco and the Groupe Wendel, Chairman of the Van Leer Group Foundation (NL) and Member of the advisory board of the Bath School of Management (UK)
COMMITTEES Remuneration Committee, Selection and Appointment Committee

ANITA ELBERSE
43

NATIONALITY American
DATE OF FIRST APPOINTMENT 1 May 2014
TERM OF OFFICE 2014 – 2018

FORMER POSITIONS Visiting Fellow and Lecturer at The Wharton School University of Pennsylvania (2001-2003)
CURRENT POSITIONS Lincoln Filene Professor of Business Administration at Harvard Business School
COMMITTEES Audit Committee

SUPERVISORY BOARD REPORT

TomTom's Supervisory Board is responsible for supervising and advising the Management Board in setting and achieving the company's strategy and its objectives. The interests of the company and TomTom's stakeholders guide the performance of the duties of the Supervisory Board. The Supervisory Board is assisted in its decision-making process by the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee.

TomTom has positioned itself back for growth with its revenue growth in 2015. The company showed continued growth in the Licensing and Telematics business. It's Consumer business continued to broaden its revenue base with new products in the sports category. The Automotive business contracted as anticipated and the level of order intake in 2015 was substantially higher than in previous years, which provides a good indication that the automotive strategy is taking hold.

The efforts made by the employees of the company and its Management Board are greatly appreciated by the Supervisory Board. We look forward to a further successful execution of TomTom's growth strategy.

COMPOSITION

The Supervisory Board of TomTom consists of six members.

At the 2015 General Meeting, Doug Dunn was reappointed for a term of another two years. This means that at the 2017 General Meeting Doug Dunn will have served for twelve years, the maximum term according to best practice provision III.3.5 of the Corporate Governance Code (the Code). Toine van Laack stepped down from the Supervisory Board on 1 September 2015 because he ended his employment at Janivo Holding B.V.

Mr Van Laack was appointed in 2013 by Janivo Holding B.V. and Dasym Investment Strategies B.V. together, exercising the right to nominate a candidate for an additional seat on the Supervisory Board. No nomination for replacing Mr Van Laack has been made since his departure.

At the 2016 General Meeting, the second term of Ben van der Veer will expire. At this meeting Ben van der Veer will be nominated for re-appointment for a term of another year which means that at that time he will have served for nine years.

At the 2016 General Meeting, the Supervisory Board shall nominate Jack de Kreij for appointment as a member of the Supervisory Board for a term of four years, effective as of 1 January 2017. Mr De Kreij shall replace Mr Van der Veer as Chairman of the Audit Committee as from the 2017 General Meeting. For more information, reference is made to the Selection and Appointment Committee report. Guy Demuynck will step down from the Supervisory Board after the 2016 General Meeting by which time he will have served for eleven years.

As a result hereof, the Supervisory Board shall reduce from six to five members as from the date of the 2016 General Meeting and be complemented with a new member as of 1 January 2017, subject to the appointment of Mr De Kreij at the 2016 General Meeting.

The Supervisory Board confirms that all members are independent as meant within the terms of best practice provision III.2.2 of the Code.

The composition of the Supervisory Board is in line with the Supervisory Board profile, as drawn up by the Supervisory Board and published on the company's website, in terms of experience, expertise, nationality, gender and age. According to the Act on Management and Supervision ('Wet Bestuur en Toezicht'), a proper composition of the Supervisory Board means that at least 30% of the members should be female. The current composition of the Supervisory Board is in line with this gender diversity requirement; two out of six Supervisory Board members (33%) are female.

No member of the Supervisory Board holds more than five directorships at Dutch 'large companies'. Biographies of the members of the Supervisory Board, as well as the information as prescribed by provision III.1.3 of the Code can be found in the Profiles of the Supervisory Board section of this report. This section also provides details on the committees of the Supervisory Board.

MEETINGS IN 2015

The Supervisory Board met fifteen times in 2015: seven physical meetings and eight conference calls. The non-physical meetings were held to discuss financial updates and recent developments within the company in months when there was no physical meeting. The Management Board members attended all those meetings either in full or in part. The meetings of the Supervisory Board achieved an overall average attendance rate of 87%. All physical meetings were attended by all Supervisory Board members, except for the March meeting where one member was unable to attend and the two meetings in October where another member was unable to attend.

All members have had sufficient time available for their duties relating to their membership of the Supervisory Board. No member of the Supervisory Board was regularly absent from the meetings. Their availability for ad-hoc calls, prompt response on emails and the fact that the members were well prepared for meetings and actively participated in the meeting discussions, demonstrate they were all able to devote sufficient attention to the company.

The agenda for the meetings was prepared through consultation between the Chairman, the Management Board and the Company Secretary. In addition to the regular meetings, the Chairman of the Supervisory Board was in regular contact with the CEO of the company. Further, the members of the Supervisory Board held informal consultations with members of the Management Board and senior management of the company to keep closely informed about the business.

Meetings of the Supervisory Board are preceded by committee meetings. The chairs of the committees work closely with senior management and conduct regular face-to-face meetings to set the agendas and prepare all relevant information for the committee meetings.

SUPERVISORY BOARD ACTIVITIES

To facilitate open and productive discussions, the Management Board and senior management provided the Supervisory Board with comprehensive quarterly reports that outline the developments, achievements, challenges and opportunities in each business unit of the company before each physical meeting. These reports also included insight into noticeable market developments, trends and analyses. During the year, senior management was frequently invited to present a range of topics to the Supervisory Board.

It is important for the Supervisory Board to keep in touch with the talents within the company. For this purpose, among others, breakfast sessions were organised every quarter to facilitate a Meet & Greet session between representatives of the Supervisory Board and a selective number of talents. The members of the Supervisory Board strongly support the company's efforts around talent management as well as succession planning for key positions within the organisation and it had been regularly updated on these items including the vacancy status of key positions.

The Supervisory Board devoted considerable time to reviewing strategic options and discussing the company's long-term strategy. An active role was played in ensuring that the Management Board's ideas were challenged and tested in order to reach decisions that would underpin the company's strategy. The group strategy and the business unit strategies were presented and constructive discussions and reviews were held with the Management Board and senior management. In addition, the Supervisory Board was kept regularly informed of major commercial opportunities, deals and partnerships.

During discussions with the Management Board, specific attention was given to the various R&D projects, which were discussed and monitored regularly. A strong attention point of the Supervisory Board was the company's delivery of and the migration to TomTom's unique transactional mapmaking platform providing incremental map updates. Also, progress on investments in the field of modular navigation software was closely monitored. The Supervisory Board was frequently updated on the positioning of these mapping and navigation technologies and their traction in the market.

The Supervisory Board and Management Board visited the local management team of its operations in Burlington, Massachusetts, responsible for the Consumer business in North

America. The purpose of this working visit for the Supervisory Board was to meet local management and better understand the North America distribution strategy, market trends and the challenges experienced by the team. The Supervisory Board visited various retail stores in the Boston area, to get the opportunity to see the TomTom products displayed in the retail stores.

The second informative visit was organised with the local management team of the Maps technology unit, residing in Lebanon, New Hampshire, responsible for maintaining the TomTom map and its platforms. The purpose of this visit for the Supervisory Board was to learn about the map creation process and the newest innovative technologies used in this process. Several demonstrations were given.

The development and introduction of the TomTom Bandit Action Camera and the new generation GPS sports and fitness watches were closely monitored during the year by the Supervisory Board. The efforts of management to diversify the Consumer business further had been shared, reviewed and discussed with the Supervisory Board.

Frequent updates were provided to the Supervisory Board on the bookings made which, together with orders secured earlier, will support the growth strategy of the Automotive business. The progress made with the development of the new transactional mapmaking system featured regularly on the Supervisory Board agenda. This technologically innovative system was fully deployed by the end of 2015 and enables TomTom to address the need for accurate and up-to-date maps, for navigation applications and driver assistance applications, including Autonomous Driving.

The Supervisory Board followed with interest the continued growth in the Licensing and Telematics business. The Supervisory Board was also involved in the acquisition of Finder in Poland through which the Telematics business further expanded its subscriber installed base.

The company's results, its operating result and its cash generation from operations were presented and closely supervised throughout the year. The currency headwinds caused by the weakening of the euro were assessed every quarter by the Supervisory Board as well as the level of investment (both CAPEX and OPEX) in the core technologies of the company. The Supervisory Board reviewed and approved the budget for 2016.

The Supervisory Board regularly gained insights into the constantly changing landscape in which TomTom operates. During 2015, several product and technology demonstrations were given to the Supervisory Board to update the members on the actual functioning of TomTom innovations.

Every quarter, the Supervisory Board was updated on the company's Investor Relations activities, including share price developments, analysts' research and communication with shareholders. The press releases regarding the full-year and half-year results, and the quarterly trading updates were all reviewed and approved by the Supervisory Board.

Through its Audit Committee, the Supervisory Board was kept informed of the company's strategic, operational, financial, legal and compliance risks, as well as the actions taken and systems in place to manage these risks. Time was also dedicated to discussing the company's intended organisational changes and structure.

The composition, functioning and succession planning of the Management Board and the performance of its individual members were discussed. The Supervisory Board took adequate actions when it was informed about the departure of Marina Wyatt, CFO of the company. It completed a diligent search for a replacement. Taco Titulaer, who has worked for the company for ten years, was appointed on 1 August 2015 as CFO of the company and on 8 October 2015 as a member of the Management Board by the General Meeting.

The Supervisory Board assessed its own succession planning and engaged with an external agency to search for an appropriate replacement of the Chairman of the Audit Committee as of the financial year 2017. It resolved to nominate Jack de Kreij as a member of the Supervisory Board on the 2016 General Meeting effective as of 1 January 2017. Mr De Kreij will take over the function of Chairman of the Audit Committee as from the date of the 2017 General Meeting when Mr Van der Veer will step down from the Supervisory Board. For more information reference is made to the Selection and Appointment Committee report.

The Supervisory Board received updates on the company's legal compliance and corporate social responsibility programmes, its intellectual property strategy and the developments with respect to corporate governance and regulations.

SELF-ASSESSMENT

The Supervisory Board reviewed and discussed its own functioning, as well as that of its members, its committees and the Chairman. The evaluation of the Chairman was discussed by the entire Supervisory Board, without the Chairman present. In preparation of these discussions, the members of the Supervisory Board and Management Board provided feedback through a written assessment performed by an independent third-party.

The assessment included reviews of the composition and expertise of the Supervisory Board, its time management, its effectiveness, its dynamics and succession planning. The Supervisory Board's oversight on the company's strategy and the effectiveness of the strategy day, human resources management, risk management and internal controls were also reviewed.

The relationships between the individual members of the Supervisory Board, and between the Supervisory Board and the Management Board were rated very highly overall, as was the atmosphere in the boardroom in terms of encouraging equal contribution, candid discussion and critical thinking. The performance of the Supervisory Board in testing and developing TomTom's strategy was positively rated overall. The focus on the company's talent management as well as succession planning for key positions within the organisation remain key attention topics moving forward, considering the company's ambition to be the employer of choice in the technology sector and to attract, develop and retain the best talents.

The Supervisory Board intends to bring in a third-party to assess its functioning every three years; the next such occasion being in 2018.

REMUNERATION COMMITTEE REPORT

This Remuneration Report describes the activities of the Remuneration Committee (Committee), the Remuneration Policy and its application in 2015. The Remuneration Policy (including the Management Board Stock Option Plan) was first adopted by the General Meeting in 2005 and has since been amended several times, most recently in 2014. In line with Dutch legislation, the execution of the Remuneration Policy in 2015 will be put on the agenda for discussion as separate agenda item at the 2016 General Meeting.

The Committee consists of three members: Guy Demuynck (Chairman), Peter Wakkie and Jacqueline Tammenoms Bakker.

COMMITTEE MEETINGS

The Remuneration Committee met four times and held two conference calls in the course of 2015, with an overall attendance rate of 89%. Each meeting was also attended by Management Board member Alain De Taeye, as well as the Head of HR, the Head of Reward & Operations and the Company Secretary. Preparation meetings attended by the Chairman of the Committee, the Head of Reward & Operations and the Company Secretary were held prior to each Committee meeting.

COMMITTEE ACTIVITIES

The Committee monitored the effectiveness and relevance of TomTom's Management Board Remuneration Policy throughout the year. It also considered the extent to which the individual remuneration packages of the Management Board members were in line with the company's policy.

The Committee spent time during its meeting in April on its preparation for the 2015 General Meeting, where the execution of the Remuneration Policy in 2014 appeared on the agenda as a separate agenda item.

The Committee agreed on the key performance indicators (KPIs) and weighting levels set for the short-term variable remuneration of the Management Board and periodically reviewed the progress on the achievement of the KPIs that had been set for the ongoing short-term and long-term variable remuneration components of the Management Board. A scenario analysis was carried out within the terms of the best practice provision II.2.1 of the Code to evaluate the variable components of the remuneration packages of the Management Board members.

The Committee previously assessed the peer group in 2013. In the light of the evolving complexity in TomTom's businesses the Committee decided to reassess the peer group in 2015 and engaged with a remuneration expert for this purpose. The peer group serves as an essential yardstick to determine the overall competitiveness of the company's Management Board remuneration and gives an appropriate reflection of the competitive markets in which TomTom is operating. Less focus has been placed in this years' reassessment on geography and size. Most relevant are considered companies in the same or similar industry globally, as were peer technology organisations with head offices in the Netherlands. Both groups were considered regardless of having substantially larger or smaller market values and revenues compared to TomTom.

As a result hereof, eleven competitors (reflective of each of the TomTom business units) and three high-tech Dutch companies were added to the existing peer group. The companies which have been delisted since 2013 were removed. The new peer group consists of the following 25 companies: Wolters Kluwer, Harman, Garmin, ASM International, Temenos Group, Imagination Technology Group, SimCorp, CompuGroup Medical, Pace, Kudelski, GoPro, Trimble Navigation, Fleetmatics Group, Elektrobit, Telenav, Mix Telematics, Fitbit, LoJack, Nokia HERE, ASML, Philips and NXP Semiconductors.

The Committee reviewed and discussed the outcome of the market competitiveness report prepared by the remuneration expert comparing the remuneration packages with the peer group companies and against prevalent practice in the Netherlands, Europe and within the high-tech sector. It concluded that the materials supported the Committee's view that the company's remuneration packages and Remuneration Policy are appropriate with the exception of the long-term incentive plan. The annual long-term incentive award levels continue to be below market median level i.e. are the least competitive remuneration component.

It was concluded that the vesting conditions for the options granted to the members of the Management Board in 2013 were met resulting in a vesting of 100% of the granted options, which equals a total number of 155,000 options for each Management Board member.

The Committee evaluated its own functioning and concluded that its activities are satisfactory and adequately serve the company's needs.

REMUNERATION POLICY

The company's Articles of Association state that the Supervisory Board must propose the Remuneration Policy for the members of the Management Board and that the Remuneration Policy must be adopted by the General Meeting. The Supervisory Board determines the remuneration of individual members of the Management Board on the basis of criteria established by the Remuneration Policy. It reviews this policy regularly in the light of internal and/or external developments. The full text of the policy can be found on the company's corporate website: **corporate.tomtom.com/remuneration.cfm**.

The company's Remuneration Policy must ensure that the company is able to attract and retain highly qualified and expert executives to its Management Board in an internationally competitive market. It must also ensure that the Management Board members' remuneration is consistent with the company's strategy, its operational and financial results and delivery of value to shareholders.

Another aim of the policy is to apply a responsible and sustainable remuneration framework in line with the general result-driven remuneration principles and practices throughout the company. The Remuneration Policy establishes that remuneration for the Management Board must consist of four components: base salary, short-term incentive, long-term incentive and benefits (including pension scheme contributions).

The Remuneration Policy and each of the remuneration components of each of the members of the Management Board are benchmarked against a peer group every other year.

APPLICATION IN 2015

The details of the individual remuneration of all members of the Management Board and its costs to the company are presented in note 33. Remuneration of members of the Management Board and the Supervisory Board in the consolidated financial statements. The information described in the best practice provision II.2.13 (d) of the Code is also provided there.

1. Base salary at median market level

Fixed remuneration consists of base salary plus holiday allowance, where applicable and in accordance with market practice. The objective of this element of the policy is to align the base salary levels of TomTom Management Board members with median market practice in a measured way. The base salary levels are reviewed annually, taking into account developments in the pay market and the level of position as graded within the company.

An indexation of the salaries of all members of the Management Board took place in 2015, reflecting an increase of 2.7%. In addition, the base salaries of the Management Board members were assessed relative to the benchmark. Using the outcome of the benchmark performed in 2015 as a base, the Supervisory Board concluded that Alain De Taeye's base salary was in line with the median market level and did not need adjustment for 2015. The base salary of the newly appointed CFO is in line with the median market level. The CEO's base salary remains under median market level. However, it was decided not to bring the CEO's base salary closer to the median and therefore the CEO's base salary has not been adjusted in 2015.

The base salaries of all Management Board members comply with the Remuneration Policy.

2. Short-term incentive

The intention of the percentage-of-salary bonus scheme is to ensure a uniform bonus structure throughout the organisation. It aligns the Management Board's bonus scheme with the bonus structure that applies to other staff within the company. This component of Management Board remuneration was benchmarked against the new peer group.

The level of cash payment is determined according to predetermined criteria and objectives. TomTom's 'on-target' bonus percentages are assessed relative to the median 'on-target' bonus percentages of our peer group companies. The on-target bonus percentage for the CEO position is 80% of his base salary. It is 64% of the base salary for the other members of the Management Board. The maximum bonus amount may be increased to 1.5 times the 'on-target' bonus amounts. For example, in cases of excellent performance the CEO may receive 120% of his base salary, and the other members of the Management Board 96% of their base salaries. In addition to the incentive scheme based on pre-determined performance criteria, the Supervisory Board may at its own discretion also decide to reward bonuses for exceptional individual performance.

Given the focus on revenue growth and the stability that now exists in the company's financial position, it was decided to remove the cash flow KPI for 2015. The two performance criteria remaining were the revenue KPI weighted at 50% and the EBIT KPI weighted also at 50%. It is the Supervisory Board's opinion that these strong financially driven KPIs appropriately measure the company’s strategy focus on growth. These KPIs are an important measure of the success of the execution of the company’s strategy and, as such, the remuneration is directly linked to performance and the company’s strategy.

Applying the pre-determined performance criteria to the 2015 results of the company, the Supervisory Board has awarded an overall pay-out ratio of 31% of the 'on-target' bonus percentage under the short-term incentive scheme, reflective of achievement on the revenue KPI and underachievement on the EBIT KPI. Marina Wyatt is not eligible for a bonus pay-out under this scheme.

The Supervisory Board is of the opinion that the continuous challenging economic environment and competitive market warranted strong financial control and that therefore the strictly financial nature of the KPIs set for 2015 was appropriate.

3. Long-term incentive
The long-term incentive component is laid down in the TomTom Management Board Stock Option Plan. The Management Board Stock Option Plan is aimed at attracting and retaining key talent in order to ensure the company's continued high performance. It therefore aligns the company's long-term incentives with common practices within international companies operating in the technology sector.

With regard to the Management Board Stock Option Plan, all options shall be granted conditional to continued employment of the Management Board members only. The vesting of the options is not subject to the achievement of pre-determined performance criteria. The options will vest three years after the grant date.

The Supervisory Board confirmed that the unconditional option plan, where value only materialises upon the successful execution of the company's long-term strategy by the Management Board, reflects the company’s vision and the corresponding strategy considerations for 2015 to 2017 with a strong focus on top-line growth.

The annual stock option grants are set as a percentage of the fixed salary of the Management Board members. The level for the CEO was set to a grant value equivalent to 100% of the fixed salary (resulting in 210,000 stock options), and for the other two members of the Management Board to a grant value equivalent to 60% of the fixed salary (resulting in 115.000 stock option for Marina Wyatt and 110,000 stock options for Alain De Taeye). All 115,000 options granted to Marina Wyatt in 2015 lapsed on 1 August 2015, including all remaining 315,000 (unvested) options granted under respective 2013 and 2014 plans. The newly appointed CFO Taco Titulaer will only be eligible to the Management Board Stock Option Plan applicable as of 2016.

4. Benefits
Members of the Management Board are eligible for and can opt to participate in the company's pension plans or receive a contribution to their respective private pension plan. According to the Remuneration Policy, the contribution to be paid by the company on behalf of a member of the Management Board is based on a percentage of the gross annual base salary and is capped at 20% of the gross annual base salary.

Harold Goddijn has opted to waive his rights to take part in the company's pension plan or to receive a pension allowance; as a result he does not receive any contribution from the company.

The contributions to the respective private pension plan of Marina Wyatt and Alain De Taeye are capped at 20% of the individual gross annual base salary.

The 2015 company’s pension plan is based on a defined benefit part (up to €40,000) and a defined contribution part (for €40,000 - €100,000). As of 1 January 2015, the pensionable salary in the Netherlands has been capped at €100,000.

Under the 2015 company pension plan, Taco Titulaer pays a pension premium contribution of approximately 6.6% out of his pensionable-bearing salary. The company’s total pension contribution includes the company’s contribution to the company’s pension plan and a gross allowance that can be spent on private pension savings, and is capped at 20% of the CFO’s gross annual base salary in accordance with the Remuneration Policy.

In addition to the above-mentioned remuneration components, the Management Board members are entitled to remuneration for items such as medical insurance, death and disability insurance and car allowances. They also benefit from directors' and officers' liability insurance coverage. These benefits are in line with market practice. The company does not provide loans to members of the Management Board.

OUTLOOK 2016
The Supervisory Board does not intend to change the Remuneration Policy in the foreseeable future.

The base salary for the CEO remains under median market level. However, it was decided not to bring the CEO’s base salary closer to the median in 2016. The base salaries of the other two members of the Management Board are in line with the median market level. Neither of the salaries of the members of the Management Board need adjustment for 2016.

For the short-term incentive scheme for 2016 the Supervisory Board feels it is appropriate to apply KPIs and weighting that measures the company’s strategy. Given the continued focus on growing the business the KPIs for 2016 will continue as in 2015 reflecting a revenue KPI weighted at 50% and an EBIT KPI weighted at 50%.

The Supervisory Board is of the opinion that the unconditional Management Board Option Plan is appropriate and corresponds with the company's long-term focus on growth. To bring the long-term incentive component more in line with the market, the Supervisory Board decided to consider further in 2016 for implementation in 2017 to increase the percentage of the fixed salary of the Management Board members that determines the annual stock option grants.

EMPLOYEE ARRANGEMENTS AND SEVERANCE AGREEMENTS

The term of appointment for all members of the Management Board is four years, while the term of employment is indefinite. Management Board members may be re-appointed for another term of four years at a time. The employment of a member of the Management Board may be terminated by or on the initiative of TomTom with a notice period of 12 months. In such event, the Management Board member is entitled to a severance payment limited to 50% of one year's base salary, unless a higher statutory severance compensation applies. These terms will not apply if the employment of a member of the Management Board is terminated for any reason as set out in articles 7:677 (1) and 7:678 of the Dutch Civil Code. In such situations, the Management Board member will not be entitled to any severance compensation. A member of the Management Board will not be entitled to severance compensation if the employment is terminated by him or her, or on his or her initiative. Members of the Supervisory Board are not entitled to any benefits upon the termination of their appointment.

SELECTION AND APPOINTMENT COMMITTEE REPORT

This Selection and Appointment Committee Report describes the main items discussed by the Selection and Appointment Remuneration Committee (Committee) during the year 2015.

The Committee consists of three members: Peter Wakkie (Chairman), Guy Demuynck and Jacqueline Tammenoms Bakker.

COMMITTEE MEETINGS

The Selection and Appointment Committee met four times during the course of 2015, with an overall attendance rate of 100%. Each meeting was also attended by Alain De Taeye, the Head of HR and the Company Secretary.

COMMITTEE ACTIVITIES

Significant improvements have been made in 2015 with regards to the Committee's oversight of the company's talent management and succession planning for key positions within the organisation.

At the beginning of 2015, the HR strategy within the company was shared with the Committee and quarterly updates were provided by the Head of HR. Topics which were shared in this respect with the Committee were initiatives from management in view of career development, management and leadership, policies and compensation and benefits. Those initiatives all underpin the company's efforts on its talent management with the aim to attract, retain and develop talent.

It is important for the Supervisory Board to stay in touch with the talents within the company. Among others quarterly breakfast sessions were organised to facilitate a Meet & Greet between the Committee members and a selective number of talents. In an open and transparent setting the Committee was provided with feedback from the talents on several topics such as the TomTom culture and dynamics, specific business successes and operational challenges. The Committee members also had two meetings in 2015 with the Dutch Works Council.

The Committee focused on the company's progress on its succession planning for key positions within the company. On a quarterly basis, the Committee was updated on the recruitment status of vacant key positions and the leadership programme developed for talented senior leaders. An annual update was provided on TomTom's Diversity Programme.

The Committee took prompt actions when it was informed about the departure of Marina Wyatt, former CFO of the company. After conducting a thorough executive selection process, that included external and internal candidates, Taco Titulaer was selected for the position based on his understanding of the company and the market, as well as his extensive financial experience. The Committee and Supervisory Board are proud to have found a successor within the organisation. Mr Titulaer was appointed on 1 August 2015 as CFO of the company and on 8 October 2015 as a member of the Management Board by the General Meeting. In the light of this appointment, the composition of the Management Board and the succession planning of the other Management Board members were also discussed.

The Committee considered the succession planning and composition of the Supervisory Board. The term of Ben van der Veer will expire at the 2016 General Meeting by which time he will have served for eight years on the Supervisory Board. The Committee concluded its recommendation to the Supervisory Board to nominate Mr Van der Veer for re-appointment for a term of another one year. This will mean that he will have served nine years. The Committee reviewed and concluded on the profile of the Chairman of the Audit Committee and engaged with an external agency to search for an appropriate candidate to succeed Mr Van der Veer in 2017. This would provide ample time to secure a smooth transition to the new Chairman of the Audit Committee. Interviews were held with several candidates which resulted in a recommendation by the Committee to the Supervisory Board.

It resolved to recommend to the Supervisory Board to nominate Jack de Kreij for appointment for a first term of four years as a member of the Supervisory Board starting as of 1 January 2017.Mr De Kreij shall succeed Mr Van der Veer as Chairman of the Audit Committee after the date of the 2017 General Meeting.

Guy Demuynck decided to step down from the Supervisory Board after the 2016 General Meeting by which time he will have served for eleven years. As a result hereof, the Supervisory Board shall consist of five members as from the date of the 2016 General Meeting to be complemented with one member as of 1 January 2017 subject to the appointment of Mr De Kreij at the 2016 General Meeting.

The Committee carried out a self-assessment of the functioning of the Committee performed by an independent third-party. The significant progress made on the Committee's engagement in the company's talent management as well as succession planning for key positions within the organisation was identified as a positive trend.

Since the company's ambition is to be the employer of choice in the technology sector and to attract, develop and retain the best talents in the face of increasing competition for such talent, the Committee stressed the need to continue to focus on these topics also in 2016. The composition of the Supervisory Board and its succession planning shall also remain a high priority for the Committee.

AUDIT COMMITTEE REPORT

This report describes the main items discussed by the Audit Committee (Committee) during 2015. The role and responsibility of the Committee as well as the composition and the manner in which it discharges its duties are set out in the Audit Committee Charter, which is available on the TomTom website.

The Committee consists of three members: Ben van der Veer (Chairman), Doug Dunn and Anita Elberse.

COMMITTEE MEETINGS

The Committee met four times during the course of 2015, with an overall attendance rate of 93%. All four meetings were held prior to the publication of the financial results. All meetings were attended in full by the CFO and the Head of Business Assurance during the year. The other members of the Management Board attended the meetings as required (for instance, where group risks and internal controls were discussed). The external auditor attended each of the four Audit Committee meetings to address agenda items relating to the external financial reporting and related press releases. The Committee and the external auditor also met separately, without the Management Board present, in order to facilitate free and open discussions. Other employees were invited when the Committee deemed it necessary and appropriate.

COMMITTEE ACTIVITIES

The Committee assisted the Supervisory Board in its responsibility to oversee the system of internal controls and risk management, the company's financing and financial statements and its financial reporting process.

Throughout the year, the Committee monitored and reviewed the quarterly financial results and full year financial statements as presented under IFRS including the respective disclosures prior to their releases. Attention was paid to critical accounting policies, the valuation of goodwill and intangible assets and the clarity of the rules for disclosure, as well as the company's compliance with accounting standards, the requirements of NYSE Euronext Amsterdam and other corporate governance, legal and regulatory bodies.

During all quarterly Committee meetings, updates were provided on the maintenance and effectiveness of the system of internal controls and risk management relating to strategic, financial, operational and compliance matters. The company monitors its internal controls through a systematic approach, which is supported by the risk management process and the internal audit team. The Head of Business Assurance reports functionally to the Committee and administratively to the CFO.

The Committee further discussed items including the company's policies related to financing, cash and foreign exchange management. In relation to tax, the committee discussed the recommendations from the Organisation for Economic Cooperation and Development (OECD) on Base Erosion and Profit Shifting (BEPS) as well as 'Country by Country' reporting and changes in the Research & Development Aftrek (RDA). Regular updates were received by the Committee on TomTom's whistleblower programme. The Committee was provided with quarterly updates on the company's ongoing effort to maintain the appropriate level of a risk-based information security management.

The Committee carried out a self-assessment of the functioning of the Committee and concluded it works effectively.

The role and functioning of the Internal Audit function, including its independence, were regularly discussed and the internal audit plan was approved by the Committee. This plan considers the key risk areas of the business, important IT projects as well as the geographical spread of TomTom offices and the core activities performed there. In consultation with senior management, Internal Audit selects the areas of the business to be audited during the year. Members of the Committee and the Management Board may at any time request Internal Audit to carry out an internal audit or special consulting service. Compliance with the recommendations made in this respect were observed by the Committee. The Head of Business Assurance reported each quarter to the Committee.

EY was appointed by the 2015 General Meeting for a term of three years until 2017. The transition plan which was prepared to ensure minimal disruption to the business when moving to the new external auditor, was closely monitored.

The audit plan, including the scope and materiality applied, were approved by the Committee. The Committee evaluated the external auditor. Reviews and discussions were held between the Committee and the Management Board on the findings of the external auditor in its management letter and the actions taken by management to address the recommendations and observations made by the external auditor.

The Committee reviewed the independence of the external auditor, taking into account qualitative and quantitative factors, and concluded that EY had sufficient objectivity and independence to perform the external audit function. Below a summary is provided of services performed by EY, its network affiliates and the fees earned.

Breakdown of fees by type of service

(€ in thousands)	2015[1]	% of total	2014	% of total
Audit - group	360	61%	505	66%
Audit - statutory	155	26%	141	19%
Tax compliance[2]	76	13%	117	15%
TOTAL FEES	**591**	**100%**	**763**	**100%**

1. In 2015 the auditor of the group is Ernst & Young Accountants LLP. (2014: Deloitte Accountants BV.)
2. Tax compliance comprises foreign tax compliance services, including local tax filings and HR-related compliance services.

FINANCIAL STATEMENTS

The consolidated annual Financial Statements of the company for 2015, as prepared by the Management Board, have been audited by Ernst & Young Accountants LLP . The financial statements, the report and management letter of the external auditor were discussed extensively with the auditors by the Audit Committee in the presence of the Management Board, and by the full Supervisory Board with the Management Board.

The Supervisory Board is of the opinion that the 2015 Financial Statements of TomTom N.V. meet all requirements for correctness and transparency. The Supervisory Board has approved these Financial Statements for 2015. All individual members of the Supervisory Board and members of the Management Board have signed the Financial Statements for 2015 pursuant to the statutory obligations under article 2:101 (2) of the Dutch Civil Code.

The Supervisory Board recommends to the General Meeting to adopt the Financial Statements for 2015 and requests that the 2016 General Meeting discharge the members of the Management Board of their responsibility for the conduct of business in 2015 and the members of the Supervisory Board for their supervision in 2015. The Annual Report 2015 is available at the company's offices on request and on the company's website: **corporate.tomtom.com/annuals.cfm**.

The Supervisory Board would like to thank Marina Wyatt and Toine van Laack for their highly valued contributions to the company. The Supervisory Board would also like to thank TomTom's shareholders for their trust in the company and its management.

The Supervisory Board also would like to express its appreciation for the continued dedication and commitment of all employees and the Management Board.

Amsterdam, 9 February 2016

The Supervisory Board
Peter Wakkie
Doug Dunn
Guy Demuynck
Ben van der Veer
Jacqueline Tammenoms Bakker
Anita Elberse

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December

(€ in thousands)	Notes	2015	2014
REVENUE	4	**1,006,607**	**950,292**
Cost of sales	5	488,080	426,966
GROSS RESULT		**518,527**	**523,326**
Research and development expenses		185,443	174,014
Amortisation of technology and databases		76,694	88,100
Marketing expenses		83,438	69,559
Selling, general and administrative expenses		172,352	170,539
TOTAL OPERATING EXPENSES	6-9	517,927	502,212
OPERATING RESULT		**600**	**21,114**
Interest result	30	-925	-3,145
Other financial result	30	-7,343	-3,720
Result of associates	16	167	374
RESULT BEFORE TAX		**-7,501**	**14,623**
Income tax gain	10	25,794	8,032
NET RESULT		**18,293**	**22,655**
Attributable to:			
- Equity holders of the parent		18,122	22,549
- Non-controlling interests	26	171	106
NET RESULT		18,293	22,655
EARNINGS PER SHARE (in €)	25		
Basic		0.08	0.10
Diluted		0.08	0.10

The notes on pages 75 to 110 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December

(€ in thousands)	*Notes*	2015	2014
NET RESULT		**18,293**	**22,655**
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss:			
Actuarial gain / (losses) on defined benefit obligations	*6*	-96	-1,086
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		11,571	13,996
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**11,475**	**12,910**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**29,768**	**35,565**
Attributable to:			
- Equity holders of the parent		30,113	35,430
- Non-controlling interests		-345	135
TOTAL COMPREHENSIVE INCOME FOR THE YEAR[1]		**29,768**	**35,565**

1. The items in the statement above are presented net of tax of €9.3 million for 2015 (2014: €6.9 million).

The notes on pages 75 to 110 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

as at 31 December

(€ in thousands)	Notes	2015	2014
Goodwill	14	403,437	381,569
Other intangible assets	12	810,908	800,583
Property, plant and equipment	13	38,869	30,294
Investments in associates	16	3,546	3,289
Deferred tax assets	11	33,493	18,438
TOTAL NON-CURRENT ASSETS		1,290,253	1,234,173
Inventories	17	48,657	46,575
Trade receivables	18	138,593	133,266
Other receivables and prepayments	19	53,533	33,198
Other financial assets	20	967	1,186
Cash and cash equivalents	21	147,565	152,949
TOTAL CURRENT ASSETS		389,315	367,174
TOTAL ASSETS		**1,679,568**	**1,601,347**
Share capital	24	46,099	44,714
Share premium		1,035,451	986,683
Other reserves		228,216	202,289
Accumulated deficit		-340,956	-335,163
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		968,810	898,523
Non-controlling interests	26	1,723	2,073
TOTAL EQUITY		970,533	900,596
Borrowings	27	44,254	48,925
Deferred tax liability	11	149,806	166,551
Provisions	31	35,065	48,496
Deferred revenue	4	83,726	54,963
TOTAL NON-CURRENT LIABILITIES		312,851	318,935
Trade payables	22	94,951	88,218
Income taxes	10	4,382	6,621
Other taxes and social security		13,056	11,492
Borrowings	27	4,287	0
Provisions	31	32,573	34,074
Deferred revenue	4	103,147	90,717
Accruals and other liabilities	23	143,788	150,694
TOTAL CURRENT LIABILITIES		396,184	381,816
TOTAL EQUITY AND LIABILITIES		**1,679,568**	**1,601,347**

The notes on pages 75 to 110 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December

(€ in thousands)	Notes	2015	2014
Operating result		600	21,114
Financial (losses)		-2,364	-1,956
Depreciation, amortisation and impairment	8	123,096	114,711
Equity-settled stock compensation expense	7	3,788	4,126
Change in provisions		-15,386	-3,702
Change in working capital:			
Change in inventories		2,468	-3,549
Change in receivables and prepayments		-18,038	-11,592
Change in current liabilities (excluding provisions)[1]		29,115	15,568
CASH GENERATED FROM OPERATIONS		**123,279**	**134,720**
Interest received	30	504	1,467
Interest paid	30	-958	-3,817
Corporate income taxes (paid)		-4,050	-13,741
CASH FLOWS FROM OPERATING ACTIVITIES		**118,775**	**118,629**
Investments in intangible assets	12	-86,154	-72,700
Investments in property, plant and equipment	13	-21,577	-16,564
Acquisition of subsidiaries and other businesses	15	-46,651	-17,280
Dividend received	16	167	58
CASH FLOWS FROM INVESTING ACTIVITIES		**-154,215**	**-106,486**
Repayment of borrowings	27	0	-175,000
Change in utilisation of credit facility	27	-5,000	50,000
Change in non-controlling interest		-126	0
Dividends paid		0	-177
Proceeds on issue of ordinary shares	7	34,397	6,794
CASH FLOWS FROM FINANCING ACTIVITIES		**29,271**	**-118,383**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		**-6,169**	**-106,240**
Cash and cash equivalents at the beginning of period		152,949	257,785
Effect of exchange rate changes on cash balances held in foreign currencies		785	1,404
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		**147,565**	**152,949**

1. Includes movements in the non-current portion of deferred revenue presented under Non-current liabilities.

The notes on pages 75 to 110 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ in thousands)	*Notes*	Share capital	Share premium	Other reserves[1]	Accumulated deficit	Total	Non-controlling interests	Total equity
BALANCE AS AT 31 DECEMBER 2013		**44,435**	**977,087**	**160,087**	**-329,463**	**852,146**	**2,115**	**854,261**
COMPREHENSIVE INCOME								
Result for the year		0	0	0	22,549	22,549	106	22,655
OTHER COMPREHENSIVE INCOME								
Currency translation differences		0	0	13,967	0	13,967	29	13,996
Actuarial losses on defined benefit obligations		0	0	0	-1,086	-1,086	0	-1,086
TOTAL OTHER COMPREHENSIVE INCOME		0	0	13,967	-1,086	12,881	29	12,910
TOTAL COMPREHENSIVE INCOME		0	0	13,967	21,463	35,430	135	35,565
TRANSACTIONS WITH OWNERS								
Dividend paid		0	0	0	0	0	-177	-177
Stock compensation related movements	*7*	279	9,596	-36	1,108	10,947	0	10,947
OTHER MOVEMENTS								
Transfer to legal reserves		0	0	28,271	-28,271	0	0	0
BALANCE AS AT 31 DECEMBER 2014		**44,714**	**986,683**	**202,289**	**-335,163**	**898,523**	**2,073**	**900,596**
COMPREHENSIVE INCOME								
Result for the year		0	0	0	18,122	18,122	171	18,293
OTHER COMPREHENSIVE INCOME								
Currency translation differences		0	0	12,087	0	12,087	-516	11,571
Actuarial losses on defined benefit obligations		0	0	0	-96	-96		-96
TOTAL OTHER COMPREHENSIVE INCOME		0	0	12,087	-96	11,991	-516	11,475
TOTAL COMPREHENSIVE INCOME		0	0	12,087	18,026	30,113	-345	29,768
TRANSACTIONS WITH OWNERS								
Change in non-controlling interest		0	0	0	126	126	-5	121
Stock compensation related movements	*7*	1,385	48,768	-12,063	1,958	40,048	0	40,048
OTHER MOVEMENTS								
Transfer to legal reserves		0	0	25,903	-25,903	0	0	0
BALANCE AS AT 31 DECEMBER 2015		**46,099**	**1,035,451**	**228,216**	**-340,956**	**968,810**	**1,723**	**970,533**

1. Other reserves include Legal reserve and the Stock compensation reserve.

The notes on pages 75 to 110 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The notes are grouped into six sections. The notes contain the relevant financial information as well as a description of accounting policy applied for the topic of the individual notes.

SECTION 1: GENERAL INFORMATION AND BASIS OF REPORTING

SECTION 2: RESULTS OF THE YEAR

SECTION 3: NON-CURRENT ASSETS AND INVESTMENTS

SECTION 4: WORKING CAPITAL

SECTION 5: FINANCING, FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

SECTION 6: OTHER DISCLOSURES

SECTION 1: GENERAL INFORMATION AND BASIS OF REPORTING

This section introduces the basis of preparation and the general accounting policy applied to the consolidated financial statements as a whole, as well as a summary of the areas that involve significant judgements and estimates.

1. GENERAL

TomTom N.V. (the company) has its statutory seat and headquarters in Amsterdam, the Netherlands. The activities of the company include the development and sale of navigation and location-based solutions, which include among others: PNDs, sport watches, action cameras, maps, traffic, navigation software and fleet management services.

The consolidated financial statements comprise the company and its subsidiaries (together referred to as the group). A condensed income statement is presented in the company financial statements in accordance with section 402 of Part 9 of Book 2 of the Dutch Civil Code.

The financial statements have been prepared by the Management Board and authorised for issue on 9 February 2016. The financial statements will be submitted for approval to the General Meeting on 22 April 2016.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union.

The financial statements have been prepared on the historical cost basis, except for financial instruments (including derivatives) classified at fair value through profit or loss and derivatives used for hedging, which are stated at fair value.

Income and expenses are accounted for on an accrual basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

The general accounting policies applied to the consolidated financial statements as a whole are described below, while other significant accounting policies related to specific line items are described under the relevant note. The description of accounting policy in the notes forms an integral part of the description of the accounting policies in this section. Unless otherwise stated, these policies have been consistently applied to all the years presented.

NEW ACCOUNTING STANDARDS AND DEVELOPMENTS

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2015, have been adopted by the group from 1 January 2015. These standards and interpretations had no material impact for the group. All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2015 have not yet been adopted.

CHANGE IN ESTIMATES

In 2015, the group changed its estimate of the expected useful life of its new generation navigation technology to better reflect the longer time period the technology is expected to be deployed. This change resulted in lower amortisation charge of approximately €8 million for 2015.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and entities controlled either directly or indirectly by the company.

Control is achieved when the parent is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policy in line with the group.

All intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

FOREIGN CURRENCIES

The company's primary activities are denominated in euros. Accordingly, the euro is the company's functional currency, which is also the group's presentation currency. Items included in the financial information of individual entities in the group are measured using the individual entity's functional currency, which is the currency of the primary economic environment in which the entity operates.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised under 'Other financial result' in the income statement, except for gains and losses that arise from intercompany borrowings that form part of net investment in subsidiaries which are recognised in 'Other comprehensive income'.

Group companies and foreign operations

For consolidation purposes, the assets and liabilities of entities that have a functional currency other than the group's presentation currency are translated at the closing rate at the date of the balance sheet, whereas the income statement is translated at the average exchange rate for the period. Translation differences arising thereon are recognised in 'Other comprehensive income'.

CASH FLOW STATEMENTS

Cash flow statements are prepared using the indirect method. Cash flows from derivative instruments are classified consistently with the nature of the instrument.

3. ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make certain assumptions, estimates and judgements that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and the future periods if the revision affects both current and future periods.

The table below presents the areas that involve a higher degree of judgement or areas where assumptions and estimates are significant to the financial statements:

	Note
Revenue recognition	4
Internally generated intangible assets	12
Impairment of non-financial assets	14
Income tax	10 - 11
Provisions and contingent assets / liabilities	31 - 32

Detailed explanations of the degree of judgement and assumptions used are included under each of the respective sections in the notes to the financial statements as referenced above.

SECTION 2: RESULTS OF THE YEAR

This section presents the notes related to items in the income statement (except for financial income and expenses) and disclosure on operating segments. If applicable, relevant notes on balance sheet items related to the respective items in the income statement are presented in this section. A detailed description of the results for the year is provided in the business and financial review by business unit and group financial review sections in the Management Board report.

4. SEGMENT REPORTING AND REVENUE

The operating segments are identified and reported on the basis of internal reports about components of the group that are regularly reviewed by the Management Board to assess the performance of the segments.

The group's internal management reporting is structured primarily on the basis of the market segments in which the four operating segments - Consumer, Automotive, Licensing and Telematics - operate. Consumer generates revenue mainly from the sale of PNDs, sport watches, action cameras, maps and related navigation products and services. The Automotive business unit develops and sells navigation software components, services and content to car manufacturers and Tier 1 suppliers worldwide. Licensing generates revenue by licensing navigation software components, services and content to a wide range of customers, and Telematics provides fleet management services and related products to fleet owners including sale and/or rental of hardware products associated with the services.

Management assesses the performance of segments based on the measures of revenue and earnings before interest and taxes (EBIT), whereby the EBIT measure includes allocations of expenses from supporting functions within the group. Such allocations have been determined based on relevant measures that reflect the level of benefits of these functions to each of the operating segments. As the four operating segments serve only external customers, there is no inter-segment revenue. The effects of non-recurring items such as goodwill impairment are excluded from management's measurement basis. Interest income and expenses and tax are not allocated to the segments. There is no measure of segment (non-current) assets and/or liabilities provided to the Management Board. The non-current assets within the group include a significant portion of the carrying value of the step up resulting from the Tele Atlas acquisition in 2008. As this step up is not geographically allocated to the respective regions for internal management reporting, we believe that disclosure of geographic allocation would be highly judgemental and would not give a true representation of geographical spread of the group's assets.

(€ in thousands)	2015	2014
Consumer	623,648	619,099
Automotive	105,884	109,409
Licensing	142,117	111,575
Telematics	134,958	110,209
TOTAL REVENUE	**1,006,607**	**950,292**
The EBIT of each segment is as follows:		
Consumer[1]	2,636	36,168
Automotive[2]	-33,924	- 28,685
Licensing	48	- 11,360
Telematics	39,686	33,801
TOTAL EBIT	**8,446**	**29,924**
The EBITDA of each segment is as follows:		
Consumer	14,055	55,349
Automotive	26,133	20,093
Licensing	42,286	30,091
Telematics	49,030	39,102
TOTAL EBITDA	**131,504**	**144,635**

1. Consumer EBIT in 2015 includes a one-off gain of €9.0 million from a settlement of a legal case.
2. Automotive EBIT in 2015 includes an impairment charge of €11.5 million.

A reconciliation of the segment performance measure (EBIT) to the group's result before tax is provided below.

(€ in thousands)	2015	2014
Total Segment EBIT	**8,446**	**29,924**
Unallocated expenses	-7,846	-8,810
Interest result	-925	-3,145
Other finance result	-7,343	-3,720
Result of associates	167	374
RESULT BEFORE TAX	**- 7,501**	**14,623**

A breakdown of the external revenue to types of products and services and to geographical areas is as follows.

(€ in thousands)	2015	2014
External revenue by products and services		
Sale of goods[1]	586,089	578,086
Rendering of content and services	202,562	188,600
Royalty revenue	217,956	183,606
TOTAL	**1,006,607**	**950,292**

1. Includes navigation software and map components sold initially in bundle with the hardware.

The geographical split of the group's revenue from sale of goods and content and services is based on the location of the customers, while the split for royalty revenue is based on the coverage of the group's geographical map data and other contents.

(€ in thousands)	2015	2014
External revenue by geographical areas		
Europe[1]	771,491	718,767
North America[2]	186,115	163,461
Rest of world	49,001	68,064
TOTAL	**1,006,607**	**950,292**

1. Germany, France and the United Kingdom accounted for respectively 22%, 13% and 13% of our 2015 group revenue.
2. The North American revenue in 2015 is generated mainly in the United Stated of America.

Total revenue generated in the Netherlands during 2015 amounted to €65 million (2014: €74 million). The group has no significant concentration of sales from a particular individual external customer.

ACCOUNTING POLICY

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products and/or services delivered in the normal course of business. Revenue is recognised net after deductions of estimated probable customer returns, rebates and other similar allowances whenever applicable. The revenue recognition policy for each type of revenue or their combination is presented below:

SALE OF GOODS

Revenue from the sale of goods is only recognised when the risks and rewards of ownership of goods are transferred to the customers, which include distributors, retailers, end users and OEMs. The risks and rewards of ownership are generally transferred at the time the product is shipped and delivered to the customer and, depending on the delivery conditions, title and risk have passed to the customer and acceptance of the product, when contractually required, has been obtained. In cases where contractual acceptance is not required, revenue is recognised when management has established that all aforementioned conditions for revenue recognition have been met.

ROYALTY REVENUE

Royalty revenue is generated through licensing of geographic and/or other traffic-/location-based content to customers. Revenue is recognised on an accrual basis based on the contractual terms and substance of the relevant arrangements with the customers.

SALE OF SERVICES

Services revenue is generated from the sale of traffic and map update services, content sales, connected navigation and fleet management services to commercial fleets. The revenue relating to the service element is recognised over the agreed or estimated service period on a straight-line basis. In arrangements where devices are rented out to the customer in Telematics, the rental revenue is included in the revenue from subscriptions.

MULTIPLE-ELEMENT ARRANGEMENTS

The group's product and services offerings include arrangements that require the group to deliver equipment (e.g. navigation hardware) and/or a number of services (e.g. map update services) under one agreement, or under a series of agreements that are commercially linked (referred to as 'multiple-element arrangements'). In such multiple-element arrangements, the consideration received is allocated to each separately identifiable element, based on the estimated relative fair values of each identifiable element. To the extent that there is a discount on the arrangement, the discount is allocated between the elements of the contract in such a manner as to reflect the fair value of the elements and the substance of the transaction. The amount of revenue allocated to the hardware element is recognised in line with the accounting policy for the sale of goods as described above. The revenue relating to the service element is recognised over the agreed or estimated service period on a straight-line basis, which varies on average from 3 months to 48 months (for lifetime services).

SIGNIFICANT ESTIMATES

Significant revenue estimates include the estimates of various pricing allowances deducted from the revenue as well as the estimates of relative fair value of various elements in multiple-element arrangements.

The estimated sales return deduction is based upon historical data on the return rates and information on the inventory levels in the distribution channel. For sales incentives including channel- and end user rebates, the reduction in revenue is based on the group's historical experience, taking into account future expectations on rebate payments. If there is excess stock at retailers when a price reduction becomes effective, the group will compensate its customers on the price difference for their existing stock, provided certain criteria are met. To reflect the costs related to known price reductions in the income statement, an accrual is created against revenue based on an estimate of the inventory levels in the channel and future price reductions.

In the absence of a stand-alone selling price, the fair value of each element under a multiple-element arrangement is estimated using other methods allowed under IFRS, such as the cost plus reasonable margin or the residual method or a combination thereof. In making such estimates, management make use of judgement and assumptions to arrive at an outcome that best reflects a transaction's substance. Total deferred revenue balance relating to the elements deferred under such multiple-element arrangements as at 31 December 2015 amounted to €106 million (31 December 2014: €85 million).

DEFERRED REVENUE BALANCE BY SEGMENT

Deferred revenue amounted to €187 million at the end of the year (2014: €146 million). The year on year increase mainly related to the increase of deferred revenue from the lifetime maps and traffic services bundled in our PND ranges as well as an increased deferred revenue position related to Licensing and Automotive contracts with upfront payments.

(€ in thousands)	2015	2014
Consumer	130,385	104,807
Automotive	22,614	12,575
Licensing	31,180	25,646
Telematics	2,694	2,652
TOTAL	**186,873**	**145,680**

5. COST OF SALES

The group's cost of sales consists of material costs for goods sold to customers, royalty and license expenses and fulfillment costs incurred on inventory sold during the year as well as amortisation and impairment of certain technologies specifically developed/used for particular customers.

6. PERSONNEL EXPENSES

Included in the operating expenses are, amongst others, the following items:

(€ in thousands)	2015	2014
Salaries	178,776	155,771
Social security costs	34,257	26,478
Pensions	9,415	7,758
Share-based compensation[1]	20,511	8,742
Other[2]	28,661	49,596
PERSONNEL EXPENSES	**271,620**	**248,345**

1. Share-based compensation increased mainly due to an increase of the share price over 2015 (31 Dec 2015: €11.6, 31 Dec 2014: €5.5)
2. Other personnel expenses include costs of secondary benefits such as health insurance, vehicle lease costs, sales commissions and bonuses offset by capitalised personnel expenses in an amount of €60.0 million (2014: €47.9 million).

The average number of employees (in FTE equivalents) in 2015 was 4,301 (2014: 3,888) spread across the following functional areas:

	2015	2014
Research and development	2,913	2,602
Marketing	114	97
Sales, general and administrative	1,274	1,189
TOTAL	**4,301**	**3,888**

At 31 December 2015, the group had 4,666 (2014: 4,172) employees. During 2015, 3,169 of employees worked outside the Netherlands (2014: 2,797). The increase in our average employees is mainly driven by increased headcount in our R&D departments as well as in Telematics sales force.

PENSIONS

The group's pension plans primarily comprise of defined contribution plans, limiting the employer's legal obligation to the amount it agrees to contribute during the period of employment and a defined benefit plan for a German subsidiary. This defined benefit plan is unfunded and has no plan asset. Management is of the opinion that the plan has limited risks to the group as it was frozen in 2007. In the extraordinary event that the group is unable to meet its obligations, the participants will receive (partial) payments from a state-owned pension protection fund.

The total pension costs of €9.4 million (2014: €7.8 million) consist of the costs of the defined contribution plans of €9.2 million (2014: €7.5 million) and of the German-defined benefit plan of €0.2 million (2014: €0.3 million).

The movement of the German-defined benefit obligation is presented below:

(€ in thousands)	2015	2014
PRESENT VALUE OF OBLIGATION AS AT 1 JANUARY	**8,383**	**6,763**
Current service cost	60	36
Interest cost	192	229
	8,635	7,028
Remeasurements:		
- Experience (gains) / losses due to change in demographical assumptions	-130	59
- Losses from change in financial assumptions	265	1,394
	135	1,453
Benefits paid	-35	-98
PRESENT VALUE OF OBLIGATION AS AT 31 DECEMBER	**8,735**	**8,383**

The service cost and the interest cost are recognised as pension costs, while the actuarial (gains)/losses are credited/charged to 'Other comprehensive income'. The defined benefit obligation is included as part of 'Other provisions' as disclosed in Note 31.

The significant actuarial assumptions were as follows:

	2015	2014
Discount rate	2.10%	2.30%
Average life expectancy[1]	20	21

1. The above average life expectancy is the average actual value for males and females retiring at age 65 set in accordance with the common German mortality tables 'Heubeck 2005 G'.

A 0.1% increase or decrease in discount rate would result in a decrease or increase in the defined benefit obligation of approximately €0.1 million and a 1-year increase or decrease in average life expectancy would result in a €0.1 million increase or decrease in the defined benefit obligation.

In Italy, employees are paid a leaving indemnity on termination of their employment. This is a statutory payment based on Italian civil law. An amount is accrued each year based on the employee's remuneration and previously revalued accruals. The indemnity has the characteristics of a defined contribution obligation and is an unfunded, but fully provided liability. This liability is included as part of 'Accruals and other liabilities'.

Employees in the United States are offered the opportunity to participate in the 401K pension plan, which involves no contribution or obligation from the group besides withholding and paying the employee's contribution.

ACCOUNTING POLICY

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when service has been rendered to the group. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction of future payments is available.

In relation to the defined benefit plan, the group recognised a liability on the balance sheet based on the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and which have terms to maturity approximating to the terms of the related pension obligation.

Service costs and interest costs are charged to the pension expenses. Actuarial gains and losses are charged or credited to equity in 'Other comprehensive income' in the period in which they arise.

7. SHARE-BASED COMPENSATION

The group operates two equity-settled plans as well as a cash-settled phantom share plan. The purpose of the share-based compensation is to retain management and employees and align the interests of management and eligible employees with those of shareholders, by providing additional incentives to improve the group's performance on a long-term basis.

STOCK OPTION PLANS AND RESTRICTED STOCK PLAN

The group's equity-settled share-based payment plans comprise of stock option plans and a restricted stock plan.

The group has adopted stock option plans for members of the Management Board and eligible employees. Under the schemes, the General Meeting has granted options to members of the Management Board to subscribe for shares. The Management Board in turn has granted options to eligible employees.The options granted from 2011 onwards will vest after three years (cliff vesting). The options cannot be transferred, pledged or charged and may be exercised only by the option holder over a period of seven years from the grant date but only after completion of the three year vesting period. Options expire after the exercise period. The options will be covered at the time of exercise by issuing new shares.

As from 2011, the group also introduced a restricted stock plan to retain a selected group of talented employees. Each restricted-stock unit gives the right to receive one TomTom share after a three-year vesting period and qualifies as an equity-settled plan. The costs that arise from this plan are spread over the vesting period and have been determined based on TomTom's share price at the grant date. Total 2015 stock compensation expenses charged to the stock compensation reserve for this plan amounted to €133 thousand (2014: €228 thousand). As this plan is not material, no further disclosures are provided.

The following table summarises movements in the equity reserve relating to the stock options and the restricted stock units during 2015:

(€ in thousands)	2015	2014
Opening balance	29,405	29,441
Stock compensation expense	3,788	4,126
Transfer to accumulated deficit	-210	-936
Stock options and restricted stock plans excercised	-15,641	-3,226
CLOSING BALANCE	**17,342**	**29,405**

The following table summarises information about the stock options outstanding on 31 December 2015:

Year of grant	Number outstanding at 31-12-2015	Exercise price per share (€)	Weighted average remaining life	Number exercisable at 31-12-2015	Weighted average exercise price (€)
2009	1,411,153	5.71-6.00	0.46	1,411,153	5.75
2010	1,480,983	4.81-5.48	1.35	1,480,983	5.34
2011	476,500	6.08-6.20	2.36	476,500	6.12
2012	1,447,000	3.34-3.88	3.36	1,447,000	3.50
2013	2,496,000	3.36-5.90	4.35	-	n/a
2014	1,747,880	4.93-5.28	5.36	-	n/a
2015	1,472,620	7.60-7.83	6.36	-	n/a

A summary of the group's stock option plans and the movements during the years 2015 and 2014 are presented below:

Option plans	2015		2014	
	No.	Weighted average exercise price (€)	No.	Weighted average exercise price (€)
OUTSTANDING AS AT 1 JANUARY	**16,461,793**	**4.80**	**17,182,090**	**5.39**
Granted	1,594,420	7.80	1,960,080	5.24
Exercised	-6,864,159	5.03	-1,363,610	5.96
Expired	-14,568	5.94	-691,485	8.00
Forfeited	-645,350	4.80	-625,282	5.21
OUTSTANDING AS AT 31 DECEMBER	**10,532,136**	**5.07**	**16,461,793**	**4.80**

The fair value of the stock options granted was determined using the binomial tree model. This model contains the input variables, including the risk-free interest rate, volatility of the underlying share price, exercise price and share price at the date of grant. The fair value calculated is allocated on a straight-line basis over the vesting period, based on the group's estimate of equity instruments that will eventually vest.

	2015	2014
Share price at grant date (€)	7.60	5.28
Exercise price (€)	7.60-7.83	4.93-5.28
Expected volatility	42%	45%
Expected average option life in years	5.3	5.3
Weighted average risk-free rate	0.60%	0.98%
Expected dividends	Zero	Zero

The option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Volatility is determined using industry benchmarking for listed peer group companies as well as the historic volatility of the TomTom NV's stock. The group's employee stock options have characteristics that are significantly different from those of traded options, and changes in the subjective input assumptions can affect the fair value estimate.

PHANTOM SHARE PLAN

The existing phantom share plan was introduced in 2011. Under this plan, eligible employees are entitled to receive a cash payment equal to the value of the number of shares that have vested. These cash-settled phantom shares are conditional on the employee completing three years of service (the vesting period). On 31 December 2015, the outstanding liability with regard to the phantom share plan was €18.4 million (2014: €8.0 million).

The following table provides the movement in the number of phantom shares.

	2015	2014
OUTSTANDING AS AT 1 JANUARY	**2,994,330**	**2,356,730**
Vested and paid out	-769,100	-393,300
Granted	850,350	1,235,855
Forfeited	-264,080	-204,955
OUTSTANDING AS AT 31 DECEMBER	**2,811,500**	**2,994,330**

ACCOUNTING POLICY

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period. The costs are determined based on the fair value of the granted instruments and the number expected to vest. At each balance sheet date, the group revises its estimates of the number of instruments expected to vest. Cash-settled share-based payments are initially recognised at the fair value of the liability and are expensed over the vesting period. The liability is remeasured at each balance sheet date to its fair value, with all changes recognised immediately as either a profit or a loss.

8. DEPRECIATION AND AMORTISATION

Total depreciation, amortisation and impairment for the year was €123.1 million (2014: €114.7 million) of which €21.6 million (2014: € 6.1 million) is included in cost of sales. Excluding the impairment charge of €11.5 million, the amortisation charge would be slightly lower in 2015 mainly driven by an €8 million decrease as a result of a change in expected useful life of certain navigation technologies offset by higher amortisation from other intangibles.

(€ in thousands)	2015	2014
Amortisation[1]	108,609	102,089
Depreciation	14,487	12,622
TOTAL	**123,096**	**114,711**

1. Amortisation charge in 2015 includes an €11.5 million impairment.

Amortisation charge totalling €108.6 million (2014: €102.1 million) are included in the following line items in the Income Statement:
- Cost of sales: €21.0 million (2014: €5.7 million) of which impairment €11.5 million (2014: nil);
- Amortisation of technology and databases: €76.7 million (2014: €88.1 million);
- R&D expenses: €0.9 million (2014: €2.2 million); and
- Selling, general and administration expenses: €10.0 million (2014: €6.1 million)

Reference is made to Note 14 for an explanation of the impairment charge.

9. GOVERNMENT GRANTS

In 2015, the group received government grants amounting to €5.6 million, in relation to the research and development activities performed by the group (2014: €4.7 million) which have been accounted as a deduction of wage tax expense in line with the nature of the grants.

ACCOUNTING POLICY

Government grants are recognised at their fair value when there is a reasonable assurance that the group will comply with the conditions attached to them, and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the group with no future related costs, are recognised as a deduction of the related expense in the period in which they become receivable.

10. INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax. The activities of the group are subject to corporate income tax in several countries, depending on presence and activity. The applicable statutory tax rates vary between 12.5% and 41.0%.

The different tax jurisdictions in which the group operates can cause the Effective Tax Rate (ETR) to differ from the Dutch corporate tax rate.

(€ in thousands)	2015	2014
Current tax	-880	4,054
Deferred tax	-24,914	-12,086
INCOME TAX (GAIN) / EXPENSE	**-25,794**	**-8,032**

In 2015, the ETR was 343.9% compared with -54.9% last year. The reconciliation between the tax charge on the basis of the Dutch tax rate and the ETR is as follows:

	2015	2014
Dutch tax rate	**25.0%**	**25.0%**
(Lower) / higher weighted average statutory rate of group activities	-13.2%	9.8%
Income exempted from tax	38.8%	-26.2%
Non-deductible expenses and non-expense deductibles	14.3%	17.7%
Capitalisation of losses	14.0%	-19.6%
Effect of prior years' settlements and/or adjustments[1]	148.3%	-40.6%
Remeasurement of deferred tax[2]	103.5%	-25.6%
Other	13.3%	4.7%
EFFECTIVE TAX RATE	**343.9%**	**-54.9%**

1. The effect of prior year's settlements and/or adjustments for 2015 was €11.1 million.
2. Remeasurement of deferred tax resulted in a gain of €7.8 million in 2015.

Our ETR for the year is primarily impacted by the remeasurement of deferred tax assets and liabilities and the effect of prior years' settlements. The remeasurement of deferred tax assets and liabilities to a lower tax rate mainly relates to the application of the innovation box facility in the Netherlands. The effect of prior years' settlements is the consequence of one-off releases of provisions, mainly due to expirations of statutes of limitations and finalisations of tax audits.

The income tax credited directly in equity in 2015 amounted to €9.3 million (2014: credit of €6.9 million). This mainly relates to current year tax losses resulting from the foreign currency revaluation of certain intercompany borrowings that have been charged through equity as they form part of net investment in subsidiaries.

ACCOUNTING POLICY

Current and deferred taxes are recognised as an expense or income in the profit and loss account, except when they relate to items that arise from initial accounting for a business combination or items credited or debited directly to equity. For the latter, the tax is also recognised either in Other comprehensive income or directly in equity. The group's income tax expense is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

11. DEFERRED INCOME TAX

As at 31 December 2015, the group had a deferred tax liability of €149.8 million (2014: €166.6 million) and a deferred tax asset of €33.4 million (2014: €18.4 million). The deferred tax asset and liability result from timing differences between the tax and accounting treatment of intangible assets, cash-settled share-based payments, certain provisions and tax loss carry forwards.

(€ in thousands)	2015	2014
DEFERRED TAX		
To be recovered after more than 12 months	-113,043	-147,016
To be recovered within 12 months	-3,270	-1,097
TOTAL	**-116,313**	**-148,113**

The movement of deferred tax is as follows:

(€ in thousands)	Stock compensation expense	Other	Intangible assets	Provisions	Assessed losses	Total
BALANCE AS AT 31 DECEMBER 2013	**1,326**	**-595**	**-195,087**	**6,238**	**26,072**	**-162,046**
Acquisitions through business combination	0	0	-3,705	0	0	-3,705
(Charged)/credited to income statement	668	437	12,899	497	-2,415	12,086
(Charged)/credited to equity	0	0	0	436	6,430[1]	6,866
Currency translation differences	0	-200	-4,386	-460	3,732	-1,314
BALANCE AS AT 31 DECEMBER 2014	**1,994**	**-358**	**-190,279**	**6,711**	**33,819**	**-148,113**
Acquisitions through business combination	0	129	-2,012	0	0	-1,883
(Charged)/credited to income statement	2,607	631	16,757	-1,413	-991	17,591
(Charged)/credited to equity	0	0	0	-31	9,305[1]	9,274
Impact of remeasurement (charged)/credited to income statement	-553	0	7,916	0	-30	7,333
Currency translation differences	0	102	-3,166	679	1,870	-515
BALANCE AS AT 31 DECEMBER 2015	**4,048**	**504**	**-170,784**	**5,946**	**43,973**	**-116,313**

1. The amounts credited to equity mainly relate to tax losses for the respective years resulting from the foreign currency revaluation of certain intercompany borrowings that have been charged through equity as they form part of net investment in subsidiaries.

Deferred tax balances are presented in the balance sheet as follows:

(€ in thousands)	2015	2014
Deferred tax assets	33,493	18,438
Deferred tax liabilities	-149,806	-166,551
TOTAL	**-116,313**	**-148,113**

The group has in some jurisdictions tax loss carry forwards that have not been recognised as deferred tax assets as the amounts as well as possible future recovery of these losses against future taxable income are uncertain. As at 31 December 2015, these losses amounted to approximately €86.0 million (2014: €90.0 million). These losses have no future expiry date.

ACCOUNTING POLICY

Deferred taxes are calculated using the liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled, using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

SIGNIFICANT ESTIMATES

The determination of the group's provision for income tax as well as deferred tax assets and liabilities involves significant judgements and estimates on certain matters and transactions, for which the ultimate outcome may be uncertain. If the final outcome differs from the group's estimates, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

SECTION 3: NON-CURRENT ASSETS AND INVESTMENTS

The notes in this section specify the group's non-current assets including investments made during the year either through separate asset acquisitions or business combinations.

12. INTANGIBLE ASSETS

(€ in thousands)	2015	2014
Goodwill	403,437	381,569
Other intangible assets	810,908	800,583
TOTAL INTANGIBLE ASSETS	**1,214,345**	**1,182,152**

The movements in the intangible assets are as follows:

(€ in thousands)	Goodwill	Database and tools[3]	Internally generated	Other[1]	Total
BALANCE AS AT 31 DECEMBER 2013					
Investment cost	1,902,489	997,021	143,319	238,172	3,281,001
Accumulated amortisation and impairment	-1,520,920	-299,315	-83,656	-191,906	-2,095,797
	381,569	697,706	59,663	46,266	1,185,204
Movements					
Investments	0	38,114	30,434	5,203	73,751
Acquisitions through business combination	0	381	0	24,167	24,548
Disposal (net)	0	-17	-125	-63	-205
Amortisation charges	0	-66,972	-26,801	-8,317	-102,090
Currency translation differences	0	720	82	142	944
	0	**-27,774**	**3,590**	**21,132**	**-3,052**
BALANCE AS AT 31 DECEMBER 2014					
Investment cost	1,902,489	1,036,892	139,741	250,795	3,329,917
Accumulated amortisation and impairment	-1,520,920	-366,960	-76,488	-183,397	-2,147,765
	381,569	669,932	63,253	67,398	1,182,152
Movements					
Investments	0	44,649	36,140	13,183	93,972
Acquisitions through business combination	21,868	10,942	0	15,459	48,269
Disposal (net)[2]	0	0	0	-36	-36
Amortisation charges	0	-66,051	-18,377	-12,697	-97,125
Impairment	0	0	-11,484	0	-11,484
Currency translation differences	0	-1,846	283	160	-1,403
	21,868	**-12,306**	**6,562**	**16,069**	**32,193**
BALANCE AS AT 31 DECEMBER 2015					
Investment cost	1,924,357	1,068,496	171,443	239,146	3,403,442
Accumulated amortisation and impairment	-1,520,920	-410,870	-101,628	-155,679	-2,189,097
	403,437	**657,626**	**69,815**	**83,467**	**1,214,345**

1. Other intangible assets include technology, customer relationships, brand name and software.
2. During the year we disposed certain intangibles. The total gross amount of the assets disposed across all asset classes was €66.9 million (2014: €51.8 million).
3. The database as acquired at acquisition date (June 2008) represents geographical content data used for the group's digital maps and has a remaining useful life of 12 years and 5 months.

ACCOUNTING POLICY

GOODWILL
Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition and is carried at cost less accumulated impairment losses.

INTANGIBLE ASSETS OTHER THAN GOODWILL
Intangible assets other than goodwill comprise of assets that have been acquired separately either through separate asset acquisitions or business combinations and assets that have been generated internally such as the group's core technology and geographical content database.

INTERNALLY GENERATED INTANGIBLE ASSETS
Internal development costs for core technology are recognised as an intangible asset if, and only if, all of the following have been demonstrated:
- The technical feasibility to complete the project;
- The intention to complete the intangible asset, and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate resources to complete the project; and
- The cost of developing the asset can be measured reliably.

Internally generated databases are capitalised until a certain level of map coverage is reached and ongoing activities focus on maintenance. At this point, capitalisation is discontinued.

Internal software costs relating to development of non-core software with an estimated average useful life of less than one year and engineering costs relating to the detailed manufacturing design of new products are expensed in the period in which they are incurred.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. All expenditures on research activities are expensed in the income statement as incurred.

ACQUIRED INTANGIBLE ASSETS
Definite-lived intangible assets acquired separately are initially recognised at cost. The cost of assets acquired separately includes directly attributable costs to bring the asset to its intended use. Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, all intangible assets other than goodwill are carried at cost less accumulated amortisation and accumulated impairment losses.

The amortisation of other intangible assets is recorded on a straight-line basis over the following estimated useful lives as follows:
- Internally generated core technology: 3-5 years;
- Databases and tools: 5-20 years;
- Customer relationships: 5-27 years;
- Computer software: 2-5 years;
- Acquired technology: 4-5 years.

Customer relationships include customers for maps; there is a high cost involved in changing map providers and historically there is a high customer retention.

SIGNIFICANT ESTIMATES

Management made use of assumptions and judgement in assessing the expected future economic benefits that can be attributed to the internally generated technology, databases and tools, as well as their expected useful lives. For internally generated databases, assumption is also made on the level of completion, at which point the capitalisation is discontinued and future activities are considered as maintenance.

Such estimates are made on a regular basis, as they can be significantly affected by changes in technology and other factors.

13. PROPERTY, PLANT AND EQUIPMENT

(€ in thousands)	Furniture and fixture	Computer and harware	Other[1]	Total
BALANCE AS AT 31 DECEMBER 2013				
Investment cost	14,328	51,638	48,089	114,055
Accumulated amortisation and impairment	-12,590	-38,883	-36,778	-88,251
	1,738	12,755	11,311	25,804
Movements				
Investments	1,945	8,186	6,354	16,485
Transfer between categories	270	297	-567	0
Acquisitions through business combination	6	303	10	319
Disposals (net)	-60	-73	-50	-183
Depreciation charges	-647	-5,859	-6,116	-12,622
Currency translation differences	86	242	163	491
	1,600	3,096	-206	4,490
BALANCE AS AT 31 DECEMBER 2014				
Investment cost	10,499	53,769	36,811	101,079
Accumulated amortisation and impairment	-7,161	-37,918	-25,706	-70,785
	3,338	15,851	11,105	30,294
Movements				
Investments	2,217	11,437	8,950	22,604
Acquisitions through business combination	134	859	133	1,126
Disposals (net)[2]	-12	-1,013	-118	-1,143
Depreciation charges	-1,117	-7,849	-5,521	-14,487
Net foreign currency exchange differences	65	284	126	475
	1,287	3,718	3,570	8,575
BALANCE AS AT 31 DECEMBER 2015				
Investment cost	12,441	63,974	45,779	122,194
Accumulated amortisation and impairment	-7,816	-44,405	-31,104	-83,325
	4,625	**19,569**	**14,675**	**38,869**

1. Other assets balance as at 31 December 2015 mainly comprises of leasehold improvements with a carrying value of €4.8 million (31 December 2014: €4.2 million).
2. The total gross amount of the assets disposed across all asset classes was €4.3 million (2014: €31.8 million).

The costs for operating leases in 2015 amounted to €14.1 million (2014: €13.0 million). For disclosures of our operating lease commitments reference is made to note 32 Commitments, contingent assets and liabilities.

ACCOUNTING POLICY

The group leases certain property, plant and equipment. Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the group. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term. Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment charges. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Furniture and fixtures: 4-10 years;
- Computer equipment and hardware: 2-7 years;
- Vehicles: 4 years;
- Tools and moulds: 1-2 years;
- Leasehold improvements: 4-10 years.

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end, with the effect that any changes in estimate are accounted for on a prospective basis. The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in profit or loss.

14. IMPAIRMENT TESTING OF NON-FINANCIAL ASSETS

Non-financial assets comprises of goodwill, other intangible assets and property, plant and equipment.

At the end of 2015 we recorded an impairment charge of €11.5 million on certain technologies which have been specifically developed and attributed to certain customer contracts in Automotive . The impairment was triggered by lower projections of future cash flows on those contracts which resulted in lower recoverable amounts (determined based on discounted cash flow model) in comparison with their respective carrying value.

Goodwill is allocated to the operating segments identified according to the core business activities as monitored by management for the purpose of impairment testing. The allocation is made to those operating segments that are expected to benefit from the business combination in which the goodwill arose.

A segment-level summary of the goodwill allocation for the group's segments in 2015 and 2014 is presented below:

(€ in thousands)	2015	2014
Consumer	168,687	168,687
Automotive	83,389	83,389
Licensing	85,217	85,217
Telematics	66,144	44,276
TOTAL	**403,437**	**381,569**

ACCOUNTING POLICY

Assets, such as goodwill, that have an indefinite useful life, which are not subject to amortisation, and intangible assets not yet ready to use are tested for impairment at least annually, or whenever management identifies conditions that may trigger a risk of impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount and is recognised immediately in the income statement. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In estimating the recoverable amount, management is required to make an estimate of the expected future cash flows from the cash-generating unit in the forecasted period and also to determine a suitable discount rate in order to calculate the present value of those cash flows. Such estimates might be subject to a certain degree of judgement and uncertainty.

Non-financial assets, other than goodwill, which have been subject to an impairment, are reviewed for possible reversal of the impairment at each reporting date.

SIGNIFICANT ESTIMATES

IMPAIRMENT TEST OF GOODWILL

The recoverable amount of a segment is determined based on the higher of the value in use or fair value less costs of disposal calculations. The fair value less costs of disposal calculation resulted in a higher recoverable amount.

The calculations of fair value less costs of disposal use post-tax cash flow projections based on financial forecasts approved by management covering a five-year period (forecasted period). Management's cash flow projections for each of the segments in the forecasted period are based on management's assumptions on the expected revenue growth rate, gross margin and operating margin after allocation of operating expenses from shared units, taking into account management's expectation of market size and market share development.

The revenue projections of Consumer and Licensing in the forecasted period show a single digit growth rate, while Automotive and Telematics revenues are projected to grow significantly throughout the forecasted period. Given the limited visibility on the longer-term growth, the growth rates in the later years are more subject to uncertainty compared to the earlier years. Gross margin and operating margin projections of each of the segments are consistent with the expected revenue developments. The growth rates after the forecasted period as well as the discount rate used for each of the segments are presented in the table below. The input to the group's key assumptions include those that are based on non-observable market data (level 3 input in accordance with IFRS 13).

	Consumer	Automotive	Licensing	Telematics
2015				
Revenue - perpetual growth[1]	0.0%	2.0%	0.0%	2.0%
Discount rate[2]	9.0%	9.0%	9.0%	9.0%
2014				
Revenue - perpetual growth[1]	0.0%	2.0%	0.0%	2.0%
Discount rate[2]	9.5%	9.5%	9.5%	9.5%

1. Weighted average growth rate used to extrapolate cash flows beyond the forecasted period.
2. Post-tax discount rate applied to the cash flow projections.

Discount rates used are post-tax and reflect specific risks relating to the relevant operating segments. Management considered the effects of applying a pre-tax approach and concluded that this will not materially change the outcome of the impairment test.

Expectations and input to the impairment calculation, as well as the overall outcome, have been compared with the available external information from various analysts and to the extent available with market information on recent comparable transactions.

The impairment test performed resulted in no goodwill impairment for 2015 and 2014 for any of the segments. Management performed a sensitivity analysis on the relevant key assumptions in the group's 2015 year-end annual impairment testing.

The sensitivity test for the Licensing segment showed that the level of headroom available at year-end 2015 (headroom: €27 million, 2014: €104 million) would fall to nil should the compound annual revenue growth rate in the forecasted period decrease from 3% to 2% and/or should the discount rate increase from 9% to 10% while other factors remain constant.

For Consumer, Automotive and Telematics, a reasonably possible change in any of the above-mentioned key assumptions as well as other assumptions in the forecasted period would not cause the fair value less costs of disposal of any of these units to fall below the level of their respective carrying value.

15. BUSINESS COMBINATIONS

2015

In 2015, the group made two acquisitions for an aggregate consideration of €42.4 million. This consideration includes cash considerations as well as an estimated contingent consideration of €2.0 million, which has been determined based on certain financial and non-financial key performance indicators. The acquisitions comprise of Location Navigation Pty. Ltd, a mapping company in Australia on 30 April 2015 and Finder S.A., a leading Polish fleet management service provider on 23 December 2015. With these acquisitions, we expanded our global map flootprint and our fleet management business.

Both acquisitions were effectuated through the acquisition of 100% of the shares. The main assets and liabilities that arose from both acquisitions combined were intangible assets of €48.3 million, which includes €21.9 million goodwill and deferred tax liabilities of €1.8 million. The fair value of the assets and liabilities acquired have been determined using discounted cash flow technique, which includes inputs that are not based on observable market data (level 3 input). Given the timing of the Finder acquisition, the purchase price allocation has been made based on provisional information at year-end. The acquired businesses contributed a revenue of €2.9 million and a net profit of €1.7 million in 2015. Excluding the impact of the acquisition-related amortisation from the purchase price allocations, the contributed result in 2015 was a net profit of €2.2 million. If the group had acquired all companies from 1 January 2015, the group revenue and net result for 2015 would have been €1,023.6 million and €18.8 million respectively. The acquisition of Finder added over 60,000 subscribers to our Telematics subscriber installed base.

As none of the transactions are material individually, they are not disclosed separately in accordance with IFRS 3.

2014

In 2014, the group made several acquisitions for an aggregate consideration of €22.0 million. This consideration includes cash considerations as well as an estimate of contingent consideration, which has been determined based on certain financial and nonfinancial key performance indicators. The main acquisitions were the acquisitions of DAMS Tracking in France on 1 June 2014 and Fleetlogic in the Netherlands on 1 December 2014. Both companies are fleet management service providers which in aggregate added approximately 54,000 subscribers to our Telematics subscriber installed base.

The main assets and liabilities that arose from all acquisitions combined were intangible assets of €24.5 million and deferred tax liabilities of €3.7 million. None of the acquisitions resulted in goodwill.

As none of the transactions are material individually, they are not disclosed separately in accordance with IFRS 3.

ACCOUNTING POLICY

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition of additional interest in associates, which results in the group gaining control over the associate, is accounted for as a business combination. The previously held interest in the associate is considered as part of the consideration and hence is remeasured to its fair value. The gain or loss from this remeasurement is included in the 'Result of associates' in the income statement. The associate is accounted for as a subsidiary and included in the consolidated financial statements from the date the control passes to the group.

16. INVESTMENTS IN ASSOCIATES

As of 31 December 2015, the group held non-controlling interests in a number of associates: Cyient Ltd. ('Cyient'), WayTag (Pty) Ltd. (WayTag) and Beijing Golden Tom Information Technology Co. Ltd. (Beijing Golden Tom). Cyient provides content development and support services. WayTag is a South Africa-based company that allows people and businesses to create a unique location identifier that either refers to a fixed location or to an individual's current location. Although our Chinese activities will continue, Beijing Golden Tom is in process to be liquidated.

The movements in the investments in associates can be specified as follows:

(€ in thousands)	2015	2014
BALANCE AS AT 1 JANUARY	**3,289**	**2,854**
Result of associates[1]	167	536
Dividend received	-167	-117
Other direct equity movements	257	16
BALANCE AS AT 31 DECEMBER	**3,546**	**3,289**

1. The group's share in 'Other comprehensive income' of the associates are presented under 'Other direct equity movements' in the table above.

As the associates are not material to the group, no further information is provided other than those detailed below. The group has no commitment in providing additional financing to any of its associates. The (estimated) full year revenues and net profits of the associates and their assets (excluding goodwill) and liabilities are as follows:

Name of associate	Country of incorporation	Assets	Liabilities	Revenue	Net result	Interest held
		(€ in thousands)				(%)
2015						
Cyient Ltd.[1]	India	358,605	102,149	406,997	50,304	1.35%
Beijing Golden Tom	China	106	1,217	132	294	49.00%
WayTag	South Africa	48	11	0	6	26.00%
2014						
Cyient Ltd. (prev. Infotech Ent. Ltd.)[1]	India	255,243	46,954	287,021	34,339	1.35%
Beijing Golden Tom	China	788	1,489	1,124	-637	49.00%
WayTag	South Africa	106	596	0	-1,200	16.00%

1. This associate has a 31 March year-end. Data for calculating the result of associate, based on the equity method, is obtained from January through to December. The summarised financial information presented above is based on financial statements for the year ending 31 March 2015 and 31 March 2014.

Cyient is regarded as an associate as TomTom is represented on its Board of Directors. The fair value of the investment in Cyient is €10.0 million (2014: €10.1million).

ACCOUNTING POLICY

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights, or other evidence of significant influence. Investments in associates are accounted for using the equity method of accounting, and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in 'Other comprehensive income' is recognised in 'Other comprehensive income'. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policy of associates has been changed where necessary to ensure consistency with the policy adopted by the group.

SECTION 4: WORKING CAPITAL

The notes in this section specify items that form part of group's working capital. Disclosure on cash and cash equivalents is included in this section.

17. INVENTORIES

(€ in thousands)	2015	2014
Finished goods	23,807	24,632
Components and sub-assemblies	24,850	21,943
INVENTORIES	**48,657**	**46,575**

The amount of inventories recognised as an expense when the inventories are sold and included in cost of sales amounted to €373 million (2014: €319 million). As a result of the write-down of inventories to their net realisable value, the group recognised a cost of €4.4 million (2014: €3.1 million). These costs are included in cost of sales.

ACCOUNTING POLICY

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises costs of purchase, assembly and conversion to finished products. The cost of inventories is determined using the first-in, first-out (FIFO) method, net of reserves for obsolescence and any excess stock. Net realisable value represents the estimated selling price less an estimate of the costs of completion and direct selling costs.

18. TRADE RECEIVABLES

(€ in thousands)	2015	2014
Gross accounts receivables	142,829	136,812
Allowance for doubtful receivables	-4,236	-3,546
TRADE RECEIVABLES (NET)	**138,593**	**133,266**

The group expects to recover all receivables within a year. An allowance has been made for estimated unrecoverable amounts from the sale of goods. The carrying amount of trade receivables approximates their fair value. The group does not hold any collateral over these balances.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management actively monitors the credit risk related to these customers and takes pro-active action to reduce credit limits if required.

The following table summarises the movement in the allowance for doubtful trade receivables account:

(€ in thousands)	2015	2014
BALANCE AS AT 1 JANUARY	**-3,546**	**-3,117**
Additional receivables impairment	-2,299	-1,321
Acquisition	-641	0
Receivables written off during the year as uncollectible	2,172	837
Unused amounts reversed	0	15
Translation effects	78	40
BALANCE AS AT 31 DECEMBER	**-4,236**	**-3,546**

The following table sets out details of the age of trade accounts receivable that are not overdue, as the payment terms specified in the terms and conditions established with the group's customers have not been exceeded, and an analysis of overdue amounts and related provisions for doubtful trade accounts receivable:

(€ in thousands)	2015	2014
Of which:		
Not overdue	134,891	118,289
Overdue < 3 months	4,128	13,422
3 to 6 months	199	2,826
Over 6 months	3,611	2,275
less provision	-4,236	-3,546
TRADE RECEIVABLES (NET)	**138,593**	**133,266**

The provisions recorded in 2015 and 2014 are mainly related to the overdue amounts.

Trade accounts receivable include amounts denominated in the following major currencies:

(€ in thousands)	2015	2014
EUR	78,923	71,358
GBP	20,764	24,785
USD	18,898	22,914
Other	20,008	14,209
TRADE RECEIVABLES (NET)	**138,593**	**133,266**

ACCOUNTING POLICY

Trade receivables are initially recognised at fair value, and subsequently measured at amortised cost (if the time value is material), using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due, according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within 'Cost of sales'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'Cost of sales' in the income statement.

19. OTHER RECEIVABLES AND PREPAYMENTS

(€ in thousands)	2015	2014
Prepayments	21,905	12,673
VAT and other taxes	9,770	3,389
Unbilled revenue	14,150	9,475
Deferred cost of sales[1]	4,603	4,721
Other receivables	3,105	2,940
TOTAL OTHER RECEIVABLES	**53,533**	**33,198**

1. Deferred cost of sales related to cost of providing services which have been paid in advance.

The carrying amount of the other receivables and prepayments approximates their fair value.

20. OTHER FINANCIAL ASSETS/LIABILITIES

Other financial assets/liabilities include derivative financial instruments carried at fair value through profit or loss.

(€ in thousands)	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Derivatives at fair value through profit or loss	967	-573	1,186	-23

The notional principle amounts of the outstanding forward foreign exchange and option contracts on 31 December 2015 were €58 million (2014: €54 million). All the group's outstanding options and forwards have a contractual maturity of less than one year. The group does not apply hedge accounting.

ACCOUNTING POLICY

Derivatives are initially and subsequently measured at fair value. Gains or losses arising from changes in fair value of derivatives are recognised in the income statement, except for derivatives designated as hedging instruments, in a highly effective hedge relationship, for which cash flow hedge accounting is applied. Transaction costs are expensed in the income statement.

21. CASH AND CASH EQUIVALENTS

(€ in thousands)	2015	2014
Cash and equivalents	147,565	148,614
Deposits	0	4,335
TOTAL CASH AND CASH EQUIVALENTS	**147,565**	**152,949**

Cash and cash equivalents consist of cash held by the group sometimes invested in short-term bank deposits with an original maturity of three months or less. The carrying amount of cash and cash equivalents approximates its fair value. All cash and cash equivalents are available for immediate use by the group.

ACCOUNTING POLICY

Cash and cash equivalents are stated at face value and comprise cash on hand, deposits held on call with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

22. TRADE PAYABLES

All trade payable balances have a contractual maturity of less than six months and the carrying amount approximates their fair value.

23. ACCRUALS AND OTHER LIABILITIES

Accruals and other liabilities comprise of the following:

(€ in thousands)	2015	2014
Margin-related accruals[1]	65,140	64,238
Operating expenses accruals	78,648	86,456
TOTAL	**143,788**	**150,694**

1. Margin-related accruals include items such as sales return allowance, rebates and stock protection accrual.

SECTION 5: FINANCING, FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

This section includes notes related to financing items such as equity and borrowings as well as financial risk management and financial instruments. Related items such as earnings per share calculation as well as financial income and expenses, are included in this section.

24. SHAREHOLDER'S EQUITY

	2015		2014	
	No.	(€ in thousands)	No.	(€ in thousands)
AUTHORISED:				
Ordinary shares	600,000,000	120,000	600,000,000	120,000
Preferred shares	300,000,000	60,000	300,000,000	60,000
TOTAL	**900,000,000**	**180,000**	**900,000,000**	**180,000**
ISSUED AND FULLY PAID:				
Ordinary shares	230,495,981	46,099	223,569,822	44,714

In 2015, 6,926,159 shares were issued following the exercise of stock options (6,864,159) and the restricted stock units (62,000) by employees (2014: 1,393,610).

Reserves are freely distributable except for €210.9 million of legal reserves (2014: €172.9 million). Note F. Other reserves in the company financial statements provides an overview of the non-distributable reserves.

All shares have a par value of €0.20 per share (2014: €0.20 per share). Further information on the rights, restrictions and other conditions attached to ordinary and preferred shares is provided in the Corporate Governance section in the annual report.

The Corporate Governance section of this annual report provides a detailed description regarding the use of Foundation Continuity TomTom as a protective measure. Management is of the opinion that the call option as described in the Corporate Governance section does not represent a significant value as meant in IAS 1, paragraph 31, due to the fact that the likelihood that the call option will be exercised is remote. In the remote event that the call option is exercised, the preferred shares that are issued are intended to be cancelled shortly after issuance (within 1 year period). The option is therefore not accounted for in the annual accounts, nor is any additional information as meant in IAS 32 and 39 provided.

ACCOUNTING POLICY

SHARE CAPITAL
Ordinary shares are classified as share capital.

SHARE PREMIUM
The share premium represents the amount by which the fair value of the consideration received exceeds the nominal value of shares issued. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

25. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

(€ in thousands)	2015	2014
Earnings		
Net result attributed to equity holders	18,122	22,549
Adjusted net result		
Net result attributed to equity holders	18,122	22,549
Remeasurement of deferred tax liability	-7,535	0
Amortisation of acquired intangibles	52,056	50,332
Tax effect of adjustments	-13,014	-12,583
ADJUSTED NET RESULT	**49,629**	**60,298**
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	227,771,117	222,689,197
Effect of dilutive potential ordinary shares		
Share options and restricted stock	4,606,654	2,432,734
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR DILUTED EARNINGS PER SHARE	**232,377,771**	**225,121,931**
EARNINGS PER SHARE (in €)		
Basic	0.08	0.10
Diluted	0.08	0.10
ADJUSTED EARNINGS PER SHARE (in €)[1]		
Basic	0.21	0.27
Diluted	0.21	0.27

1. Adjusted earnings per share is not an IFRS performance measure and hence is not comparable across companies.

ACCOUNTING POLICY

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares arising from stock options and other equity-settled share-based plans.

For the stock options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares), based on the monetary value of the subscription rights attached to outstanding share options.

The number of shares calculated as above is compared with the number of shares that would have been issued, assuming the exercise of the stock options. When the effect of the options and other equity-settled share-based plans is anti-dilutive, the number is excluded from the calculation of diluted earnings.

ADJUSTED EARNINGS PER SHARE

Adjusted earnings per share is calculated by dividing the adjusted earnings by the weighted average number of ordinary and diluted shares outstanding during the year.

26. NON-CONTROLLING INTERESTS (MINORITY INTERESTS)

The following table presents the interest held by third parties in the group's consolidated subsidiaries:

Subsidiary	Country	% of non controling interest	
		31 Dec 2015	31 Dec 2014
TomTom Africa (Pty) Ltd.	South Africa	24%	24%
TomTom Navigation Taiwan Co., Ltd.	Rep. of China	30%	30%
TomTom Telematics Chile SpA[1]	Chile	0%	20%
TomTom Telematics Solutions Mexico S.A. de C.V.	Mexico	30%	30%

1. The group acquired the remaining 20% interest in TomTom Telematics Chile SpA in 2015.

The movements in non-controlling interest is presented below:

(€ in thousands)	2015	2014
BALANCE AS AT 1 JANUARY	**2,073**	**2,115**
Non-controlling interests in the net result of subsidiaries	171	106
Dividends paid	0	-177
Change in share of non-controlling interests	-5	0
Currency translation differences	-516	29
BALANCE AS AT 31 DECEMBER	**1,723**	**2,073**

The main part of the balance of the non-controlling interest relates to TomTom Africa (Pty) Ltd. There are no material cash balances or assets held by any of the abovementioned subsidiaries.

27. BORROWINGS

(€ in thousands)	2015	2014
Non-current	44,254	48,925
Current	4,287	0
TOTAL	**48,541**	**48,925**

On 22 December 2014, the group signed a credit facility agreement (the 'facility'), replacing the previous facility agreement. The initial agreement which was effective up to 31 March 2018, has been extended by one additional year to 31 March 2019 and includes another one-year extension option. The facility comprises of a revolving credit facility for an amount of €250 million, of which €45 million was drawn at the end of December 2015. Netted with the transaction costs of €0.7 million, the carrying amount of the group's outstanding borrowings at 31 December 2015 was €44.3 million (31 December 2014: €48.9 million). The interest is in line with market conditions and is based on Euribor plus a margin that depends on certain leverage covenants. The average interest paid on borrowings in 2015 was 0.7% (2014: 1.3%).

At the end of December 2015, the acquisition of Finder added an additional €4.3 million of borrowings to our balance sheet which has been fully repaid in January 2016. The outstanding borrowings from the credit facility are presented as a non-current liability as management expects to maintain approximately similar level of utilisation in the coming twelve months. As the contractual interest rate on the credit facility is based on market interest rates plus a certain margin, the fair value of the borrowings at the end of 2015 and 2014 is estimated to approximate their carrying value.

ACCOUNTING POLICY

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, amounts are stated at amortised cost with the difference being recognised in the income statement over the period of the borrowings using the effective interest rate method.

28. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The group's activities result in exposure to a variety of financial risks including credit, foreign currencies, liquidity and loan covenants interest rates and capital risk. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with our Corporate Treasury Policy. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting the group's business.

CREDIT

Credit risk arises primarily from cash and cash equivalents held at financial institutions and, to a certain extent, from trade receivables.

Cash balances are held with counterparties that have a credit risk rating of at least BBB-, as rated by an acknowledged rating agency. Moreover, to avoid significant concentration of exposure to particular financial institutions, we ensure that transactions and businesses are properly spread among different counter-parties.

The group's exposure from its customers is managed through establishing proper credit limits and continuous credit risk assessments for each individual customer.

Procedures include aligning credit and trading terms and conditions with an assessment of the individual characteristics and risk profile of each customer. This assessment is made based on past experiences and independent ratings from external rating agencies whenever available.

As at 31 December 2015, total bad debt provision represented approximately 0.4% of group revenue (2014: 0.4%).

FOREIGN CURRENCIES

The group operates internationally and conducts business in multiple currencies. Revenues are earned in euro, pound sterling (GBP), the US dollar (USD) and other currencies, and do not necessarily match cost of sales and other costs which are largely in euro and the US dollar and to a certain extent in other currencies. Foreign currency exposures on commercial transactions relate mainly to estimated purchases and sales transactions that are denominated in currencies other than reporting currency - the euro (€).

The group manages foreign currency transaction risk through options and forward contracts to cover forecasted net exposures. All such transactions are carried out within the guidelines set by Corporate Treasury Policy, which is reviewed annually by the Audit Committee.

A 2.5% strengthening/weakening of the euro as at 31 December 2015 against the currencies listed below would have increased (decreased) profit or loss by the amount shown below. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis as in 2014.

(€)	2015		2014	
	Strengthen	Weaken	Strengthen	Weaken
GBP	258,353	-245,823	248,885	-236,708
USD	-1,372,337	1,305,573	-823,283	783,392

A 2.5% strengthening/weakening of the euro as at 31 December 2015 against GBP and USD would have increased / decreased the equity by €6.8 million (2014: increase / decrease of equity by €6.7 million).

LIQUIDITY AND LOAN COVENANTS

The approach to managing liquidity is to ensure that sufficient funds are available to meet financial obligations when they fall due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. To ensure there is sufficient cash to meet expected operational expenses, including the servicing of financial obligations, actual and future cash flow requirements are regularly monitored, taking into account the maturity profiles of financial assets and liabilities and the rolling forecast of the group's liquidity reserve, which comprises cash and cash equivalents and an undrawn credit facility of €205 million.

Under the covenants of the facility, the group is required to meet certain performance indicators with regard to its interest cover (4.0) and leverage ratio (3.0), which are tested twice a year. Interest cover is defined as the ratio of the last twelve months (LTM) EBITDA to LTM interest expense for the relevant test period. The leverage ratio is defined as the ratio of total consolidated net debt as at the testing date to the consolidated LTM EBITDA in respect of the relevant period ending on that date. In case of a breach of these covenants, the banks are contractually entitled to request early repayment of the outstanding amount.

On 31 December 2015, the group complied with the loan covenants and, based on the group's plan for 2016, management expects to be able to comply with the loan covenants during 2016.

The outstanding borrowings of €45 million from the credit facility has a one-month maturity period from the date of draw down but can continuously be rolled-over up to the end date of the facility agreement at management's discretion. Assuming the amount utilised remains the same until the end of the agreement and the level of market interest as well as the required performance indicators remain constant based on the situation as at 31 December 2015, the expected annual interest payments up to 31 March 2018 would be €0.3 million. The current portion of our borrowings relating to our Polish subsidiary has been repaid in January 2016.

INTEREST RATES

Interest rate risk arises primarily from the existing borrowings. These borrowings have a floating interest coupon based on Euribor plus a spread that depends on leverage levels. Interest rate risk is hedged with appropriate hedging instruments whenever deemed necessary in accordance with the Corporate Treasury Policy.

Based on the expectation of interest rate movements in the coming period and the acceptability of potential exposure, the current policy is not to hedge the interest rate of our borrowings. Accordingly, changes in Euribor may have an impact on the group's results for the coming year.

Market-related interest income is received on the cash balances. Our intention is to prioritise capital preservation and when possible we invest our surplus cash using approved investment instruments, such as bank deposits and money market fund investments. All transactions and counterparty risk limits are governed by Corporate Treasury Policy.

CAPITAL RISK

The group's financing policy aims to maintain a capital structure that enables the group to achieve its strategic objectives and daily operational needs, and to safeguard the group's ability to continue as a going concern.

In order to maintain or adjust the capital structure, the group may issue new shares, adjust its dividend policy, return capital to shareholders or sell assets to reduce debt, taking into account relevant interest cover and leverage covenants of external borrowings as disclosed above.

As at 31 December 2015, the group had a net cash position of €98.3 million (31 December 2014: €103.0 million).

Further quantitative disclosures reference is made to Note 21, Note 24 and Note 27.

29. FINANCIAL INSTRUMENTS

The following table presents the group's financial instruments according to the categories as defined in IAS 39:

(€ in thousands)	Loans and receivables	Assets/liabilities at fair value through profit or loss	Other financial assets/liabilities at amortised cost	Total
AS AT 31 DECEMBER 2015				
ASSETS				
Other financial assets	0	967	0	967
Trade receivables	138,593	0	0	138,593
Cash and cash equivalents	147,565	0	0	147,565
TOTAL	**286,158**	**967**	**0**	**287,125**
LIABILITIES				
Trade payables	0	0	94,951	94,951
Other financial liabilities	0	573	0	573
Borrowings	0	0	48,541	48,541
TOTAL	**0**	**573**	**143,492**	**144,065**
AS AT 31 DECEMBER 2014				
ASSETS				
Other financial assets	0	1,186	0	1,186
Trade receivables	133,266	0	0	133,266
Cash and cash equivalents	152,949	0	0	152,949
TOTAL	**286,215**	**1,186**	**0**	**287,401**
LIABILITIES				
Trade payables	0	0	88,218	88,218
Other financial liabilities	0	23	0	23
Borrowings	0	0	48,925	48,925
TOTAL	**0**	**23**	**137,143**	**137,166**

ACCOUNTING POLICY

FINANCIAL ASSETS

The group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Derivatives are categorised at fair value through profit or loss unless they are designated as hedges. Derivatives are recorded as financial assets when their fair value is a positive number; otherwise the derivative is classified as a financial liability. All derivative financial instruments are classified as current or non-current assets or liabilities based on their maturity dates and are accounted for at trade date.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has substantially transferred all risks and rewards of ownership.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost (if the effect of time value is material) using the effective interest method, less any impairment. The group's financial assets classified in the category 'Loans and receivables' comprise 'Trade receivables' and 'Cash and cash equivalents' in the balance sheet (note 18. Trade receivables and note 21. Cash and cash equivalents).

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into, and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.
Equity instruments are recorded at the proceeds received, net of direct issue costs.

FAIR VALUE ESTIMATION
The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy divides the inputs into the following levels:
· Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
· Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (for example, derived from prices); and
· Level 3: inputs for the asset or liability that are not based on observable market data.

The fair value of financial assets/liabilities carried at fair value through profit or loss and the derivatives in a hedging relationship is determined using valuation techniques that maximise the use of observable market data where it is available and which rely as little as possible on entity-specific estimates. In accordance with the fair value hierarchy established by IFRS 13, these types of inputs classify as level 2 inputs.

30. FINANCIAL INCOME AND EXPENSES

Financial income and expenses include the following items:

(€ in thousands)	2015	2014
Interest income	462	1,161
Interest expense	-1,387	-4,306
INTEREST RESULT	**-925**	**-3,145**
Other financial result	44	124
Foreign exchange result	-7,387	-3,844
OTHER FINANCIAL RESULT	**-7,343**	**-3,720**

The interest expense relates mainly to interest paid on borrowings and amortised transaction costs (see note 27. Borrowings).

The foreign exchange result includes results related to hedging contracts and balance sheet item revaluations. Hedging contracts are entered into to protect the group from adverse exchange rate fluctuations that may result from USD and GBP exposures.

ACCOUNTING POLICY

Interest income and expense are recognised using the effective interest method.

SECTION 6: OTHER DISCLOSURES

This section includes the notes on provisions, commitments and contingent liabilities, remunerations of Members of the Management Board and the Supervisory Board, related party transactions and Auditor's remuneration.

31. PROVISIONS

(€ in thousands)	2015	2014
Non-current	35,065	48,496
Current	32,573	34,074
TOTAL	**67,638**	**82,570**

The movements in each category of provisions are as follows:

(€ in thousands)	Warranty	Claims & litigations	Other	Total
BALANCE AS AT 31 DECEMBER 2013	**32,573**	**33,604**	**13,655**	**79,832**
Increases in provisions	20,188	13,086	6,913	40,187
Utilised	-20,266	-1,721	-2,418	-24,405
Released	206	-12,998[1]	-252	-13,044
BALANCE AS AT 31 DECEMBER 2014	**32,701**	**31,971**	**17,898**	**82,570**
Increases in provisions	10,667	1,989	3,420	16,076
Utilised	-13,678	-335	-4,637	-18,650
Released	-2,305	-8,598[1]	-1,455	-12,358
BALANCE AS AT 31 DECEMBER 2015	**27,385**	**25,027**	**15,226**	**67,638**

1. The releases were made to reflect the latest facts and circumstances and changes in estimates.

ACCOUNTING POLICY

Provisions are recognised when:
· The group has a present obligation as a result of a past event;
· It is probable that the group will be required to settle that obligation; and
· The amount can be reliably estimated.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Provisions for warranty costs are recognised at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the group's obligation. Warranty costs are recorded within cost of sales.

SIGNIFICANT ESTIMATES

WARRANTY PROVISON
The group generally offers warranties for its products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as evaluating recent trends that might suggest that past cost information may differ from future claims. From the total warranty provision of €27.4 million (2014 €32.7 million), it is estimated that an amount of €16.4 million (2014 €20.1 million) will be utilised within 12 months while the remaining will be utilised between 1-3 years.

CLAIMS AND LITIGATION

The group made a provision for potential legal, tax and other risks in various jurisdictions. The legal matters consist mainly of intellectual property infringement issues. In the normal course of business, the group receives claims relating to allegations that it has infringed intellectual property assets. In such cases, the companies making the claims seek payments that may take the form of licenses and/or damages. While these claims will be resisted, some are likely to be settled by negotiation and others are expected to result in litigation.

The cases and claims against the group often raise difficult and complex factual and legal issues which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction in which each suit is brought, and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to such claims and litigation. The group accrues a liability when it is determined that an adverse outcome is more likely than not, and the amount of the loss can be reasonably estimated. If the likelihood of an adverse outcome is reasonably possible or an estimate is not determinable, the matter is disclosed, provided it is material. Management is of the opinion that the provision is adequate to resolve these claims.

The methodology used to determine the amount of the liability requires significant judgements and estimates regarding the costs of settling asserted claims. Due to the fact that there is limited historical data available, the estimated liability cannot be based upon recent settlement experience for similar types of claims.

Based on the best estimate, the portion of the claims and litigation provision expected to be settled in the coming twelve months amounts to approximately €12.3 million (2014 €9.7 million).

OTHER PROVISIONS

Other provisions include an amount of €8.7 million (2014: €8.4 million) related to the defined benefit pension plan in Germany as disclosed in note 6. Personnel expenses, and the remainder relates mainly to provisions for expected earn-out payments. The amount of 'Other provisions' estimated to be settled/utilised within the coming twelve months amounted to €3.8 million (2014: €4.2 million).

32. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

The group has a number of long-term financial commitments, which are not shown in the group's balance sheet as at 31 December 2015.

OPERATING LEASES

These are operating leases for buildings, cars and office equipment, which consist of:

(€ in thousands)	2015	2014
Commitments less than 1 year	17,306	15,298
Commitments between 1 - 5 years	30,659	34,380
Commitments longer than 5 years	1,034	974
TOTAL	**48,999**	**50,652**

No discount factor is used in determining the operating lease commitments.

PURCHASE COMMITMENTS

As at 31 December 2015, the group had open purchase commitments with contract manufacturers for certain products and components. Contract manufacturers order the requisite component parts from their suppliers on the basis of forecasts of the number of units required. Manufacturers have commitments on these components. In certain circumstances, the group has a contractual obligation to purchase these components from the manufacturers.

OTHER COMMITMENTS

The group has contracts with third-party suppliers or other business partners that include minimum royalty or revenue share payments over the duration of the contracts that range from 1 to 5 years. The total commitments under these contracts are presented below.

(€ in thousands)	2015	2014
Commitments less than 1 year	25,699	9,541
Commitments between 1 - 5 years	14,679	9,430
TOTAL[1]	**40,378**	**18,971**

1. Other commitments in 2015 include a commitment to purchase services with a total value of €26 million from our associate, Cyient Ltd.

The group has issued bank guarantees for a total amount of €14 million.

The group has also given a guarantee as described in section 479C of the UK Companies Act to TomTom Software Ltd. Accordingly, TomTom Software Ltd. is exempted from the requirements of the Companies Act 2006 relating to audit by virtue of section 479A.

In addition, a German subsidiary, TomTom Germany GmbH & Co. KG., which is included in these consolidated financial statements, applies the exemption as described in section 264b of the German Commercial Code (HGB) with regard to the publication of the annual financial statements and the drawing up of a management report and the notes to the financial statements.

CONTINGENCIES

Please refer to Note 31. for disclosures on tax and legal contingencies.

In 2014, we won an arbitration award in which the Tribunal ruled that one of our suppliers must repay royalties paid by TomTom in prior periods. In 2015, our supplier initiated legal action to annul the arbitration award which is still before the Courts. While we believe it is more likely than not that the arbitration award will be upheld by the Courts, we cannot be certain of such an outcome, and a final judgement in this matter, including the quantum and timing of any final judicial award, remains uncertain. Consequently, we have not recognised the asset, and given that further disclosure could seriously prejudice our position, we apply the exception under IAS 37.92 and do not disclose further information.

Based on legal advice, there were no other contingencies that management expects to have a material adverse effect on the group's financial position as at 31 December 2015.

33. REMUNERATIONS OF MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

THE REMUNERATION POLICY

The Remuneration Policy for members of the Management Board is drawn up by the Supervisory Board and approved by the General Meeting.

The on-target bonus percentage is set at 80% of the base salary for the CEO and at 64% of the base salary for the other members of the Management Board. The maximum annual incentive achievable is 120% of the annual base salary for the CEO and 96% of the annual base salary for the other members of the Management Board. The actual bonus pay-out depends on certain challenging financial targets (revenue and EBIT). The total remuneration paid/payable to or on behalf of the members of the Management Board for the year ended 31 December 2015, amounted to approximately €1.6 million (2014: €2.3 million), of which 13% represented bonus payments (2014: 38%). In 2015, the bonus achievement was 31% of the on-target bonus percentage (2014: 101%).

In accordance with the Code, the remuneration of Supervisory Board members does not depend on the results of the company. The company does not grant either stock options or shares to its Supervisory Board members and the company does not provide loans to them.

OVERVIEW OF SALARIES, PERFORMANCE-RELATED BONUSES AND OTHER EMOLUMENTS OF THE MANAGEMENT BOARD

The remuneration of the Management Board members comprises of the direct remuneration paid or payable in relation to their employment in the year and other remuneration related expenses that comprise social security contributions and share-based awards. The expenses/ (gains) recognised for share-based awards are determined in accordance with IFRS 2 and do not represent the amounts paid or payable to Management Board members. The expenses for the direct remuneration and other remuneration-related expenses are presented below:

Direct remuneration:

(in €)	Short-term benefits				
	Salary	Bonus	Other emoluments	Post-employment benefits	Total Direct remuneration
2015					
Harold Goddijn	462,150	114,613	0	0	576,763
Taco Titulaer[1]	137,500	27,280	0	11,458	176,238
Alain De Taeye	385,125	76,409	21,000	77,025	559,559
Marina Wyatt[2]	239,633	0	33,536	32,687	305,856
TOTAL	**1,224,408**	**218,302**	**54,536**	**121,170**	**1,618,416**
2014					
Harold Goddijn	450,000	363,600	0	0	813,600
Marina Wyatt	400,000	258,560	53,716	78,087	790,363
Alain De Taeye	375,000	242,400	21,000	37,500	675,900
TOTAL	**1,225,000**	**864,560**	**74,716**	**115,587**	**2,279,863**

Other remuneration:

(in €)	Share-based expenses[3]	Other short-term expenses	Total including Other and Direct remuneration
2015			
Harold Goddijn	472,363	8,280	1,057,406
Taco Titulaer[1]	37,696	3,450	217,384
Alain De Taeye	293,264	8,280	861,103
Marina Wyatt[2]	-370,954	360,303	295,205
TOTAL	**432,369**	**380,313**	**2,431,098**
2014			
Harold Goddijn	236,486	8,381	1,058,467
Marina Wyatt	167,218	26,439	984,020
Alain De Taeye	164,765	8,381	849,046
TOTAL	**568,469**	**43,201**	**2,891,533**

1. Taco Titulaer was appointed CFO effective from 1 August 2015, although he was only appointed as member of the Management Board as of 8 October 2015. His remuneration is shown as of the date he was appointed CFO.
2. Marina Wyatt stepped down at the end of July 2015.
3. The gain in the share-based expenses in 2015 for Marina Wyatt results from the forfeiture of the 2013, 2014 and 2015 share options. Following this forfeiture the costs incurred in previous periods have been reversed.

The share-based awards scheme is set out in the Management Board Stock Option Plan and is most recently amended in the 2014 General Meeting. In May 2015, each of the Management Board members were granted new stock options under this plan except for Taco Titulaer who was granted regular employee stock options in 2015.

The following tables summarise information about outstanding stock options of each member of the Management Board, as well as the movements during the year.

Board member	Year of grant	Outstanding 1 Jan 2015	Granted in 2015	Exercises in 2015	Transfer in 2015	Forfeited in 2015	Outstanding 31 Dec 2015[1]	Exercise price (€)	Expiry date
Harold Goddijn	2009	181,500					181,500	5.71	16/6/2016
	2010	150,000					150,000	5.32	12/5/2017
	2012	113,750					113,750	3.51	9/5/2019
	2013	155,000					155,000	3.53	8/5/2020
	2014	300,000					300,000	5.28	13/5/2021
	2015		210,000				210,000	7.83	7/5/2022
Marina Wyatt[2]	2009	181,500		-181,500			-	5.71	16/6/2016
	2010	150,000		-150,000			-	5.32	12/5/2017
	2012	113,750		-113,750			-	3.51	9/5/2019
	2013	155,000				-155,000	-	3.53	8/5/2020
	2014	160,000				-160,000	-	5.28	13/5/2021
	2015		115,000			-115,000	-	7.83	7/5/2022
Taco Titulaer	2013				50,000		50,000	3.53	8/5/2020
	2014				34,600		34,600	5.28	13/5/2021
	2015				39,200		39,200	7.83	7/5/2022
Alain De Taeye	2009	181,500					181,500	5.71	16/6/2016
	2010	150,000					150,000	5.32	12/5/2017
	2012	113,750					113,750	3.51	9/5/2019
	2013	155,000					155,000	3.36	8/5/2020
	2014	150,000					150,000	4.93	13/5/2021
	2015		110,000				110,000	7.83	7/5/2022
TOTAL		**2,410,750**	**435,000**	**-445,250**	**123,800**	**-430,000**	**2,094,300**		

1. The preformance criteria for the options in 2013 have been met. The 2014 and 2015 options have no performance criteria. The options will vest three years after the grant date conditional to the Management Board members still being in service.
2. Marina Wyatt stepped down at the end of July 2015 and Taco Titulaer was appointed as CFO effective from 1 August 2015. Disclosures are provided in line with the mentioned dates.

For a description of the stock option plans, reference is made to note 7. Share-based compensation.

OVERVIEW OF REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

(€)	2015	2014
Peter Wakkie[1]	61,000	56,667
Doug Dunn	47,000	47,000
Guy Demuynck	51,000	51,000
Ben van der Veer	50,000	50,000
Toine van Laack[2]	31,333	47,000
Jacqueline Tammenoms Bakker[3]	48,000	32,000
Anita Elberse[3]	47,000	31,333
Karel Vuursteen[4]	0	20,333
Rob van den Bergh[4]	0	15,667
TOTAL	**335,333**	**351,000**

1. Peter Wakkie was appointed Chairman as of 1 May 2014.
2. Toine van Laack served as a member of the Supervisory Board until 1 September 2015.
3. Jacqueline Tammenoms Bakker and Anita Elberse serve as a member of the Supervisory Board from 1 May 2014.
4. Karel Vuursteen and Rob van den Bergh resigned on 1 May 2014.

34. RELATED PARTY TRANSACTIONS

The expenses relating to remuneration of key management personnel are presented in the following table:

(€)	Salary and bonus[1]	Other short-term benefits[2]	Post employment benefits	Share-based expenses	Total remuneration
2015					
Management board and senior management	1,890,961	538,191	121,170	684,574	3,234,896
Supervisory Board	335,333	0	0	0	335,333
2014					
Management board and senior management	2,588,885	222,095	115,587	727,803	3,654,370
Supervisory Board	351,000	0	0	0	351,000

1. In 2015, the total bonus expense amounted to €0.3 million versus €1.0 million in 2014.
2. The other short-term benefits in 2015 include the social security charge in relation to the exercise of share options. In 2014, an amount of €192 thousand is included related to crisis levy.

Certain key management personnel also hold ownership interests in TomTom NV, as disclosed in the Corporate Governance section under 'Notification of substantial shareholdings and short positions'.

In the normal course of business, the group receives map development and support services from its associate Cyient Ltd. Such transactions take place at normal market conditions and the total payments made for these services in 2015 amounted to €16.7 million (2014: €18.9 million). There was no outstanding payable due to Cyient Ltd. as at 31 December 2015 and 31 December 2014. Transactions and balances with other associates are not material and hence are not disclosed.

35. AUDITOR'S REMUNERATION

The total remuneration to Ernst & Young Accountants LLP for the statutory audit of 2015 for the group amounted to €360,000 (Deloitte 2014: €505,000). The total service fees paid/payable to the Ernst & Young network amounted to €591,000 (Deloitte 2014: €763,000).

Included in the total remuneration is an amount of €405,000 (Deloitte 2014: €558,000) invoiced by Ernst & Young Accountants LLP, which includes an amount of €45,000 (Deloitte 2014: €73,000) for other statutory audits. The service fees paid to the EY Network included an amount of €76,000 (Deloitte 2014: €117,000) relating to tax services and €110,000 (Deloitte 2014: €68,000) relating to statutory audits. Details of the audit, audit-related and non-audit fees paid to EY can also be found in the Audit Committee report.

COMPANY STATEMENT OF INCOME OF TOMTOM NV

for the year ended 31 December

(€ in thousands)	Notes	2015	2014
Result of subsidiaries after taxation	B	25,229	46,405
Other income and expenses after tax	C	-7,107	-23,856
NET RESULT		**18,122**	**22,549**

The notes on pages 113 to 115 are an integral part of these company financial statements.

COMPANY BALANCE SHEET OF TOMTOM NV

as at 31 December (before proposed appropriation of result)

(€ in thousands)	Notes	2015	2014
Investments in subsidiaries	B	2,972,475	2,936,534
TOTAL NON-CURRENT ASSETS		2,972,475	2,936,534
Receivables		74,807	24,617
Cash and cash equivalents		1,610	2,183
TOTAL CURRENT ASSETS		76,417	26,800
TOTAL ASSETS		**3,048,892**	**2,963,334**
Share capital		46,099	44,714
Share premium		1,035,451	986,683
Other reserves	F	228,216	202,289
Accumulated deficit		-359,078	-357,712
Result for the year		18,122	22,549
TOTAL SHAREHOLDERS' EQUITY		968,810	898,523
Borrowings	G	44,254	48,925
Intercompany payable	H	2,034,084	2,013,724
Provisions		0	26
Deferred tax liability	D	186	269
TOTAL NON-CURRENT LIABILITIES		2,078,524	2,062,944
Other liabilities		1,558	1,867
TOTAL CURRENT LIABILITIES		1,558	1,867
TOTAL EQUITY AND LIABILITIES		**3,048,892**	**2,963,334**

The notes on pages 113 to 115 are an integral part of these company financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

A. PRESENTATION OF FINANCIAL STATEMENTS AND RECOGNITION AND MEASUREMENT PRINCIPLES

The description of the activities of TomTom NV (the company) and the company structure, as included in the notes to the consolidated financial statements, also applies to the company financial statements.

The company has prepared its company financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and, specifically, in accordance with section 362.8 of the Dutch Civil Code. In doing so, it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS). Investments in subsidiaries are accounted for using the equity method. For more information on the accounting policy applied, and on the notes, please refer to the notes to the consolidated financial statements section.

B. INVESTMENTS IN SUBSIDIARIES

The movements in the 'Investments in subsidiaries' were as follows:

(€ in thousands)	2015	2014
BALANCE AS AT 1 JANUARY	**2,936,534**	**2,873,122**
Result of subsidiaries	25,229	46,405
Transfer to stock compensation reserve	2,335	4,126
Legal entity restructuring	-5,476	0
Currency translation differences	12,087	13,967
Other direct equity movements	1,766	-1,086
BALANCE AS AT 31 DECEMBER	**2,972,475**	**2,936,534**

A list of subsidiaries and affiliated companies prepared in accordance with the relevant legal requirements (the Dutch Civil Code Book 2, Part 9, sections 379 and 414) is deposited at the office of the Chamber of Commerce in Amsterdam, the Netherlands.

C. OTHER INCOME AND EXPENSES AFTER TAX

The employees of the company comprise only the members of the Management Board.

Other income and expenses consist of the remuneration of the Management Board and the Supervisory Board, the interest expense on the borrowings and the interest income on the company's outstanding cash balances. For the remuneration of the Management Board and Supervisory Board, please refer to note 33. Remunerations of members of the Management Board and the Supervisory Board of the consolidated financial statements.

D. DEFERRED TAXATION

As at 31 December 2015, the company had a deferred tax liability of €0.2 million (2014: €0.3 million). The deferred tax liability results from a temporary difference between the tax treatment and the accounting treatment of the borrowing cost. The movement of the deferred tax liability has been credited to the income statement.

E. SHAREHOLDERS' EQUITY

For the statement of changes in consolidated equity for the year ended 31 December 2015, please refer to Consolidated statement of changes in equity in the consolidated financial statements. Additional information on the shareholders' equity is disclosed in note 24. Shareholder's equity in the consolidated financial statements.

F. OTHER RESERVES

(€ in thousands)	Legal reserve participations	Cumulative translation adjustment	Total Legal reserve	Stock compensation reserve	Total
BALANCE AS AT 31 DECEMBER 2013	**133,942**	**-3,296**	**130,646**	**29,441**	**160,087**
Currency translation differences	0	13,967	13,967	0	13,967
Transfer from retained earnings	28,271	0	28,271	0	28,271
Stock compensation expenses	0	0	0	4,126	4,126
Transfer to retained earnings and share premium	0	0	0	-4,162	-4,162
BALANCE AS AT 31 DECEMBER 2014	**162,213**	**10,671**	**172,884**	**29,405**	**202,289**
Currency translation differences	0	12,087	12,087	0	12,087
Transfer from retained earnings	25,903	0	25,903	0	25,903
Stock compensation expenses	0	0	0	3,788	3,788
Transfer to retained earnings and share premium	0	0	0	-15,851	-15,851
BALANCE AS AT 31 DECEMBER 2015	**188,116**	**22,758**	**210,874**	**17,342**	**228,216**

LEGAL RESERVES

Legal reserves are the non-distributable reserves that are recorded for an amount equal to the restricted reserves of the company's subsidiaries and the cumulative translation adjustment reserve.

STOCK COMPENSATION RESERVE

The stock compensation reserve represents the cumulative expense of issued stock options that have been granted but not exercised.

G. BORROWINGS

Please refer to note 27. Borrowings in the consolidated financial statements.

H. INTERCOMPANY PAYABLE

'Intercompany payable' comprises of loans provided by subsidiaries. The interest rate on the loan during 2015 is based upon the applicable inter-bank offered rate plus a margin of 0.7% (2014: 1.3%). Although no repayment period has been agreed the loan has a long-term nature.

I. OFF-BALANCE SHEET COMMITMENTS

The company has issued bank guarantees for a total amount of €14 million.

The company has also issued several declarations of joint and several liability for various group companies, in compliance with section 403 of Part 9 of Book 2 of the Dutch Civil Code. Besides these declarations, TomTom NV has given a guarantee as described in article 479C of the UK Companies Act for UK subsidiary TomTom Software Ltd.

In addition, a German subsidiary, TomTom Germany GmbH & Co. KG., applies the exemption as described in section 264b of the German Commercial Code (HGB) with regard to the publication of the annual financial statements.

The company forms a fiscal unity for corporate income tax and value added tax (VAT) purposes with several of its Dutch subsidiaries. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

Amsterdam, 9 February 2016
The Management Board
Harold Goddijn
Taco Titulaer
Alain De Taeye

Amsterdam, 9 February 2016
The Supervisory Board
Peter Wakkie
Doug Dunn
Guy Demuynck
Ben van der Veer
Jacqueline Tammenoms Bakker
Anita Elberse

TomTom NV
Amsterdam

OTHER INFORMATION

STATUTORY PROVISION WITH RESPECT TO APPROPRIATION OF RESULTS

According to the company's Articles of Association, the company's result is freely at the disposal of the shareholders, provided that total shareholders' equity exceeds the called-up and paid-up capital of the company, increased by legal and statutory reserves.

SUBSEQUENT EVENTS

There has been no subsequent event from 31 December 2015 to the date of issue of these financial statements.

PROPOSED APPROPRIATION OF RESULT

The Management Board proposes to add the net result in full to the Accumulated deficit.

FOUNDATION CONTINUITY TOMTOM

For a description of the Foundation Continuity TomTom, refer to the Corporate Governance section in this annual report.

AUDITOR'S REPORT

Reference is made to the Independent Auditor's Report section in this annual report.

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders and Supervisory Board of TomTom NV

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2015

OUR OPINION

We have audited the accompanying financial statements 2015 of TomTom N.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:
- The consolidated financial statements give a true and fair view of the financial position of TomTom N.V. as at 31 December 2015 and of its result and its cash flows for the year 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The company financial statements give a true and fair view of the financial position of TomTom N.V. as at 31 December 2015 and of its result for the year 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:
- The consolidated balance sheet as at 31 December 2015;
- The following statements for the year 2015: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- The notes comprising a summary of the significant accounting policies and other explanatory information.

The consolidated financial statements comprise:
- The company balance sheet as at 31 December 2015;
- The company statement of income for the year 2015; and
- The notes comprising a summary of the significant accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report. We are independent of TomTom N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).
We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIALITY

MATERIALITY		
MATERIALITY	**BENCHMARK USED**	**ADDITIONAL EXPLANATION**
€ 7,300,000	1.4% of gross margin	Based on our professional judgment we have considered earnings-based measures, such as profit before tax and gross margin, as the appropriate benchmark to determine materiality. We believe the gross margin is a suitable basis, as the gross margin is an important and stable measure of the company's performance, whereas profit before tax is close to zero.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 370,000, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

SCOPE OF THE GROUP AUDIT

TomTom N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of TomTom N.V.

Our group audit mainly concentrated on 23 components. For 3 of these components a full audit was performed and for 20 components specific audit procedures were performed, based on our assessment of risk of material misstatement and of the materiality of the business operations at those components. We have performed audit procedures ourselves at all in-scope components. We have visited components in the United States of America (TomTom Inc. and TomTom North America Inc.).

Our audit coverage for total assets, revenues and audit coverage per account balance included in the key audit matters can be summarized as follows:

- For total assets our audit procedures achieved a coverage of 98% of total assets.
- For revenues, we have identified 7 components in the group for which we performed an audit of account balances at the component. These 7 components represent 93% of revenues. The remaining population is covered by limited procedures.
- For other key audit matters, we have applied a centralized audit approach with specified audit procedures covering over 99% of the account balances.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated and company financial statements.

OUR KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

RISK	OUR AUDIT RESPONSE
REVENUE RECOGNITION	
Revenue recognition and the accounting for deferred revenues and margin-related accruals is based on estimates and assumptions that require significant management judgment. Consequently we have considered revenue recognition as significant to our audit. Revenue related disclosures are included in note 4 and note 23 to the consolidated financial statements.	Our audit procedures included an assessment of the appropriateness of the Company's revenue recognition policies, testing internal controls and performing substantive procedures relating to contractual terms and conditions and the appropriate accounting thereof. For transactions containing multiple-element arrangements, we have performed specific procedures to test the allocation of revenue to the separate identifiable elements, based on the estimated relative fair values of each identifiable element. Furthermore, we have specifically assessed the completeness and proper cut-off of usage based royalty revenues, which are based on royalty statements. For deferred revenues and margin-related accruals, we have primarily performed substantive procedures.

RISK	OUR AUDIT RESPONSE
GOODWILL AND OTHER INTANGIBLE ASSETS	
Goodwill is tested for impairment at least on an annual basis. Other intangible assets are tested for impairment when a triggering event has been identified that indicates the carrying amount may not be recoverable. The valuation of goodwill and other intangible assets is significant to our audit due to the fact that the impairment test calculations are based on several key assumptions which are estimated by management, and are by nature judgmental. Key assumptions include the expected future cash flows for the five year forecasting period, the discount rate and perpetual growth rate per cash generating unit. Disclosures relating to impairment of goodwill and other intangible assets are enclosed in note 14 to the consolidated financial statements. For customer specific intangible assets within the Automotive segment, which generate independent cash flows, management has identified indicators for impairment. An impairment loss was recognized for the amount by which the customer specific assets carrying amount exceeded its recoverable amount. We draw attention to the impairment loss of €11.5 million recognized and the related disclosures as included in note 14 to the consolidated financial statements.	Given the complexity we involved a valuation expert in evaluating the impairment testing model and assumptions used by management. We paid specific attention to forecasted revenue growth within the Consumer, Automotive and Licensing segments. In addition we performed procedures relating to the adequacy of the disclosures, specifically relating to key assumptions and the sensitivity analysis.
OTHER SIGNIFICANT ACCOUNTING ESTIMATES	
Besides the above mentioned areas of Revenue recognition and Goodwill and other intangible assets, management has identified certain areas relating to Income taxes and Provisions and Contingent assets/ liabilities as areas that involve a higher degree of judgment or where assumptions and estimates are significant to the financial statements. Given the uncertainty involved, we have considered these areas as significant to our audit. Relevant disclosures regarding these risks are included in notes 10, 11, 31 and 32 to the consolidated financial statements.	Our audit procedures specifically focused on the measurement of the provision for tax risks, the measurement of deferred tax liabilities, the warranty provision and the provision for claims and litigations. Our audit procedures included, amongst others, inquiries with financial, tax and legal management in respect of ongoing developments, proceedings and investigations, inspection of relevant correspondence and documentation and re-performance of calculations. We assessed management's assessment of the probability of occurrence of certain risks based on historical data, recent trends and other information available. Furthermore, we requested external legal confirmation letters and obtained legal representation letters from management. We also assessed the relevant disclosures regarding these risks.

RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included, e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items. We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE MANAGEMENT BOARD REPORT AND THE OTHER INFORMATION

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and other information):

- We have no deficiencies to report as a result of our examination whether the Management Board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the Management Board report, to the extent we can assess, is consistent with the financial statements.

ENGAGEMENT

We were engaged by the Supervisory Board as auditor of TomTom N.V. on 24 April 2015 as of the audit for year 2015 and have operated as statutory auditor since that date.

Eindhoven, 9 February 2016

Ernst & Young Accountants LLP

Signed by: P.J.A. Gabriëls

SUPPLEMENTARY INFORMATION

SHAREHOLDER INFORMATION

INVESTOR RELATIONS

TomTom is committed to providing a high degree of transparency and consistency in its reporting. We engage and maintain open dialogue with investors and analysts and have an extensive communication programme, which includes the General Meeting, roadshows, investor conferences, presentations, webcasts and in-house meetings. Related events are reported and regularly updated on the Investor Relations website.

TomTom strictly adheres to applicable rules and legislation on fair disclosure. Our goal is to inform investors about the company and its management, strategy, goals and expectations in a transparent, timely and consistent manner.

Investors and analysts are invited to contact our Investor Relations team with any information requests they have:

- Email: ir@tomtom.com
- Phone: +31 20 757 5194

WEBSITE

The company's Investor Relations website **corporate.tomtom.com/investor.cfm** contains up-to-date financial information about TomTom. Investors and analysts are encouraged to visit the Investor Relations website regularly for a detailed and up-to-date coverage of the share price, shareholder meetings, quarterly and annual results, press releases, presentations, webcasts and Investor Relations-related events.

In addition, we recommend that investors and analysts visit TomTom's dedicated corporate website, which includes a wealth of information in relation to:

- Corporate Information: **corporate.tomtom.com/overview.cfm**
- Corporate Governance: **corporate.tomtom.com/governance.cfm**

FINANCIAL CALENDAR 2016

Date	Event
19 April 2016	Publication Q1 2016 results
22 April 2016	General Meeting
19 July 2016	Publication Q2 2016 results
21 October 2016	Publication Q3 2016 results

CLOSED PERIOD

From the first day of the quarter until the publication of the quarterly results, the company is in a closed period. During this time we do not engage in discussions with analysts, investors and financial journalists or make presentations at investor conferences.

SHAREHOLDER STRUCTURE

An overview of the company's shareholders with a holding (voting rights) of 3% or more of the issued capital can be found in the Corporate Governance section. The following table shows the company's ordinary shareholder structure as at 31 December 2015:

Name	# shares	% of total
Founder - Harold Goddijn	26,137,832	11.3%
Founder - Corinne Vigreux	26,137,831	11.3%
Founder - Pieter Geelen	26,137,831	11.3%
Founder - Peter-Frans Pauwels	26,137,832	11.3%
TOTAL FOUNDERS	**104,551,326**	**45.4%**
Free float	125,944,655	54.6%
TOTAL SHARES OUTSTANDING	**230,495,981**	**100.0%**

PREFERRED SHARES

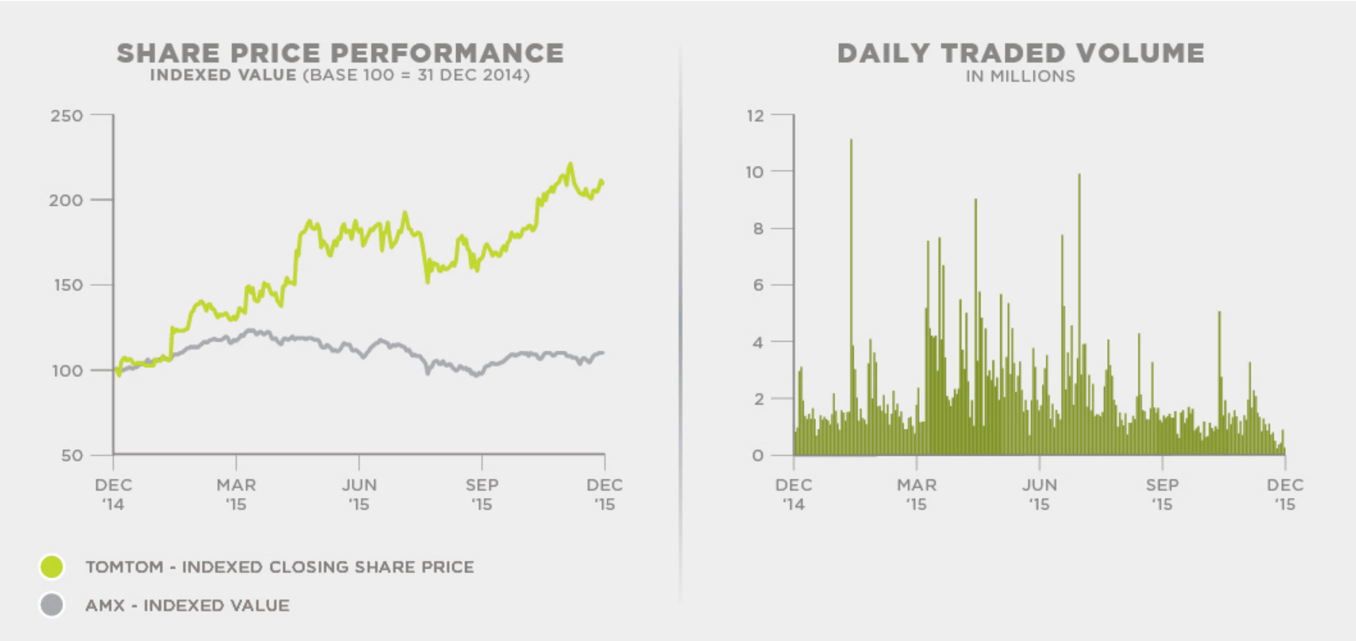
The Foundation Continuity TomTom was established in 2005. The purpose of the Foundation is to safeguard the interests of the company and all of its stakeholders. It does so by ensuring that the company is in a position to resist influences that could affect its independence, continuity and/or corporate identity in any manner that would be in contravention of the interests of the company or its stakeholders.

The company has granted the Foundation a call option entitling it to subscribe for preferred shares up to 100% of the aggregate outstanding share capital (excluding issued and outstanding preferred shares) of the company at the time of issue. An issue of preferred shares in the manner described would cause substantial dilution of the voting power of any shareholder whose objective was to gain control of the company.

Currently, there are no preferred shares outstanding. More information on the Foundation can be found in the Corporate Governance section.

SHARE PRICE PERFORMANCE IN 2015

The graph below shows the indexed closing share price development of the company versus the AMX during 2015.



KEY SHARE DATA

(in €, unless stated otherwise)	2015	2014
Share price at the start of the year	5.53	5.15
Share price at the end of the year	11.61	5.53
Highest closing share price	12.29	6.62
Lowest closing share price	5.30	4.34
Market capitalisation at year end (€ in millions)	2,674	1,236
Average daily volume traded (# in thousands)	2,141	1,105
EPS - fully diluted	0.08	0.10
Adjusted EPS - fully diluted[1]	0.21	0.27
FCF per share - fully diluted	-0.15	0.05
Weighted average number of shares outstanding (# in millions)	227.8	222.7
Weighted average number of shares fully diluted (# in millions)	232.4	225.1

1. Earnings per fully diluted share count adjusted for acquisition-related amortisation & gain on a post-tax basis.

SHARES OUTSTANDING

TomTom N.V. had 230,495,981 shares outstanding as at 31 December 2015. The number of options outstanding was 10,532,136. The weighted average number of shares on a fully diluted basis was 232,377,771.

LISTING

TomTom N.V. shares are traded on NYSE Euronext Amsterdam in the Netherlands, where the company is included in the Amsterdam Mid-Cap Index (AMX):
- Euronext Amsterdam symbol: TOM2;
- ISIN: NL0000387058;
- Common Code: 021984272;
- Amsterdam Security Code Number: 38705;

Share options of TomTom are traded on the Euronext Amsterdam Derivative Market.

DIVIDEND POLICY

TomTom has no current plans to distribute dividends. The company gives priority to increasing technology investments to strengthen its capabilities and competitive position, whilst at the same time improving its balance sheet. The company believes that allocating its cash resources to these priorities, serves shareholders' interests better in the longer term.

KEY FIGURES OVERVIEW 2008-2015

(€ in millions, unless stated otherwise)	2015	2014	2013	2012	2011	2010	2009	2008
INCOME AND EXPENSES								
Revenue	1,007	950	963	1,057	1,273	1,521	1,480	1,674
Gross result	519	523	521	555	640	744	731	781
Operating result[1]	1	21	26	70	102	190	231	264
Net result[2]	18	23	20	129	74	110	94	188
DATA PER SHARE								
Earnings per share (in €) - diluted[3]	0.08	0.10	0.09	0.58	-1.97	0.49	0.47	1.17
Adjusted earnings per share (in €) - basic[3, 4]	0.21	0.27	0.26	0.40	0.55	0.70	0.78	1.50
SHARES OUTSTANDING (#)								
Average # basic shares outstanding (in millions)[3]	228	223	222	222	222	222	184	148
Average # diluted shares outstanding (in millions)[3]	232	225	223	222	222	222	185	149
REGIONAL REVENUE SPLIT								
Europe	771	719	710	773	937	1,070	1,007	1,182
North America	186	163	178	208	257	380	411	434
Rest of world	49	68	76	76	79	70	62	59
CASH FLOW								
Cash generated from operations	123	135	188	187	195	265	430	463
Cash flows from operating activities	119	119	260	167	174	210	340	354
Cash flows from investing activities	-154	-106	-91	-51	-73	-65	-90	-1,903
Cash flows from financing activities	29	-118	-74	-146	-214	-209	-206	1,408
Net (decrease) / increase in cash and cash equivalents	-6	-106	95	-30	-112	-64	45	-142
BALANCE SHEET								
Goodwill	403	382	382	382	382	855	855	855
Intangible assets	811	801	804	821	872	946	986	1,011
Inventories	49	47	42	44	66	94	67	145
Trade receivables	139	133	115	150	185	306	294	290
Cash and cash equivalents	148	153	258	164	194	306	368	321
Provisions	68	83	80	81	101	109	114	113
Borrowings	49	49	173	247	384	588	790	1,388
Trade payables	95	88	82	84	117	218	201	152
Total equity and liabilities	1,680	1,601	1,678	1,724	1,799	2,623	2,686	2,767
Net cash / (Net debt)	98	103	83	-86	-194	-294	-442	-1,109
KEY RATIOS[5]								
Days sales of Inventory (DSI)	31	33	31	30	31	31	21	47
Days sales outstanding (DSO)	44	46	39	47	48	55	51	51
Creditor days	60	63	60	57	56	72	64	49
NUMBER OF EMPLOYEES (#)								
At end of period (FTE)	4,605	4,116	3,630	3,441	3,677	3,487	3,138	3,357

1. Operating result excludes the acquisition-related impairment charges (2011: €512 million; 2008: €1,047 million) and restructuring charges (2011: €14.8 million; 2010: €3.3 million; 2009: €10.3 million; 2008: €16.5 million).
2. Net result excludes the abovementioned impairment and restructuring charges and the related tax effects.
3. The earnings per share number and the weighted average number of shares outstanding for all years before 2009 have been adjusted to reflect the impact of the right offering that took place in July 2009.
4. Earnings per share adjusted for acquisition-related amortisation and gain, goodwill impairment and restructuring charges on a post-tax basis, and an €80 million one-off tax gain in 2012.
5. Calculated based on the sales/cost of sales and the number of days in the last three months of the year.

QUARTERLY INCOME STATEMENT 2015

(€ in thousands, unless stated otherwise; quarterly data unaudited)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
REVENUE	**205,275**	**264,613**	**254,231**	**282,488**	**1,006,607**
Cost of sales	95,403	129,993	119,161	143,523	488,080
GROSS RESULT	**109,872**	**134,620**	**135,070**	**138,965**	**518,527**
Research and development expenses	43,290	52,071	43,275	46,807	185,443
Amortisation of technology and databases	18,522	18,644	19,589	19,939	76,694
Marketing expenses	9,748	25,297	22,616	25,777	83,438
Selling, general and administrative expenses	43,381	38,029	44,703	46,239	172,352
TOTAL OPERATING EXPENSES	114,941	134,041	130,183	138,762	517,927
OPERATING RESULT	**-5,069**	**579**	**4,887**	**203**	**600**
Interest result	-204	-223	-328	-170	-925
Other financial result	-2,574	301	-2,633	-2,437	-7,343
Result of associates	97	116	-210	164	167
RESULT BEFORE TAX	-7,750	773	1,716	-2,240	-7,501
Income tax gain / (charge)	845	1,762	8	23,179	25,794
NET RESULT	**-6,905**	**2,535**	**1,724**	**20,939**	**18,293**
Attributable to:					
- Equity holders of the parent	-7,145	2,631	1,812	20,824	18,122
- Non-controlling interests	240	-96	-88	115	171
NET RESULT	-6,905	2,535	1,724	20,939	18,293
MARGINS					
Gross margin (%)	54%	51%	53%	49%	52%
Operating margin (%)	-2%	0%	2%	0%	0%
CALCULATION OF ADJUSTED EARNINGS PER SHARE (€ in million)					
Net result attributed to equity holders	-7.1	2.6	1.8	20.8	18.1
Remeasurement of deferred tax liability	0.0	0.0	0.0	-7.5	-7.5
Acquisition-related amortisation	12.8	13.0	13.1	13.2	52.1
Tax effect of adjustments	-3.3	-3.2	-3.3	-3.3	-13.1
ADJUSTED NET RESULT	**2.4**	**12.4**	**11.6**	**23.2**	**49.6**
Basic number of shares (in thousands)	224,429	227,240	229,199	230,131	227,771
Diluted number of shares (in thousands)	228,661	234,547	236,881	237,656	232,378
EARNINGS PER SHARE					
Basic EPS (in €)	-0.03	0.01	0.01	0.09	0.08
Fully diluted Adjusted EPS (in €)	0.01	0.05	0.05	0.10	0.21

QUARTERLY STATEMENT OF CASH FLOWS 2015

(€ in thousands, quarterly data unaudited)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Operating result	-5,069	579	4,887	203	600
Financial gains / (losses)	1,970	1,974	-6,586	278	-2,364
Depreciation, amortisation and impairment	26,493	27,262	27,805	41,536	123,096
Equity-settled stock compensation expense	-3,709	-1,116	-1,250	9,863	3,788
Change in provisions	946	1,124	672	-18,128	-15,386
Change in working capital:					
Change in inventories	823	-1,547	-5,776	8,968	2,468
Change in receivables and prepayments	13,211	-44,668	-3,838	17,257	-18,038
Change in current liabilities (excluding provisions)[1]	-46,562	44,301	33,021	-1,645	29,115
CASH GENERATED FROM OPERATIONS	**-11,897**	**27,909**	**48,935**	**58,332**	**123,279**
Interest received	116	173	103	112	504
Interest paid	-239	-315	-347	-57	-958
Corporate income taxes (paid) / received	-1,209	20	-2,031	-830	-4,050
CASH FLOWS FROM OPERATING ACTIVITIES	**-13,229**	**27,787**	**46,660**	**57,557**	**118,775**
Investments in intangible assets	-18,791	-22,120	-23,369	-21,874	-86,154
Investments in property, plant and equipment	-5,162	-5,026	-7,371	-4,018	-21,577
Acquisition of subsidiaries and other businesses	0	-16,961	-500	-29,190	-46,651
Dividend received	0	0	105	62	167
CASH FLOWS FROM INVESTING ACTIVITIES	**-23,953**	**-44,107**	**-31,135**	**-55,020**	**-154,215**
Change in utilisation of credit facility	-10,000	5,000	-15,000	15,000	-5,000
Change in non-controlling interest	0	-126	0	0	-126
Proceeds on issue of ordinary shares	11,198	15,680	3,035	4,484	34,397
CASH FLOWS FROM FINANCING ACTIVITIES	**1,198**	**20,554**	**-11,965**	**19,484**	**29,271**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	**-35,984**	**4,234**	**3,560**	**22,021**	**-6,169**
Cash and cash equivalents at the beginning of period	152,949	117,367	121,627	124,427	152,949
Effect of exchange rate changes on cash balances held in foreign currencies	402	26	-760	1,117	785
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**117,367**	**121,627**	**124,427**	**147,565**	**147,565**

1. Includes movements in the non-current portion of deferred revenue presented under Non-current liabilities.

DEFINITIONS AND ABBREVIATIONS

Term	Definition
ADAS	Advanced Driver Assistance Systems
AFM	the Netherlands Authority for Financial Markets
AMX	the Amsterdam Mid-Cap Index
Apps	Applications
ARPU	Average Revenue Per User
ASP	Average Selling Price
Code	the Dutch Corporate Governance Code
Company	TomTom NV
CSR	Corporate Social Responsibility
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EICC	the Electronic Industry Citizenship Coalition
EMEA17	AT, CH, DE, BE, NL, FR, IT, GB, ES, PT, TR, CZ, PL, DK, SE, FI, ZA
ETA	Expected Time of Arrival
ETR	Effective Tax Rate
Foundation	Foundation Continuity TomTom
GIS	Geographical Information System
GPS	Global Positioning System
Group	TomTom NV together with its subsidiaries
HD	High definition
IFRS	International Financial Reporting Standards
ISO	International Standardisation Organisation
KPI	Key Performance Indicators
LTM	Last Twelve Months
NavKit	TomTom navigation technology engine
NDS	Navigation Data Standard
North America	The United States and Canada
OEM	Original Equipment Manufacturer
OS	Operating System
PDA	Personal Digital Assistant
PND	Portable Navigation Device
R&D	Research & Development
SDK	Software Development Kit
WEBFLEET	TomTom Telematics' fleet management platform

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