



Reports First Quarter Results
Increased market share in both Europe and North America

First quarter financial highlights

Compared with Q1 2006

- Revenue increased by 16% to €296 million
- Revenue in North America increased by 121%
- 1.3 million portable navigation devices (PNDs) shipped, up 75%
- Gross margin increased by 5 percentage points to 40%
- Operating margin of 19.1% compared with 19.6%
- Net profit increased by 42% to €44 million
- Fully diluted EPS increased by 37% to €0.37

Compared with Q4 2006

- Revenue decreased by 38% in line with seasonality in the PND market
- PNDs shipped decreased by 31%
- Gross margin decreased by 6 percentage points
- Operating margin decreased by 7 percentage points

First quarter operational highlights

- European PND market continues to grow strongly
- Accelerating growth in the North American PND market
- Strengthening of European and North American market shares to 52% and 25% respectively (compares to 50% and 20% at the end of 2006)
- Continued strong cash generation from operations of €98 million
- Milestone of 1 million registered TomTom HOME users passed

Outlook 2007

We re-iterate our full year guidance. We estimate that we will deliver revenues of between €1.6 billion and €1.8 billion and we continue to target a gross margin of around 40% of revenue and an operating margin of around 20% of revenue.

Key figures

(unaudited)
(in € millions)

	Q1 '07	Q1 '06	Change*	Q4 '06
Revenue	296	256	16%	478
Gross profit	118	89	33%	218
<i>Gross margin</i>	<i>40.0%</i>	<i>34.7%</i>		<i>45.7%</i>
Operating profit	57	50	14%	126
<i>Operating margin</i>	<i>19.1%</i>	<i>19.6%</i>		<i>26.3%</i>
Net profit	44	31	42%	80
EPS (fully diluted – in €)	.37	.27	37%	.68

* percentages are based on rounded figures

TomTom's Chief Executive Officer, Harold Goddijn said:

"The global market for PNDs continues to show strong growth. The growth was particularly strong in North America, where the PND market is gathering momentum. We delivered strong profitability and cash generation in the quarter and we reinforced our leading position in personal navigation by increasing our market share in both Europe and North America.

We have the largest installed base of personal navigation users in the world, at around 10 million. More and more of our customers access TomTom HOME to take advantage of the increasing range of content and services which we offer to the TomTom community.

We have introduced a number of new products already this year and we have a strong roadmap still to come.

We look forward to the rest of the year with confidence and we re-iterate our full year guidance which we gave to the market at the time of our fourth quarter results."

Outlook 2007

Our full year guidance is unchanged. We expect that our volumes of PNDs will almost double to between 7 million and 8 million units and that we will deliver revenues of between €1.6 billion and €1.8 billion. We continue to target a gross margin of around 40% of revenue and an operating margin of around 20% of revenue. Revenues are expected to be stronger in the third quarter and especially in the fourth quarter owing to new product introductions and to seasonality. Investment in marketing will be highest in the second and the fourth quarters.

Operational review

As the PND market gets bigger, seasonal patterns are starting to become more established. The size of the European market for PNDs more than doubled in the first quarter compared to last year. However, sequentially revenues decreased due to the seasonal reduction in consumer demand and inventory de-stocking at both distributor and retail level, ahead of the season of new product introductions. Against this background we reinforced our market leading position and increased our market share by 2 percentage points to 52% in the first quarter (compared to the fourth quarter of 2006).

The North American market is gaining momentum and the market grew in the first quarter by over 300% compared to last year. We increased our revenue both year on year by 121% and sequentially by 5%. Underlying market growth more than compensated for the seasonal reduction in consumer demand. During the quarter we expanded our presence in the Canadian market. In the US our focus is on increasing the effectiveness of our in store presence to increase sales. Our position in the US is strengthening, and recent research indicates that despite being a relatively new company to the US market there is no company in the personal navigation category with stronger brand awareness than TomTom. The progress we are making in the US is reflected in the increase in our market share from around 20% in the last quarter of 2006 to 25% for the first quarter of 2007.

TomTom WORK (our B2B fleet-management service) is also making good progress and now has over 18,000 active subscribers, a sequential increase of 32% and a year on year increase of 108%.

During the quarter, we launched the GO 715, our first connected navigation device with an integrated GPRS modem and SIM card and designed for use in commercial vehicles. The GO 715 enables users to send messages and location information between vehicles on the road and the office much more easily than in the past. This demonstrates the progress we are making towards making access to the network easier for our customers. We also launched the new widescreen ONE XL (our first mid-range PND) and the new updated RIDER (our PND for motor cyclists) product.

We are increasing our resources and capabilities in the automotive space in order to address the needs of car manufacturers and OEMs. We are building a team for this which includes approximately 90 engineers who we are intending to acquire in Eindhoven.

TomTom's goal is to bring fundamentally better navigation to our customers through a combination of predictive and real time travel time information. Accurate, real time travel time information will drive personal navigation to the next level. Our revolutionary and scalable technology that analyses mobile phone network usage and cell-switching to extract real-time traffic information is on track for commercial roll out in the Netherlands in the second half of the year.

Financial review

(unaudited) (in € millions)	Q1 '07	Q4 '06	Change	Q1 '06	Change
Revenue					
PNDs	271	442	-39%	233	16%
PDA/smartphone solutions	8	11	-27%	9	-11%
Other	17	25	-32%	14	21%
Total	296	478	-38%	256	16%
Number of units sold (in 000s)					
PNDs	1,330	1,915	-31%	762	75%
PDA/smartphone solutions	184	121	52%	91	102%
Total	1,514	2,036	-26%	853	77%
Average selling price (in €)					
PNDs	204	230	-11%	305	-33%
PDA/smartphone solutions	44	85	-48%	104	-58%

* percentages are based on rounded figures

Revenue

Revenue increased year on year by 16% to €296 million (Q1 2006: €256 million). Revenue in the quarter was 38% lower than the seasonally strong fourth quarter of 2006 (Q4 2006: €478 million).

Revenue from PND sales represented 92% of total revenue in the quarter (Q4 2006: 92%; Q1 2006: 91%) and decreased 39% compared to the previous quarter.

Revenues in Europe represented 86% of total revenue for the quarter (Q4 2006: 90%; Q1 2006: 92%), while revenues from North America increased significantly to 12% of total revenue (Q4 2006: 7.3%; Q1 2006: 6.4%). Revenues from the rest of the world contributed 1.9% of total revenue (Q4 2006: 2.4%; Q1 2006: 1.7%).

Revenues from PDA and smartphone solutions were €8 million for the quarter, down from €11 million in the fourth quarter of 2006 when the Navigator 6 application was rolled out.

Other revenues include accessories revenue, map upgrades, TomTom Work and content and services. Other revenues increased by 21% to €17 million year on year (Q1 2006: €14 million) and decreased by 32% compared to the fourth quarter of 2006 owing to seasonality and the timing of map upgrade programmes.

Volumes and average selling prices

In Q1 we shipped 1.3 million PNDs, an increase of 75% year on year (Q1 2006: 0.8 million). Compared to the previous quarter the number of units shipped decreased by 31% (Q4 2006: 1.9 million) which is in line with the seasonal trend.

During the quarter we used a combination of pricing and promotional activities to drive the market following the holiday season. The average selling price of PNDs for the quarter was €204, a decrease of 11% sequentially and a decrease of 33% year on year (Q4 2006: €230; Q1 2006: €305). The average selling price for PDA/smartphone solutions decreased as a result of a change in the product mix.

Channel inventory

Sell through in the quarter was strong resulting in a reduction of channel inventory in anticipation of new product introductions later in the year.

Gross margin

The gross margin for the quarter was 40%, an increase of 5 percentage points compared to Q1 2006. The year on year increase in the gross margin results from a higher product margin on our current range of products compared to the range available in Q1 of 2006. The sequential decrease of 6 percentage points (Q4 2006: 46%) mainly results from the reductions in recommended retail prices.

Operating expenses

Operating expenses for the quarter decreased by 33% to €61.6 million sequentially (Q4 2006: €92.6 million) and increased 60% year on year (Q1 2006: €38.5 million). Operating expenses (excluding stock compensation expenses) as a proportion of revenue for the quarter were 18% (Q4 2006: 18%; Q1 2006: 13%).

Research and development (R&D) expenses for the quarter decreased sequentially by 16% to €10.7 million as the fourth quarter of last year included some non recurring expenses relating to new products (Q4 2006: €12.8 million). The year on year increase by 91% in R&D expenses (Q1 2006: €5.6 million) results from continued investments in new product development, additional R&D personnel and higher amortization charges resulting from acquired technologies. R&D expenses

represented 3.6% of revenue up from 2.7% in the previous quarter and 2.2% in the first quarter of last year.

Marketing expenses were €20.8 million (Q4 2006: €44.6 million), a decrease of 53% due to seasonally high marketing spending in Q4 2006 to support the holiday season, and an increase of 40% year on year (Q1 2006: €14.9 million). They represented 7.0% of revenue, down from 9.3% in the previous quarter and up from 5.8% in the first quarter of last year.

Selling, general and administrative expenses for the quarter decreased 21% to €22.6 million sequentially (Q4 2006: €28.6 million) mainly due to lower legal costs and increased 71% year on year (Q1 2006: €13.2 million) due to the growth of our company in general. They represented 7.6% of revenue compared to 6.0% in the previous quarter and 5.2% in the first quarter last year.

Non-cash stock compensation expenses for the quarter increased by 15% to €7.5 million sequentially (Q4 2006: €6.5 million; Q1 2006: €4.8 million).

Financial income and expenses

Financial income and expenses consisted of an income of €3.1 million compared to a loss of €11.3 million in the fourth quarter of 2006 and a loss of €4.8 million in the first quarter of 2006. The financial income results from interest income of €4.2 million partly offset by a loss on foreign exchange hedge instruments as a result of the weakening of the US dollar against the euro during the quarter.

Tax

Income tax decreased 53% to €16.0 million compared to the fourth quarter of 2006 (Q4 2006: €34.0 million) and increased 13% compared to the first quarter of 2006 (Q1 2006: €14.1 million). The effective tax rate for the quarter was 26.7% (Q4 2006: 29.7%; Q1 2006: 31.1%). The decrease in the effective tax rate is primarily the result of the change in the Dutch corporate tax rate from 29.6% to 25.5%.

Cash flow

In the first quarter €97.7 million (€75.2 million increase in net cash) of cash was generated from operations driven by an operating profit of €56.6 million and reduced working capital.

Balance sheet

At the end of the quarter, we had shareholder's equity of €602 million, up from €551 million at the start of the quarter. Cash and cash equivalents at the end of the period amounted to €513 million.

Inventories decreased from €123 million to €85 million at the end of the quarter. Our outstanding trade receivables balance decreased from €266 million to €204 million as a result of lower sales and continued strong cash collections. The decrease in other receivables and social security is mainly due to the fluctuation in VAT receivables and payables. The VAT payments and receivables fluctuate in line with our business. Current liabilities decreased as a result of lower accruals for rebates and price reductions on stock in the channel. The decrease in trade payables results from lower inventory purchases in Q1 compared to the previous quarter.

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Audio web cast Q1 2007 results

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

Time: Wednesday 25 April 2007 at 15:00 CET

Place: <http://investors.tomtom.com/tomtom/presentations/>

TomTom is listed on the Amsterdam Stock Exchange

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About TomTom

TomTom NV is the world's largest navigation solution provider. TomTom's products are developed with an emphasis on innovation, quality, ease of use and value. TomTom's products include all-in-one navigation devices which enable customers to navigate right out of the box; these are the award-winning TomTom GO family, the TomTom ONE range and the TomTom RIDER. TomTom PLUS, is the location-based content and services offering for TomTom's navigation products easily available through TomTom HOME. TomTom also provides navigation software products which integrate with third party devices; the TomTom NAVIGATOR software for PDA's and smartphones. TomTom WORK combines industry leading communication and smart navigation technology with leading edge tracking and tracing expertise. TomTom's products are sold through a network of leading retailers in 25 countries and online. TomTom was founded in 1991 in Amsterdam and has offices in Europe, North America and Asia Pacific. TomTom is listed at Euronext, Amsterdam Stock Exchange in The Netherlands. For more information, go to <http://www.tomtom.com>.

Consolidated income statements

(unaudited) (in € thousands)	Q1 '07	Q1 '06
Revenue	295,856	255,880
Cost of sales	177,652	167,176
Gross profit	118,204	88,704
Operating expenses		
Research and development expenses	10,680	5,566
Marketing expenses	20,760	14,948
Selling, general and administrative expenses	22,627	13,191
Stock compensation expense	7,548	4,771
Total operating expenses	61,615	38,476
Operating profit	56,589	50,228
Net financial income and (expenses)	3,122	-4,826
Profit before taxation	59,711	45,402
Income tax	15,965	14,137
Net profit	43,746	31,265
Average number of shares outstanding		
Basic (in 000s)	112,922	108,277
Diluted (in 000s)	117,281	116,747
Earnings per share, basic (in €)	0.39	0.29
Earnings per share, diluted (in €)	0.37	0.27

Consolidated balance sheets

(unaudited)
(in € thousands)

	31 Mar 2007	31 Dec 2006
Non-current assets		
Intangible assets	37,058	39,183
Property, plant and equipment	8,766	7,926
Deferred tax assets	13,899	12,061
Total non-current assets	59,723	59,170
Current Assets		
Inventories	85,273	123,005
Trade receivables	203,708	265,990
Other receivables and prepayments	6,888	16,320
Other financial assets	1,061	682
Cash and cash equivalents	512,598	437,801
Total current assets	809,528	843,798
Total assets	869,251	902,968
Equity and liabilities		
Shareholders' equity		
Share capital	22,584	22,584
Share Premium	115,075	115,075
Legal reserves	3,827	2,804
Stock compensation reserve	39,912	32,364
Retained earnings	420,914	377,963
Total equity	602,312	550,790
Provisions	45,864	43,785
Deferred tax liability	1,134	1,300
Current liabilities		
Trade payables	35,235	66,744
Tax and social security	51,524	72,557
Accruals	58,056	88,683
Other liabilities	75,126	79,109
Total current liabilities	219,941	307,093
Total equity and liabilities	869,251	902,968

Consolidated statements of cash flows

(unaudited)
(in € thousands)

	Q1 '07	Q1 '06
Cash flow from operating activities		
Operating profit	56,589	50,228
Financial losses	-5,091	-1,818
Depreciation and amortization	5,272	2,907
Change to provisions	2,089	3,263
Change to stock compensation reserve	7,548	4,690
Changes in working capital:		
Decrease in inventories	37,732	26,081
Decrease/(Increase) in receivables and prepayments	71,168	-24,411
(Decrease)/Increase in current liabilities	-77,619	13,061
Cash generated from operations	97,688	74,001
Interest received	4,193	1,360
Corporate income taxes paid	-22,674	-10,281
Net cash flow from operating activities	79,207	65,080
Investments in intangible assets	-1,345	-16,192
Investments in property, plant and equipment	-2,643	-1,813
Total cash flow used in investing activities	-3,988	-18,005
Proceeds on issue of shares	0	104
Total cash flow from financing activities	0	104
Net increase in cash and cash equivalents	75,219	47,179
Cash and Cash equivalents at beginning of period	437,801	178,377
Exchange rate effect on cash balances held in foreign currencies	-422	-424
Cash and Cash equivalents at end of period	512,598	225,132

Consolidated statement of changes in stockholders' equity

(unaudited) (in € thousands)	Share capital	Share premium	Legal reserves	Stock compens. reserve	Retained earnings	Total
Balance 1 Jan 2007	22,584	115,075	2,804	32,364	377,963	550,790
Translation differences			228			228
Transfer to legal reserves			795		-795	0
Net income (expense) recognised directly in equity	0	0	1,023	0	-795	228
Profit for the year					43,746	43,746
Total recognised income and expense	0	0	1,023	0	42,951	43,974
Stock compensation reserve				7,548		7,548
Balance 31 March 2007	22,584	115,075	3,827	39,912	420,914	602,312

Accounting policies

Basis of accounting

The condensed consolidated financial statements for the three-month period ended 31 March 2007 with related comparative information have been prepared using International Financial Reporting Standards (IFRS). Accounting policies and methods of computation followed in the interim financial statements, for the period ended 31 March 2007, are the same as those followed in the Financial Statements for the year ended 31 December 2006. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the condensed consolidated financial statements.

Segment reporting

The Company offers PNDs and navigation solutions for PDAs and smartphones. The Company generates sales across different geographical regions.

(unaudited)
(in € thousands)

	Q1 '07	Q1 '06
Revenues per region		
Europe	253,946	235,072
North America	36,346	16,435
Rest of world	5,564	4,373
Total	295,856	255,880

This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and the industry in which it operates. These statements are based on the Company's current plans, estimates and projections, as well as its expectations of external conditions and events. In particular the words "expect", "anticipate", "estimate", "may", "should", "believe" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These include, but are not limited to: the level of consumer acceptance of existing and new and upgraded products and services; the growth of overall market demand for the Company's products or for personal navigation products generally; the Company's ability to sustain and effectively manage its recent rapid growth; and the Company's relationship with third party suppliers, and its ability to accurately forecast the volume and timing of sales. Additional factors could cause future results to differ materially from those in the forward-looking statements.