TomTom Reports First Quarter 2009 Results

	pro forma and excluding one-off charges[1]				
(in € millions) (unaudited)	**Q1'09**	**Q1'08**	**y.o.y. change**	**Q4'08**	**q.o.q. change**
Revenue	213	307	-31%	528	-60%
Gross result	107	149	-28%	238	-55%
Gross margin	*50%*	*49%*		*45%*	
EBITDA	15	17	-10%	98	-85%
EBITDA margin	*7%*	*6%*		*19%*	
Operating result	-11	-6		70	
Operating margin	*-5%*	*-2%*		*13%*	
Net result	-33	-23		70	
EPS, € diluted	-0.27	-0.19		0.57	
Adjusted EPS[2], € diluted	-0.16	-0.08		0.67	

	reported				
(in € millions) (unaudited)	**Q1'09**	**Q1'08**	**y.o.y. change**	**Q4'08**	**q.o.q. change**
Revenue	213	264	-19%	528	-60%
Gross result	107	96	12%	238	-55%
Gross margin	*50%*	*36%*		*45%*	
EBITDA	10	16	-41%	82	-88%
EBITDA margin	*5%*	*6%*		*16%*	
Operating result	-16	9		-994	
Operating margin	*-7%*	*3%*		*-188%*	
Net result	-37	7		-989	
EPS, € diluted	-0.30	0.06		-8.02	
Adjusted EPS[2], € diluted	-0.16	0.09		0.67	

First quarter 2009 financial highlights[1]

- Revenue of €213 million
- EBITDA of €15 million, EBITDA margin of 7%
- Net loss of €33 million
- Operating expenses reduced by 30% sequentially and 24% year-on-year
- Net debt of €1,159 million (Q4 2008: €1,109 million)

First quarter 2009 operational highlights

- New TomTom ONE and XL launched including functionality from high end products
- Tele Atlas released latest version of historical Speed Profiles database
- First shipments of new Renault Clio with built in Carminat TomTom
- Extension of relationship with Toyota announced

[1] *For comparative reasons pro forma 2008 figures are used that assume consolidation of Tele Atlas throughout 2008, unless stated otherwise. For comparative reasons we have excluded from the pro forma figures the one-off non-cash €1,048 million goodwill impairment in Q4 2008 and the one-off restructuring charges in Q4 2008 (€16 million) and Q1 2009 (€5 million).*

[2] *Earnings per share adjusted for acquisition related amortisation, non-cash goodwill impairment and one-off restructuring charges on a post tax basis.*

TomTom's Chief Executive Officer, Harold Goddijn said:

"Market conditions were challenging during the quarter, exacerbated by the destocking of the channel by distributors and retailers. Although sell in was difficult end user demand was in line with our expectations and it was encouraging that the market in North America continued to grow.

We are executing our strategy of becoming a broader revenue-based company. During the past months we have expanded our PND range, shipped our first in-dash line fitted solution for the volume car market and released new map databases with increased contribution from our growing community.

We are making clear progress with the transformation of Tele Atlas into a focused business to business digital content and services production company. Tele Atlas is making more and more use of the Group's unique technologies to improve its products.

We made good progress in reducing working capital in the quarter and we are well on track to achieve at least €60 million of savings in operating costs compared to last year."

Market and TomTom outlook 2009

Market demand was in line with our expectations in the first quarter. However, given the continued macro economic uncertainty visibility in our business remains limited. Therefore, we have decided not to update our 2009 full year guidance at the current time. If visibility in the market improves to a point where we feel it is prudent to offer full-year guidance, we will consider it at that time.

Operational review

Cost cutting programme

The cost cutting programme is being executed as planned and we are on track to achieve at least the planned €60 million reduction in operating costs in 2009 (compared to the pro forma operating expenses in 2008). As previously announced we reduced the headcount in the Group by 240 during the quarter. In addition we reduced discretionary expenditure, adjusted marketing spend to reflect current revenue expectations and identified cost synergies to be gained by merging offices and departments. As part of the announced acceleration of restructuring and integration of Tele Atlas we started the transition of Tele Atlas' facility in Lebanon, New Hampshire from a production unit to a Global Pilot Facility. The purpose of the facility will be to introduce and test new technologies and tools that ensure our global map production processes are fully optimised. As a result of this transition, the contracts of 140 employees will be terminated over a period of seven months. In relation to the cost cutting programme we booked a one-off restructuring charge in the quarter of €5.4 million.

Key figures TomTom (excluding Tele Atlas)*

(in € millions)	Q1'09	Q1'08	y.o.y. change	Q4'08	q.o.q. change
Revenue	**172**	**264**	**-35%**	**473**	**-64%**
- of which PNDs	141	234	-40%	444	-68%
- of which Other	31	29	5%	29	5%
# of PNDs sold (in 000s)	1,419	1,997	-29%	4,443	-68%
ASP	99	117	-15%	100	-1%

In the first quarter we saw end user demand for PNDs develop as expected with a decline of the European market year over year of approximately 13% and a growth of 12% in North America. The European market size was 3.3 million units (Q1 2008: 3.9 million) and the North American market size was 2.5 million units (Q1 2008: 2.1 million). We grew our market share on a comparable basis both in Europe and North America to 44% and 19% respectively (Q1 2008: 42% in Europe and 18% in North America).

At the end of the quarter we launched two new versions of our entry level and mid range PNDs. Importantly, the new TomTom ONE IQ Routes and TomTom XL IQ Routes include premium technologies previously only available on TomTom's top-end TomTom GO series. With this launch we are giving our customers a broader choice of functionality within our products.

The valuable feedback we get from our community continued to increase with over 6 million unique map share improvements being reported by the end of the quarter.

After having rolled-out LIVE Services on our new GO x40 series in 5 European countries during the previous quarter, we are starting to see the first subscriptions being renewed. Early numbers indicate a growing renewal rate which has now reached 30%.

WORK grew its subscriber base in the past quarter to over 74,000 from 67,000 at the end of the previous quarter.

In the past quarter we revealed the details of the Carminat TomTom embedded navigation solution co-developed with Renault. Our goal is to open up embedded navigation to the mass market. Renault has started volume production of the Renault Clio with our line fitted navigation solution and the first cars with our solutions are currently being sold. The maps are supplied by Tele Atlas. In the first quarter we also announced that Toyota had extended its relationship with us to feature the second generation of TomTom's semi-embedded portable navigation solution in selected vehicles.

Key figures Tele Atlas*

(in € millions)	Q1'09	Q1'08	y.o.y. change	Q4'08	q.o.q. change
Revenue (external)	**41**	**43**	**-4%**	**55**	**-25%**
- of which PNDs	7	11	-35%	16	-56%
- of which Automotive	9	15	-40%	13	-31%
- of which Other	25	17	47%	26	-4%
# of map licenses (in 000s)	2,413	3,585	-33%	6,062	-60%

In the past quarter we saw increasing synergy effects from Tele Atlas being a part of the Group in the latest product releases. In the quarter we launched our latest version of Tele Atlas Speed Profiles, which provides highly accurate speed data to help Tele Atlas map-based navigation system users find optimal routes and far more accurately estimate travel times. Tele Atlas Speed Profiles is available in 26 countries, covering 35 million kilometres of roads and is derived from more than 600 billion speed measurements shared by our customer base over the past two years.

We also made available the first map database to contain new and adjusted roads based on feedback from map users. The new Tele Atlas MultiNet release contains new roads, as well as roads with adjusted geometry, detected or verified in part using information shared with us by our community.

Financial review

*For ease of comparison the following sections review the actual Q1 2009 figures with **pro forma** income statements for Q1 2008. **The restructuring charges are excluded from the comparisons**.*

Revenue

Revenue for the Group was €213 million for the quarter, a decrease of 60% sequentially (Q4 2008: €528 million) and a decrease of 31% compared with last year (Q1 2008: €307 million). The sequential decline is partly explained by the seasonal pattern of our sales; however the decline in revenue also reflects the impact of the weak economic environment on our business generally.

The revenue of the TomTom business (excluding the Tele Atlas business) over the past quarter amounted to €172 million, a decrease of 64% sequentially (Q4 2008: €473 million) and a decrease of 35% versus the prior year (Q1 2008: €264 million).

TomTom PND sales amounted to €141 million, representing 66% of Group revenue in the quarter (Q4 2008: €444 million and 84%; Q1 2008: €234 million and 76%). The decreasing concentration of PND revenue streams relative to the total revenue reflects our strategy to diversify into a more broadly based revenue company. Europe represented 69% of total revenue for the Group for the quarter (Q4 2008: 63%; Q1 2008: 65%), North America represented 26% of total revenue (Q4 2008: 32%; Q1 2008: 33%) and the rest of the world was 5% of total revenue (Q4 2008: 5%; Q1 2008: 2%).

Tele Atlas revenue (excluding inter company) was €41 million for the quarter, a decrease of 25% sequentially (Q4 2008: €55 million) and a decrease of 4% compared with last year (Q1 2008: €43 million).

Volumes and average selling prices

TomTom shipped 1.419 million PND units in the quarter, a decrease of 68% sequentially (Q4 2008: 4.443 million) and a decrease of 29% year-on-year (Q1 2008: 1.997 million).

The average selling price for PNDs in the first quarter was €99, a decrease of 1% compared to the previous quarter (Q4 2008: €100) and a decline of 15% compared to the first quarter of 2008 (Q1 2008: €117). The relatively stable sequential ASP development is the result of a change in the product mix offset by less promotional activities compared to the previous quarter.

Gross margin

The gross margin for the Group was 50%, which represents an increase of 5 percentage points sequentially (Q4 2008: 45%) and an increase of 1 percentage point compared to the pro forma first quarter of last year (Q1 2008: 49%).

Operating expenses

Total operating expenses amounted to €118 million, which represents a decrease of 30% or €50 million compared to the fourth quarter (Q4 2008: €168 million). The decrease in operating expenses was mainly caused by the seasonal decrease in marketing expenses of €35 million and an €11 million decrease in SG&A expenses. Year on year pro forma operating expenses decreased by 24% (Q1 2008: €155 million). Operating expenses as a percentage of revenue for the quarter increased to 55% (Q4 2008: 32%) and increased by 5 percentage points year on year (Q1 2008: 50%).

Research and development (R&D) expenses for the quarter were €37 million, broadly flat compared to the previous quarter (Q4 2008: €38 million) and a decrease of 18% compared to the pro forma R&D expenses for the previous year (Q1 2008: €46 million). The decrease mainly results from cost reductions in the TomTom business and efficiencies in the map production process at Tele Atlas.

Amortisation of technology and databases for the quarter was €17 million (Q4 2008: €18 million, Q1 2008: €17 million). They represented 8% of revenue, compared to 3% in the previous quarter and 6% in the same quarter last year.

Marketing expenses were seasonally lower at €17 million (Q4 2008: €52 million). The year on year comparison shows a decrease in marketing expenses of 39% (Q1 2008: €28 million) in line with the lower revenue. Total marketing expenses represented 8% of Group revenue, a decrease of 2 percentage points compared to the previous quarter (Q4 2008: 10%), and a decrease of 1 percentage point compared to the same quarter last year (Q1 2008: 9%).

Selling, general and administrative (SG&A) expenses for the quarter, excluding one-off charges, amounted to €47 million, which is a €10 million decrease compared to the previous quarter (Q4 2008: €57 million) and a decrease of 17% compared to last year (Q1 2008: €56 million). SG&A expenses for the Group represented 22% of revenue compared to 11% in the previous quarter. The lower SG&A expenses in the quarter are explained by cost reductions together with the input of lower than planned bonus pay outs in respect of 2008.

Stock compensation expenses for the quarter were €0.2 million, down from €8.3 million in the same quarter last year. The lower costs can be explained by the accelerated vesting of the Tele Atlas stock option plan prior to the acquisition, the vesting of our 2005 stock option plans during 2008 and the decrease in our share price which results in low costs for our performance share plan.

Excluding one-off restructuring and goodwill impairment charges, the operating result for the quarter decreased by €81 million quarter on quarter to -€11 million (Q4 2008: €70 million). As a percentage of revenue the operating result decreased by 18 percentage points sequentially to -5% (Q4 2008: 13%). Year on year the operating result decreased by €4.9 million (Q1 2008: -€5.6 million).

Financial results

The financial results included a net interest expense of €17 million for the quarter, explained by the borrowings TomTom entered into in June last year to finance the acquisition of Tele Atlas.

The other finance result shows a loss of €16 million, which arose mainly from foreign exchange contracts that were put in place to cover our committed and anticipated exposure in nonfunctional currencies. The loss on our foreign exchange hedge instruments is mainly driven by the strengthening of the GB pound and a weaker US dollar against the euro during the quarter as we hedge our GB pound sales and our net exposure related to our US Dollar sales and purchases.

Tax

The result before tax for the quarter was -€44 million. We have recognised a deferred tax asset of €11 million in relation to our first quarter negative result before tax as we expect to have sufficient historical and future profits to compensate for our first quarter losses. The effective tax rate for Q1 was 26% (2008 Q4 pro forma: 26%).

Cash flow

In the first quarter, €13 million of cash was generated by operations. The cash generated by operations was mainly driven by a strong reduction of working capital which resulted in a cash inflow of €33 million which was partly offset by a negative foreign currency result of €20 million. The decrease in working capital was due to strong collections of receivables and a sequential decrease of our inventory balance in the quarter.

Cash flow used in investing activities was €32 million mainly driven by investments in the roll out of HD Traffic technology and from the usual capitalisation of R&D.

Debt financing

TomTom incurred an acquisition debt of €1,585 million on 10 June 2008 of which €158.5 million was repaid in Q4 2008 in line with the requirements of the loan agreement. During the first quarter, net debt increased slightly from €1,109 to €1,159 million. The net debt is the sum of the borrowings (€1,585 million), minus the repayment made in December 2008 amounting to €158.5 million, minus the cash and cash equivalents at the end of the period (€270 million) plus financial lease commitments.

Although management continues to expect it will be possible to comply with the loan covenants based on the Group's plans for 2009, given the continued uncertainties in the wider macro economic environment, scenarios can be envisaged where the loan covenants could be breached. As a result, the company continues to evaluate options aimed at remaining within its loan covenants under a variety of possible scenarios, which could include renegotiating the terms of the facility in isolation or in combination with other actions.

The floating interest coupon of the loan is based on Euribor plus a margin. The Euribor element of the interest coupon is hedged for the full term of the loan with cap instruments.

Balance sheet

The Group showed a significant decrease in current assets due a strong sequential decrease in trade receivables of €156 million to €134 million (Q4 2008: €290 million) and a decrease of €48 million in inventories to €97 million (Q4 2008: €145 million). Cash and cash equivalents at the end of the period amounted to €270 million (Q4 2008: €321 million).

Trade payables decreased by 54% to €70 million as a result of lower purchasing activity in the last quarter compared to Q4. The balance sheet shows borrowings of €1,391 million, made up of incurred acquisition debt net of related transaction costs. At the end of the first quarter, we had shareholder's equity of €481 million, down from €513 million at the beginning of the quarter.

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Consolidated income statements (reported)

(in € thousands)	Q1'09	Q1'08
Revenue	213,083	263,842
Cost of sales	105,764	167,809
Gross result	**107,319**	**96,033**
Research and development expenses	37,364	19,132
Amortisation of technology & databases	16,697	5,618
Marketing expenses	17,037	20,495
Selling, general and administrative expenses	51,930	36,524
Stock compensation expense	226	5,564
Total operating expenses	**123,254**	**87,333**
Operating result	**-15,935**	**8,700**
Interest result	-17,443	3,547
Other finance result	-16,456	10,890
Result associates	0	-4,617
Result before tax	**-49,834**	**18,520**
Income tax	-12,830	11,264
Net result	**-37,004**	**7,256**
Minority interests	-280	0
Net result attributed to the group	**-36,724**	**7,256**

EPS, € basic	-0.30	0.06
EPS, € diluted	**-0.30**	**0.06**

Basic number of shares (in millions)	123.3	121.8
Diluted number of shares (in millions)	**124.6**	**125.9**

Consolidated pro forma income statements (excluding restructuring charges)

(in € thousands)	Q1'09	Q1'08
Revenue	213,083	306,874
Cost of sales	105,764	157,621
Gross result	**107,319**	**149,253**
Research and development expenses	37,364	45,780
Amortisation of technology & databases	16,697	16,947
Marketing expenses	17,037	27,883
Selling, general and administrative expenses	46,526	55,950
Stock compensation expense	226	8,264
Total operating expenses	**117,850**	**154,824**
Operating result	**-10,531**	**-5,571**
Interest result	-17,443	-24,723
Other finance result	-16,456	11,103
Result associates	0	-553
Result before tax	**-44,430**	**-19,744**
Income tax	-11,452	3,759
Net result	**-32,978**	**-23,503**
Minority interests	-280	-43
Net result attributed to the group	**-32,698**	**-23,460**

EPS, € basic	-0.27	-0.19
EPS, € diluted	**-0.27**	**-0.19**

Basic number of shares (in millions)	123.3	121.8
Diluted number of shares (in millions)	**124.6**	**125.9**

Consolidated balance sheet

(in € thousands)	31 Mar 2009	31 Dec 2008
Goodwill	854,713	854,713
Other intangible assets	1,000,214	1,011,194
Property, plant and equipment	54,746	53,155
Deferred tax assets	45,107	32,977
Investments	5,578	5,663
Total non-current assets	**1,960,358**	**1,957,702**
Inventories	97,303	145,398
Trade receivables	133,775	289,981
Other receivables and prepayments	13,363	15,987
Other financial assets	41,988	36,583
Cash and cash equivalents	269,935	321,039
Total current assets	**556,364**	**808,988**
Total assets	**2,516,722**	**2,766,690**
Share capital	24,663	24,663
Share Premium	575,918	575,918
Legal reserves	34,500	32,746
Stock compensation reserve	70,781	69,469
Retained earnings/ (deficit)	-229,370	-194,387
Minority interests	4,854	4,964
Total equity	**481,346**	**513,373**
Borrowings	1,244,554	1,241,900
Provisions	51,589	55,702
Long-term liability	4,009	4,749
Deferred tax liability	223,366	229,075
Total non-current liabilities	**1,523,518**	**1,531,426**
Trade payables	70,151	152,119
Borrowings	146,902	146,588
Tax and social security	5,864	29,044
Provisions	49,324	57,231
Other liabilities and accruals	239,617	336,909
Total current liabilities	**511,858**	**721,891**
Total equity and liabilities	**2,516,722**	**2,766,690**

Consolidated statements of cash flows

(in € thousands)	Q1'09	Q1'08
Operating result	-15,935	8,700
Financial losses	-20,044	-3,988
Depreciation of PPE	4,719	1,841
Amortisation of intangible assets	20,961	5,926
Change to provisions	-10,440	-6,363
Change to stock compensation reserve	1,312	6,294
Changes in working capital:		
Movement in inventories	46,516	-5,559
Movement in receivables and prepayments	158,903	236,450
Movement in current liabilities	-172,555	-191,210
Cash generated from operations	**13,437**	**52,091**
Interest received	938	4,897
Interest paid	-31,322	-1,350
Corporate income taxes paid	-3,414	-31,522
Net cash flow from operating activities	**-20,361**	**24,116**

Investments in intangible assets	-25,519	-4,627
Investments in property, plant and equipment	-6,310	-3,736
Investments in financial assets	-25	0
Total cash flow used in investing activities	**-31,854**	**-8,363**

Repayment/proceeds from borrowings	0	0
Proceeds on issue of ordinary shares	0	-29
Total cash flow from financing activities	**0**	**-29**

Net increase in cash and cash equivalents	**-52,215**	**15,724**
Cash and Cash equivalents at beginning of period	321,039	463,339
Exchange rate effect on cash balances held in foreign currencies	1,111	-3,023
Cash and Cash equivalents at end of period	**269,935**	**476,040**

Consolidated statement of changes in stockholders' equity

(in € thousands)	share capital	share premium	legal reserves	stock compens. reserve	retained earnings	shareholders equity	minority interests	total
01 January 2009	**24,663**	**575,918**	**32,746**	**69,469**	**-194,387**	**508,409**	**4,964**	**513,373**
Translation differences			3,495			3,495	170	**3,665**
Transfer to legal reserves			-1,741		1,741			
Net income (expense) recognised directly in equity			**1,754**		**1,741**	**3,495**	**170**	**3,665**
Result for the quarter					-36,724	-36,724	-280	**-37,004**
Total recognised income and expense			**1,754**		**-34,983**	**-33,229**	**-110**	**-33,339**
Stock compensation reserve				1,312		1,312		**1,312**
31 March 2009	**24,663**	**575,918**	**34,500**	**70,781**	**-229,370**	**476,492**	**4,854**	**481,346**

Accounting policies

Basis of accounting

The condensed consolidated financial statements for the three-month period ended 31 March 2009 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 2009, are the same as those followed in the Financial Statements for the year ended 31 December 2008. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the condensed consolidated financial statements.

Pro forma information

In addition to the quarterly figures as issued by TomTom in 2008 and 2009, this report presents unaudited pro forma comparatives for these quarters. The pro forma income statements reflect the TomTom outcomes as if Tele Atlas was acquired before 1 January 2007, the first day of TomTom's comparative financial year, and include the effects of the preliminary purchase price allocation. Furthermore for comparison reasons we have excluded the restructuring charges.

Segment reporting

Revenue per segment

(in € thousands)	Q1'09	Q1'08
TomTom		
- of which PNDs	140,977	234,447
- of which Other	30,910	29,395
Tele Atlas	41,196	0
Total	**213,083**	**263,842**

Revenue per region

(in € thousands)	Q1'09	Q1'08
Europe	146,549	178,114
North America	55,558	84,641
Rest of world	10,976	1,087
Total	**213,083**	**263,842**

Pro forma Segment reporting

Revenue per segment (pro forma)

(in € thousands)	Q1 '09	Q1 '08
TomTom		
- of which PNDs	140,977	234,447
- of which Other	30,910	29,395
Tele Atlas	41,196	43,032
Total	**213,083**	**306,874**

Revenue per region (pro forma)

(in € thousands)	Q1 '09	Q1 '08
Europe	146,549	200,050
North America	55,558	102,108
Rest of world	10,976	4,716
Total	**213,083**	**306,874**

Contact Financial Community

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Audio web cast Q1 2009 results

The information for our first quarter results audio web cast is as follows:
Date and time: 22 April 2009 at 14:00 CET
Place: http://investors.tomtom.com/tomtom/presentations/

TomTom is listed at Euronext Amsterdam in the Netherlands
ISIN: NL0000387058 / Symbol: TOM2

About TomTom Group

TomTom NV is the world's leading provider of navigation solutions and digital maps. TomTom NV has over 3300 employees working in four business units – TomTom, Tele Atlas, AUTO and WORK.

TomTom's products are developed with an emphasis on innovation, quality, ease of use, safety 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 XL and TomTom ONE ranges and the TomTom RIDER. Additionally, independent research proves that TomTom products have a significant positive effect on driving and road safety.

Tele Atlas delivers the digital maps and dynamic content that power some of the world's most essential navigation and location-based services (LBS). Through a combination of its own products and partnerships, Tele Atlas offers digital map coverage of more than 200 countries and territories worldwide. The Automotive business unit develops and sells navigation systems and services to car manufacturers and OEMs. TomTom WORK combines industry leading communication and smart navigation technology with leading edge tracking and tracing expertise.

TomTom NV was founded in 1991 in Amsterdam and has offices in Europe, North America, Middle East, Africa and Asia Pacific. TomTom is listed at Euronext Amsterdam in The Netherlands. For more information, go to www.tomtom.com.

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.