

TomTom Group

Fourth quarter 2008 results

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Fourth quarter 2008 review

Macro economic environment



tough market conditions

Business



profitable operations



strong cash generation



tight cost management

Strategy



execution on track

Overview of progress I

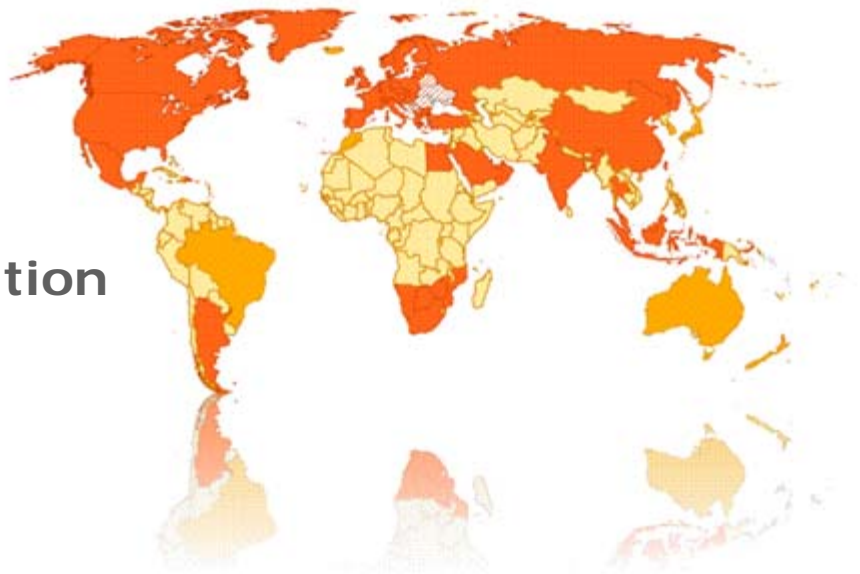
- TomTom
 - strong market share
 - continued innovation
- Mobile
 - new generation of on board and off board solutions in development
- WORK
 - fastest growing European telematics provider
 - continued steady growth



Overview of progress II

- **Automotive**
 - affordable navigation
 - user upgradable
 - volume car segment

- **Tele Atlas**
 - operational efficiency
 - Further product differentiation
 - new delivery platform



Cost reductions

Cost reductions are made up of

- reduction # of staff - 240 jobs by end of Q1 '09
- marketing spend aligned with lower revenue expectations
- minimise discretionary spending and number of contractors
- acceleration of restructuring and integration of Tele Atlas

Total OPEX savings of €60 million year on year

- reduce costs in PND and Tele Atlas
- invest through higher OPEX in Automotive and WORK and in delivering content, services and connectivity
- increase costs in stock compensation, depreciation and amortisation

Our current thinking on 2009

Although our visibility is limited, we think the market and our revenue will develop as follows:

Market size and share in 2009

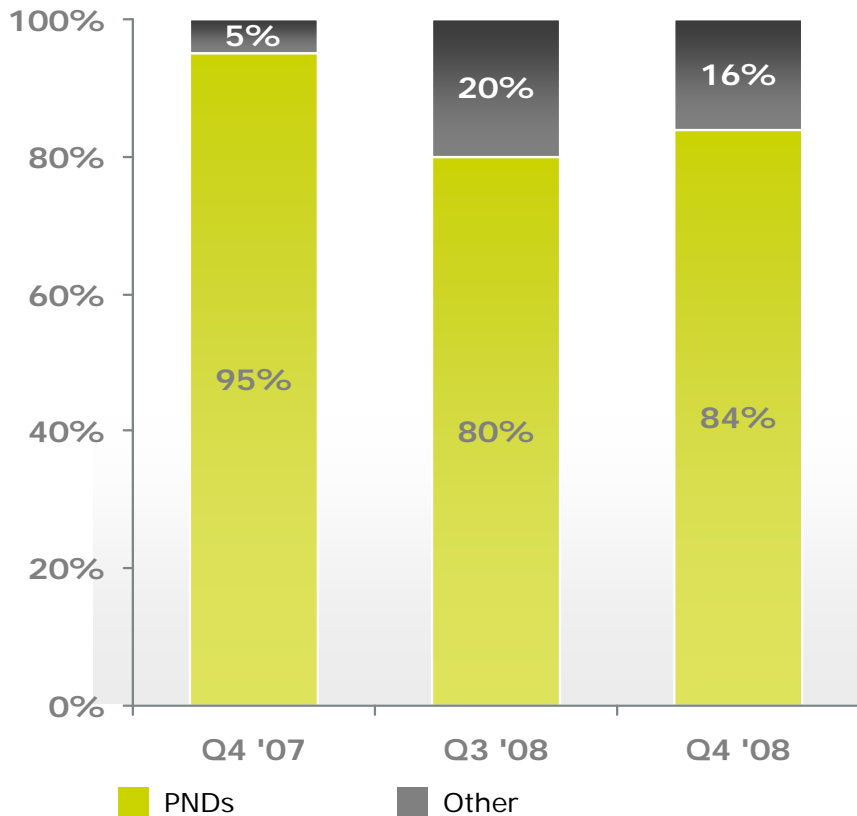
- market size Europe and North America 15 million and 17 million units respectively (2008: 17 million each)

TomTom outlook 2009

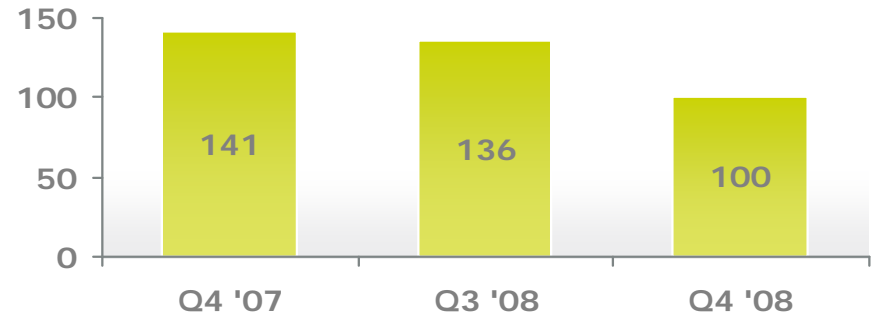
- PND units of between 11 million and 12 million (2008: 12 million)
- revenue of between €1.4 billion and 1.6 billion (2008: €1.75 billion)
- sales will be strongly skewed towards the second quarter and fourth quarter, driven by seasonality and new product introductions
- OPEX savings of €60 million year on year

Revenue analysis

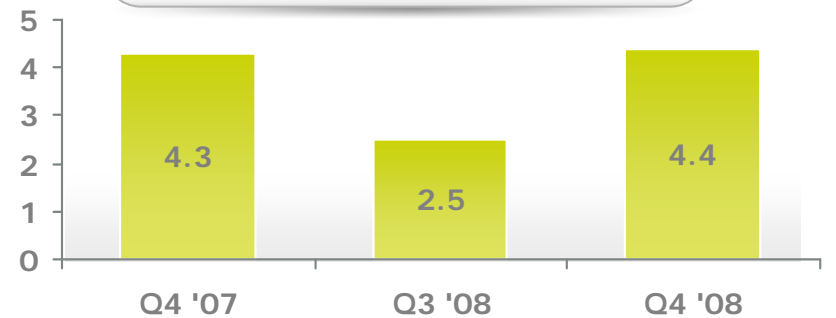
Revenue* (in € millions)



ASP PNDs (in €)



Units PNDs (in millions)



Goodwill impairment

- Goodwill represents the excess of the costs of an acquisition over the fair value of the net assets of Tele Atlas
- The acquisition of Tele Atlas added €1.9 billion of goodwill to our balance sheet
- Impairment review at year end determined that the value of goodwill needed to be reduced to reflect weaker consumer spending environment
- Impairment recorded of €1,048 million, remaining goodwill of €855 million
- Impairment is non cash and does not impact on our loan covenants

for comparative reasons the following slides show pro forma numbers in the income statements and balance sheet and also exclude the goodwill impairment and restructuring charges. The pro forma figures assume consolidation of Tele Atlas from 1 January 2007

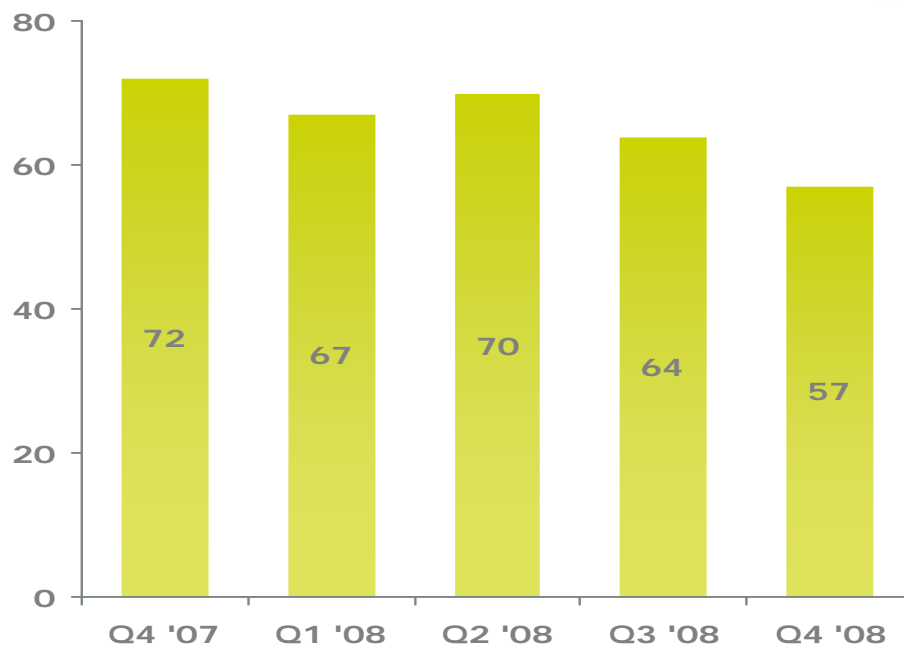
TomTom OPEX (excluding Tele Atlas) – stable trend*

<i>in € millions</i>	Q4 '08	Q3 '08	Q2 '08	Q1 '08	Q4 '07
R&D	-17	-13	-17	-19	-15
<i>% of revenue</i>	4%	3%	4%	7%	2%
Amortisation of t&d	-5	-6	-5	-6	-5
<i>% of revenue</i>	1%	2%	1%	2%	1%
Marketing	-48	-26	-37	-20	-62
<i>% of revenue</i>	10%	7%	8%	8%	10%
SG&A	-38	-35	-35	-37	-35
<i>% of revenue</i>	8%	9%	8%	14%	6%
Share based comp.	-3	-4	7	-6	-7
<i>% of revenue</i>	1%	1%	-2%	2%	1%
Total OPEX	-111	-84	-86	-87	-124
<i>% of revenue</i>	23%	22%	20%	33%	20%

* Pro-forma and excluding restructuring charges

Tele Atlas OPEX – downward trend *

OPEX (in € millions)



<i>in € millions</i>	Q4 '07	Q1 '08	Q2 '08	Q3 '08	Q4 '08
Total OPEX	72	67	70	64	57
% of revenue	74%	115%	98%	88%	66%

* Pro-forma and excluding goodwill impairment and restructuring charges

Earnings overview TomTom Group

(pro-forma excluding impairment & restructuring)

<i>in € millions</i>	Q4 '08	Q4 '07	Q3 '08
Operating result	70	159	93
Interest result	(28)	(26)	(26)
Other finance result	53	(5)	11
Result of associate	0.0	0.5	0.0
Taxation	(24)	(29)	(20)
Effective tax rate	25.7%	22.5%	25.2%
Net result	70	100	58
Diluted EPS (in €)	0.57	0.82	0.47
Diluted Adjusted EPS (in €)	0.79	0.99	0.68

Impact of FX rate changes

<i>in € millions</i>	Q4 '08 rates	Q3 '08 rates	Q4 '07 rates
Revenue	473	459	475
Cost of Sales (US dollar)	(305)	(276)	(284)
Gross margin	35.5%	40.0%	40.2%
Gross profit	168	184	191

Average rates			
US dollar	1.34	1.53	1.45
GB pound	0.79	0.80	0.70
AUS dollar	1.84	1.67	1.59

Cash flow TomTom Group

(excluding impairment)

<i>in € millions</i>	Q4 '08	Q3 '08	Q4 '07
Operating result	54	92	144
Depreciation and amortisation	28	24	7
Financial gains (losses)	56	26	(7)
Other	4	4	25
Changes in working capital	108	(41)	(14)

Cash generated from operations	251	105	155
Interest received	2	1	5
Interest paid	(11)	(24)	(0)
Tax received (paid)	7	(44)	(29)
Net cash flow from operating activities	249	37	130
Total cash flow used in investing activities	-28	(76)	-826
Total cash flow from financing activities	-164	4	452
Net increase in cash and cash equivalents	58	(35)	(244)

Balance sheet TomTom Group

<i>in € millions</i>	Q4 '08	Q3 '08	YE '07 pro forma	YE '07
Non-current assets				
Goodwill	855	1,942	1,895	0
Intangible assets	1,011	1,003	1,013	56
Property, plant & equipment	53	51	42	18
Deferred tax assets	33	34	34	24
Investment in associate	6	7	10	817
Current assets				
Inventories	145	200	132	131
Receivables, prepayments & financial instruments	343	342	540	460
Cash and equivalents	321	263	268	463
Total assets	2,767	3,841	3,934	1,970
Shareholders' equity	513	1,485	1,358	1,352
Provisions	113	108	96	96
Long-term liabilities	234	277	268	1
Borrowings	1,388	1,553	1,554	0
Current liabilities (excl. provisions)	518	418	659	521
Total equity and liabilities	2,767	3,841	3,934	1,970



Questions?

