



TomTom Group Reports Third Quarter Results 2008

TomTom Group financial highlights

- Revenue of €429 million
- Gross profit of €240 million; gross profit margin of 56%
- EBITDA of €118 million; EBITDA margin of 28%
- Net income of €58 million; Diluted EPS €0.46
- Net debt of €1,322 million

TomTom Group operational highlights

- North American and European PND markets combined grew 40% year on year in volume
- Leading market share of 45% in Europe and more than 20% in North America maintained
- GO LIVE X40 series announced offering LIVE Services in Europe from Q4 2008
- First Tele Atlas map incorporating TomTom Map Share™ changes launched
- Partnership with Renault announced to deliver in-dash navigation to Renault cars in mid 2009
- New Tele Atlas senior management team members appointed

TomTom Group full year outlook

- TomTom Group (reported)
 - Revenue of between €1.75 billion and €1.85 billion
 - EBITDA margin of between 20% and 24%
- TomTom business
 - Revenue of between €1.6 billion and €1.7 billion
 - PND volume of between 12 million and 13 million
 - Gross and EBIT margin of close to 40% and 20% respectively maintained
- Tele Atlas business (pro forma)
 - Revenue of approximately €310 million
 - Adjusted EBITDA of approximately €60 million

Key figures TomTom Group (percentages are based on non-rounded figures)

(unaudited) (in € millions)	reported					pro forma				
	Q3'08	Q2'08	%	Q3'07	%	Q3'08	Q2'08	%	Q3'07	%
Revenue	429	453	-5%	427	0%	429	485	-12%	478	-10%
Gross profit	240	207	16%	208	15%	240	243	-1%	275	-13%
Gross margin	56%	46%		49%		56%	50%		58%	
EBIT	92	92	0%	133	-31%	92	87	6%	131	-30%
EBIT margin	21%	20%		31%		21%	18%		27%	
Net result	58	52	11%	99	-41%	58	38	53%	72	-20%
	13%	11%		23%		13%	8%		15%	
EBITDA	118	103	15%	140	-15%	118	109	8%	152	-22%
EBITDA margin	28%	23%		33%		28%	23%		32%	
EPS (fully diluted in €)	0.46	0.41	12%	0.83	-44%	0.46	0.30	53%	0.60	-23%
Adjusted EPS (fully diluted in €) ^a	0.67	0.50	34%	0.88	-24%	0.67	0.48	39%	0.78	-13%

^a Adjusted EPS is based on the net result adjusted to add back amortisation and depreciation charges. This metric is intended to be used in the measurement of the impact of the acquisition of Tele Atlas on the Group's EPS.

TomTom Group's CEO, Harold Goddijn said: *"TomTom delivered strong margins in the third quarter with profits which were ahead of market expectations while maintaining our global market share. We are well prepared for the fourth quarter although it is difficult to estimate the impact that the wider macro economic uncertainty will have. We have revised our full year outlook to reflect our latest view of the quarter and we have adjusted our operations to keep our profitability model intact.*

I am excited that we have been able to announce the European roll out of LIVE Services this quarter and the Renault deal, which will bring TomTom's navigation solutions in-dash next year. We made good progress with the restructuring of the Group and the strengthening of Tele Atlas' management team. We continue to execute our strategy to become a broader company, well positioned to take advantage of the growing demand for digital maps, navigation solutions and services."

Outlook 2008

Despite the weakening state of the global economy we expect demand for navigation solutions to continue to grow, albeit at a slower pace than stated earlier. For Europe this means that we now expect the PND market to grow to 18 million units, compared to 20 million units expected previously. We expect the North American PND market to grow to 18 million units, compared to 20 million units previously.

We adjust our volume outlook for 2008 and now expect to sell between 12 million and 13 million PNDs worldwide. This represents revenue for the TomTom business (PND and Other combined) of between €1.6 billion and €1.7 billion. For the TomTom business we continue to expect a gross margin and operating margin of close to 40% and 20% respectively.

We expect pro forma full year revenue of approximately €310 million for Tele Atlas, with an adjusted EBITDA of approximately €60 million. On a reported basis, we expect this to result in approximately €150 million of net revenue to be included in our full year results for 2008 (reported excludes the first 5 months of 2008 and excludes intercompany revenue).

For the TomTom Group we expect to achieve revenue of between €1.75 billion and €1.85 billion. We expect an EBITDA margin for the Group of between 20% and 24%.

Operational review

The TomTom Group has two major revenue contributing segments on which we report: TomTom, consisting of the "old TomTom" business, and the Tele Atlas business.

Key figures TomTom*

(unaudited) (in € millions)	Q3'08	Q2'08	change	Q3'07	change
Revenue	377	438	-14%	427	-12%
PNDs	343	402	-15%	398	-14%
Other	34	36	-7%	28	20%
Gross profit	176	182	-4%	208	-16%
Gross margin	47%	42%		49%	
EBIT	92	96	-4%	133	-31%
EBIT margin	24%	22%		31%	
Number of PNDs sold (in 000s)	2,526	3,066	-18%	2,160	17%
Average selling price	136	131	4%	184	-26%

* Percentages are based on non-rounded figures

In the past quarter TomTom saw continued growth of the PND market. The European market grew by more than 15% compared to the same period last year to approximately 4.2 million units. In the same period the North American market grew by close to 100% to approximately 3.1 million units. Channel inventory in absolute terms decreased in the past quarter.

Market shares were stable sequentially. TomTom continued to have a leading market share in Europe of around 45% and a North American market share of over 20%.

In the quarter TomTom set a new standard for the navigation industry with the introduction of our latest premium PND range. The connected TomTom GO x40 LIVE delivers navigation and route guidance that continuously updates to reflect real time changes to road conditions which always gives drivers the fastest route to their destination. The new range will be launched in a number of major European markets during the fourth quarter.

TomTom and Renault announced a partnership which will deliver affordable fully integrated navigation solutions to Renault customers on several models. The first application is expected to be in the market in the first half of 2009. Our Automotive team in Eindhoven is developing the solution for Renault.

In the mobile space TomTom launched a new version of TomTom NAVIGATOR, which is available as a bundle with the HTC Touch Pro in the Netherlands and Belgium.

In the quarter TomTom also announced a number of management changes in its consumer division. Corinne Vigreux was appointed Managing Director, Ken McAlpine

was appointed Senior Vice President of Product Design and Alex Batchelor joined as Executive Vice President of Marketing.

Key figures Tele Atlas*

(unaudited) (in € millions)	Q3'08	Q2'08	change	Q3'07	change
Revenue	73	72	1%	74	-2%
PND	35	42	-18%	39	-12%
Automotive & Data	13	14	-1%	17	-22%
Other	25	16	55%	18	39%
Gross profit	64	61	6%	66	-3%
<i>Gross margin</i>	89%	85%		89%	
EBIT	0	-9		-2	
<i>EBIT margin</i>		-13%		-2%	
Adjusted EBITDA**	12	6	114%	15	-19%
Number of licensed maps*** (in 000s)	4,092	4,496	-9%	4,080	0%

* Percentages are based on non-rounded figures; Q2 '08 numbers exclude transaction and restructuring costs

** EBITDA is adjusted for stock compensation expenses and capitalisation of internal development costs

*** Number of licensed maps to PND vendors and automotive, including updates

In the past quarter, Tele Atlas extended its licensing agreements with MiTAC subsidiaries Mio and Navman to use Tele Atlas digital maps and content for their complete ranges of personal navigation devices and products. The agreement covers a three year period and marks an extension of the companies' existing partnership, which began in 2005.

Tele Atlas announced that it will use TomTom's unique Speed Profiles Database to offer its customers superior routing capabilities based on measured average speeds instead of rough estimates. The database covers speed profiles of the road networks of 25 countries, covering 18 million kilometres across the European and North American road networks. The speed profiles database is derived from almost half a trillion speed measurements that TomTom customers in these countries have been sharing with the company over the past two years, making it unique in terms of both size and richness. The data will be made available to Tele Atlas customers later this year.

Tele Atlas also strengthened its leading global coverage position during the quarter with the launch of new maps in Southern Europe and India. Tele Atlas now offers complete coverage of Greece, Malta, Italy, Spain and Portugal and broadened coverage of new regions including Bulgaria and Turkey. In India, Tele Atlas digital maps include nearly 5,500 sub-districts, 600 districts and 35 states and union territories as well as detailed street level coverage for over 100,000 kilometres in eight major cities.

With the recent appointments of Maarten van Gool as Senior Vice President of Finance and Administration and Anil Srivastava as Executive Vice President of Global Sales and Marketing, we made good progress in strengthening the senior management team of Tele Atlas. Further appointments will follow shortly to complete the leadership team required to transform the company into a focused business to business digital content and services production company.

Financial review

*This section presents **pro forma** outcomes for the income statements and balance sheet to allow for comparison with the hypothetical situation that TomTom acquired Tele Atlas on 1 January 2007. Pro forma numbers are used as comparatives in the texts of this section, unless indicated otherwise.*

Revenue

Reported revenue for the Group was €429 million for the quarter, a decrease of 12% sequentially (Q2 2008: €485 million) and 10% compared with last year (Q3 2007: €478 million).

Europe represented 76% of total revenue for the Group for the quarter (Q2 2008: 73%; Q3 2007: 84%), North America represented 20% of total revenue (Q2 2008: 24%; Q3 2007: 12%) and the rest of the world was 4% of total revenue (Q2 2008: 3%; Q3 2007: 4%). In the TomTom business revenue from North America for the quarter represented 18% of revenue, an increase of 8 percentage points year on year (Q3 2007: 10%) and a decrease from 23% in Q2 2008.

The revenue of the TomTom business (excluding Tele Atlas) over the past quarter amounted to €377 million, a decline of 14% sequentially (Q2 2008: €438 million) and a decline of 12% versus prior year (Q3 2007: €427 million).

TomTom PND sales represented 76% of Group revenue in the quarter (Q2 2008: 79%; Q3 2007: 80%) and decreased by 15% compared to the second quarter, to €343 million. (Q3 2007: €398 million, Q2 2008: €402 million).

Other revenue in TomTom decreased 7% sequentially and increased 20% year on year to €33.8 million (Q3 2007: €28.3 million). The year on year growth was mainly the result of increased map sales and continuous strong growth of TomTom WORK revenue. The sale of software solutions saw a decrease compared to the same period last year as did accessories sales, which was also the main reason for the sequential decrease of Other revenue.

Tele Atlas revenue was stable for the quarter at €73 million compared to €72 million in the second quarter of 2008 and €74 million in the same quarter last year. Other revenue in Tele Atlas, which includes Mobile, Internet, and Enterprise and Governmental services, increased by €9 million compared to the previous quarter to €25 million. This increase was partially offset by a decrease in PND revenue for Tele Atlas which declined sequentially by €7 million to €35 million (Q2 2008: €42 million).

Volumes and average selling prices

TomTom shipped 2,526 million PND units in the quarter, a decrease of 18% sequentially (Q2 2008: 3,066 million) and an increase of 17% year on year (Q3 2007: 2,160 million).

The average selling price for PNDs in the third quarter was €136, an increase of 4% compared to the previous quarter (Q2 2008: €131) and an increase of 16% compared to the first quarter of 2008 (Q1 2008: €117). Compared to the same quarter last year the ASP decreased by 26% (Q3 2007: €184). The sequential increase in ASP was driven by a low level of promotional activity, and a favourable product and geographical mix. For the fourth quarter we expect the ASP to decline sequentially as a result of geographical and product mix shifts and seasonal promotional activities for the holiday season.

Gross margin

The gross margin for the Group was 56.0%, an increase of 5.8 percentage points sequentially (Q2 2008: 50.2%) and a decrease of 1.6 percentage points compared to the third quarter of last year (Q3 2007: 57.6%). The gross margin for the TomTom business increased sequentially by 5.0 percentage points to 46.6% (Q2 2008: 41.6%). The sequential increase in gross margin was the result of the combination of higher ASPs, and continued reductions in bill of materials costs.

Operating expenses

Total operating expenses for the quarter were €148.1 million, a reduction of 5.4% or €8.5 million compared to the second quarter (Q2 2008: €156.5 million). This decrease was caused by the usual seasonal reduction in marketing expenses. Operating expenses were more or less flat (Q3 2007: €144.4 million) year on year. As a percentage of revenue, operating expenses were up from the second quarter at 34.5% (Q2 2008: 32.3%) and increased by 4.3 percentage points year on year (Q3 2007: 30.2%). The TomTom business' operating expenses were 22.2% of its revenue for the quarter (Q3 2008: €83.7 million) which was up from the previous quarter (Q2 2008: 19.6%) and up 4.7 percentage points compared to the same period last year (Q3 2007: 17.5%).

Research and development (R&D) expenses for the quarter were €38.4 million, a decrease of 11.0% compared to the previous quarter (Q2 2008: €43.2 million). Sequentially lower R&D costs resulted from lower product development activities in the quarter because of the phasing of new product introductions. Compared to the same period last year, R&D expenses were up by €0.3 million (Q3 2007: €38.1 million).

Amortisation of technology and databases for the quarter was €17.3 million (Q2 2008: €16.0 million). The year on year comparison shows an increase in the amortisation of technology and databases of 9.0% (Q3 2007: €15.9 million). This represented 4.0% of revenue, up from 3.3% in the previous quarter and 3.3% in the same quarter last year.

Marketing expenses for the Group were seasonally lower at €31.0 million, a sequential decrease of 29.5% (Q2 2008: €44.0 million). The year on year comparison shows an increase in marketing expenses of 10.9% (Q3 2007: €28.0 million). The TomTom business contributed €25.9 million of the marketing expenses. Total marketing expenses represented 7.2% of Group revenue, a decrease of 1.9 percentage points compared to the previous quarter (Q2 2008: 9.1%) and up from 5.8% in the same quarter last year.

Selling, general and administrative (SG&A) expenses for the quarter (Q3 2008: €56.7 million) were flat compared to the previous quarter (Q2 2008: €55.7 million). Year on year SG&A expenses increased by 11.9% (Q3 2007: €50.6 million). SG&A costs for the Group represented 13.2% of revenue up from 11.5% in the previous quarter.

Stock compensation expenses for the quarter were €4.6 million, down from €11.9 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 and the decrease in our share price which resulted in lower costs for our share plan.

Operating profit for the quarter was €92.1 million, which was 21.5% of revenue (Q2 2008: 17.9%). This was an increase of 3.6 percentage points sequentially. Year on year the operating profit decreased by 29.5% (Q3 2007: €130.8 million).

Financial results

The financial result included a net interest expense of €26.5 million for the quarter. The interest expense was explained by the borrowings TomTom entered into in June of this year to finance the acquisition of Tele Atlas.

The other finance result included a gain of €11.4 million, which is driven by an unrealised loss compared to Q2 on our interest rate derivative financial instruments and a gain on the foreign exchange hedge instruments. The gain on our foreign exchange hedge instruments was mainly driven by the strengthening of the US dollar and a weakening of the GB pound against the euro during the quarter.

Tax

Income tax was €19.4 million with the effective tax rate being 25.2% for the quarter (Q3 2007: 27.4%).

Cash flow

In the third quarter €105 million of cash was generated by operations mainly driven by the operating profit of €92 million and a cash inflow on our financial instruments of €26 million. We increased our investment in working capital by €41 million, mainly through a higher inventory balance partly offset by strong collections on our outstanding receivable balances. Our investing activities show a cash outflow of €76 million, including the purchase of a further 2.0% of Tele Atlas shares, for €57 million, in the third quarter which took our shareholding to 99.5%. Our net cash balance decreased by €35 million to €263 million at the end of the quarter.

Debt financing

TomTom incurred an acquisition debt of €1,585 million on 10 June 2008 in connection with the Tele Atlas acquisition. In the third quarter net debt increased slightly from €1,285 million to €1,322 million due to the payment for Tele Atlas shares and tax payments to settle 2007 tax obligations. The net debt is the sum of the borrowings (€1,553 million) minus the cash and cash equivalents (€263 million) plus the capitalised cost of the loan (€32 million).

In order to provide additional headroom in the current macro environment, we have successfully renegotiated the conditions and the covenants of our loan facilities with the support of our banking group. The new conditions include an amendment fee of €8 million which will be paid in the fourth quarter and amortised over the remaining duration of the loan (51 months). As part of the renegotiated facilities we also agreed to pay a higher interest rate. We expect the applicable increase in margin to be 25 basis points, which rises to a maximum increase of 175 basis points at the top end of the pricing grid. The terms of the main covenants of the loan have been revised in our favour but remain based on the ratio of net debt to last twelve months (LTM) EBITDA and on the interest coverage ratio. TomTom is comfortable with the revised covenants of the loan based on how we see the business going forward and our assessment of economic conditions.

The floating interest coupon of the loan is based on Euribor plus a margin. The margin will reduce as TomTom reduces its level of leverage. The Euribor element of the interest coupon is hedged for the full term of the loan with cap instruments. Based on the repayment schedule the TomTom Group will repay 10% of the principal amount, €158.5 million, at the end of this and next year.

Reflecting the changed economic circumstances, we have revised our anticipated level of leverage for the end of 2009 from 2.5 times to 3.0 times net debt over EBITDA. The EBITDA used to calculate the leverage ratio is the pro forma EBITDA for the last twelve months adjusted for costs related to the acquisition of Tele Atlas incurred in 2007.

Balance sheet

As a result of the Tele Atlas acquisition the Group shows a provisional goodwill balance of €1,942 million. The goodwill amount was determined as the excess of the purchase price consideration over the fair value of the assets and liabilities of Tele Atlas at the date of acquisition. The goodwill balance will be subject to the annual impairment test as required by IFRS which will be performed in the fourth quarter.

The balance sheet shows borrowings of €1,553 million, which was composed of the incurred acquisition debt net of related transaction costs.

At the end of the second quarter, we had shareholder's equity of €1,485 million, up from €1,414 million at the beginning of the quarter. Cash and cash equivalents at the end of the period amounted to €263 million (Q2 2008: €296 million).

Trade receivables decreased to €276 million from €362 million at the start of the quarter. The decrease was driven by the collection of the receivables from the revenue in the previous quarter. Inventories increased sequentially by €56 million to €200 million by the end of the quarter in preparation for the important fourth quarter (Q2 2008: €144 million, Q3 2007: €125 million). Compared to the previous year inventory increased by €75 million which was the result of the planned earlier arrival of shipments for the North American fourth quarter holiday season. The decrease in tax and social securities payable of €67 million sequentially (Q3 2008: €10 million) resulted from payments made over the quarter for corporate income tax and transaction taxes.

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Audio web cast Q3 2008 results

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

Time: 14:00 CET

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

TomTom is listed at Euronext Amsterdam in the Netherlands

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About TomTom Group

TomTom NV is the world's leading provider of navigation solutions and digital maps. TomTom NV has over 3500 employees working in five business units – TomTom, Tele Atlas, Automotive, Mobile and TomTom 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.

Consolidated income statements

(unaudited) (in € thousands)

	Q3'08	Q3'07	YTD '08	YTD '07
Revenue	428,712	426,657	1,145,965	1,102,800
Cost of sales	188,530	218,363	603,169	606,859
Gross result	240,182	208,294	542,796	495,941
Operating expenses				
Research and development expenses	38,428	11,919	84,723	29,431
Amortisation of technology & databases	17,300	4,541	29,889	11,216
Marketing expenses	31,012	21,113	90,952	75,212
Selling, general and administrative expenses	56,685	28,324	141,326	72,411
Stock compensation expense	4,630	8,928	2,933	24,259
Total operating expenses	148,055	74,825	349,823	212,529
Operating result	92,127	133,469	192,973	283,412
Interest result	-26,460	6,031	-24,496	14,832
Other finance result	11,424	-5,731	19,506	-11,798
Result associates	0	0	-13,456	0
Result before tax	77,091	133,769	174,527	286,446
Income tax	19,422	35,227	57,757	75,813
Net result	57,669	98,542	116,770	210,633
Minority interests	36	0	-162	0
Net result attributed to the group	57,705	98,542	116,608	210,633
Earnings Per Share				
Basic (in €)	0.47	0.87	0.95	1.86
Diluted (in €)	0.46	0.83	0.94	1.78
EBITDA				
Operating result	92,127	133,469	192,973	283,412
Add back:				
Depreciation and amortisation	26,116	6,224	44,622	16,604
EBITDA	118,243	139,693	237,595	300,016
EBITDA margin	28%	33%	21%	27%
Adjusted Earnings Per Share (EPS)				
Net result	57,669	98,542	116,770	210,633
Depreciation and amortisation	26,116	6,224	44,622	16,604
Adjusted earnings	83,785	104,766	161,392	227,237
Basic number of shares (in 000s)	122,935	113,422	122,182	113,122
Diluted number of shares (in 000s)	124,673	119,189	124,021	118,024
Adjusted Earnings Per Share, basic (in €)	0.68	0.92	1.32	2.01
Adjusted Earnings Per Share, diluted (in €)	0.67	0.88	1.30	1.93

Consolidated pro forma income statements

(unaudited) (in € thousands)

	Q3'08	Q3'07	YTD '08	YTD '07
Revenue	428,712	478,058	1,220,111	1,251,311
Cost of sales	188,530	202,898	587,232	566,083
Gross result	240,182	275,160	632,879	685,228
Operating expenses				
Research and development expenses	38,428	38,087	127,440	103,281
Amortisation of technology & databases	17,300	15,870	50,255	45,203
Marketing expenses	31,012	27,958	102,903	98,011
Selling, general and administrative expenses	56,685	50,636	168,311	135,485
Stock compensation expense	4,630	11,857	10,478	36,563
Total operating expenses	148,055	144,408	459,387	418,543
Operating result	92,127	130,752	173,492	266,685
Interest result	-26,460	-24,356	-75,155	-76,810
Other finance result	11,424	-5,806	20,060	-11,973
Result associates	0	-1,864	-1,211	-585
Result before tax	77,091	98,726	117,186	177,317
Income tax	19,422	27,047	45,286	53,388
Net result	57,669	71,679	71,900	123,929
Minority interests	36	20	137	63
Net result attributed to the group	57,705	71,699	72,037	123,992
Earnings Per Share				
Basic (in €)	0.47	0.63	0.59	1.10
Diluted (in €)	0.46	0.60	0.58	1.05
EBITDA				
Operating result	92,127	130,752	173,492	266,685
Add back:				
Depreciation and amortisation	26,116	20,824	70,992	59,963
EBITDA	118,243	151,576	244,484	326,648
EBITDA margin	28%	32%	20%	26%
Adjusted Earnings Per Share (EPS)				
Net result	57,669	71,679	71,900	123,929
Depreciation and amortisation	26,116	20,824	70,992	59,963
Adjusted EPS	83,785	92,503	142,892	183,892
Basic number of shares (in 000s)	122,935	113,422	122,182	113,122
Diluted number of shares (in 000s)	124,673	119,189	124,021	118,064
Adjusted Earnings Per Share, basic (in €)	0.68	0.82	1.17	1.63
Adjusted Earnings Per Share, diluted (in €)	0.67	0.78	1.15	1.56

Consolidated balance sheet

(unaudited) (in € thousands)	30 Sep 2008	31 Dec 2007	31 Dec 2007 Pro forma
Non-current assets			
Goodwill	1,942,379	0	1,895,062
Intangible assets	1,002,708	56,344	1,012,844
Property, plant and equipment	50,697	17,824	41,669
Investments	7,106	816,788	10,422
Deferred tax assets	33,756	24,363	33,786
Total non-current assets	3,036,646	915,319	2,993,783
Current Assets			
Inventories	199,529	130,675	131,661
Trade receivables	276,165	403,015	473,883
Other receivables and prepayments	30,988	30,548	39,695
Other financial assets	35,287	26,695	26,695
Cash and cash equivalents	262,514	463,339	268,218
Total current assets	804,483	1,054,272	940,152
Total assets	3,841,129	1,969,591	3,933,935
Equity and liabilities			
Shareholders' equity			
Share capital	24,704	24,357	24,357
Share Premium	574,075	566,736	566,736
Legal reserves	6,566	5,832	5,832
Stock compensation reserve	60,012	58,765	58,765
Retained earnings	815,259	696,660	696,660
Minority interests	4,861	0	5,196
Total equity	1,485,477	1,352,350	1,357,546
Non current liabilities			
Provisions	53,906	41,624	41,624
Long term liability	5,565	377	4,281
Borrowings	1,553,013	0	1,553,988
Deferred tax liability	271,217	412	263,640
Total non-current liabilities	1,883,701	42,413	1,863,533
Current liabilities			
Trade payables	136,113	151,859	139,391
Tax and social security	9,672	88,737	95,748
Accruals	113,359	153,625	196,143
Provisions	53,915	54,345	54,345
Other liabilities	158,892	126,262	227,229
Total current liabilities	471,951	574,828	712,856
Total equity and liabilities	3,841,129	1,969,591	3,933,935

Consolidated statements of cash flows

(unaudited) (in € thousands)	Q3'08	Q3'07	YTD 2008	YTD 2007
Cash flow from operating activities				
Operating result	92,127	133,469	192,973	283,412
Financial gains/(losses)	25,569	-5,609	13,609	-17,284
Depreciation and amortisation	24,246	6,224	44,622	16,605
Change to provisions	1,331	10,204	11,866	33,135
Change to stock compensation reserve	2,288	6,788	1,247	21,412
Changes in working capital:				
Movement in inventories	-55,503	-58,234	-68,103	-1,138
Movement in receivables and prepayments	80,753	5,687	194,187	6,811
Movement in current liabilities	-65,826	79,425	-178,166	37,688
Cash generated from operations	104,985	177,954	212,235	380,641
Interest received	565	6,133	11,566	15,376
Interest paid	-24,190	-103	-32,680	-545
Corporate income taxes paid	-44,459	-24,851	-86,275	-84,673
Net cash flow from operating activities	36,901	159,133	104,846	310,799
Investments in intangible assets	-12,401	-1,448	-20,931	-28,880
Investments in property, plant and equipment	-4,374	-5,543	-25,159	-11,456
Acquisition of subsidiary	-59,558	0	-1,829,495	0
Total cash flow used in investing activities	-76,333	-6,991	-1,875,585	-40,336
Proceeds from borrowings	-3,648	0	1,550,789	0
Proceeds on issue of ordinary shares	7,686	396	20,376	1,022
Total cash flow from financing activities	4,038	396	1,571,165	1,022
Net increase in cash and cash equivalents	-35,394	152,538	-199,574	271,485
Cash and Cash equivalents at beginning of period	296,277	556,438	463,339	437,801
Exchange rate effect on cash balances held in foreign currencies	1,631	-132	-1,251	-442
Cash and Cash equivalents at end of period	262,514	708,844	262,514	708,844

Consolidated statement of changes in stockholders' equity

(unaudited) (in € thousands)	Share capital	Share premium	Legal reserves	Stock compens. reserve	Retained earnings	Shareholders equity	Minority interests	Total
01 Jan 2008	24,357	566,736	5,832	58,765	696,660	1,352,350	0	1,352,350
Translation differences			2,725			2,725		2,725
Transfer to legal reserves			-1,991		1,991	0		0
Net income (expense) recognised directly in equity			734		1,991	2,725	0	2,725
Profit for the year					116,608	116,608	162	116,770
Acquisition of subsidiary							4,699	4,699
Total recognised income and expense			734		118,599	119,333	4,861	124,194
Stock compensation reserve				1,247		1,247		1,247
Issue of Share Capital	347	7,339				7,686		7,686
30 September 2008	24,704	574,075	6,566	60,012	815,259	1,480,616	4,861	1,485,477

Accounting policies

Basis of accounting

The condensed consolidated financial statements for the three-month period ended 30 September 2008 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 30 September 2008, were the same as those followed in the Financial Statements for the year ended 31 December 2007. 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

Pro forma information: in addition to the quarterly figures as issued by TomTom in 2007 and 2008, this report presents pro forma comparatives for these quarters. The pro forma income statements reflect the TomTom outcomes as if Tele Atlas was acquired at 1 January 2007, the first day of TomTom's financial year, and include the effects of the preliminary purchase price allocation. The pro forma balance sheet is prepared as if Tele Atlas was acquired at 31 December 2007. The main impact of the purchase price allocation on the statement of income was higher interest costs, elimination of transaction and acquisition related costs and higher amortisation of intangibles. The latter was due to the fair value step up recognised on acquisition date. Due to the fact that the purchase price allocation was determined on a provisional basis, the pro forma outcomes are subject to change. The pro forma profit and loss information for the twelve-month period ended 31 December 2007 and the three-month period ended 31 March 2008 was published on 27 June 2008, and can be found on the company's website www.TomTom.com.

Segment reporting

Revenue per product segment (reported)

(in € thousands) (unaudited)	Q3'08	Q3'07	YTD '08	YTD '07
TomTom				
PNDs	343,398	398,369	979,993	1,020,813
Other	33,808	28,288	99,408	81,987
Tele Atlas	72,676	0	98,264	0
Subtotal	449,882	426,657	1,177,665	1,102,800
Intercompany	-21,170	0	-31,700	0
Total	428,712	426,657	1,145,965	1,102,800

Revenue per region (reported)

(in € thousands)
(unaudited)

	Q3'08	Q3'07	YTD '08	YTD '07
Revenues per Region				
Europe	343,363	366,072	863,874	931,468
North America	87,264	44,372	280,746	137,381
Rest of world	19,255	16,213	33,045	33,951
Subtotal	449,882	426,657	1,177,665	1,102,800
Intercompany	-21,170	0	-31,700	0
Total	428,712	426,657	1,145,965	1,102,800

Pro Forma Segment reporting

Pro forma revenue per product segment (reported)

(in € thousands)
(unaudited)

	Q3'08	Q3'07	YTD '08	YTD '07
TomTom				
PNDs	343,398	398,369	979,993	1,020,813
Other	33,808	28,288	99,408	81,987
Tele Atlas	72,676	74,261	203,178	211,092
Subtotal	449,882	500,918	1,282,579	1,313,892
Intercompany	-21,170	-22,860	-62,468	-62,581
Total	428,712	478,058	1,220,111	1,251,311

Pro forma revenue per region (reported)

(in € thousands)
(unaudited)

	Q3'08	Q3'07	YTD '08	YTD '07
Revenues per Region				
Europe	343,363	419,183	933,466	1,082,122
North America	87,264	62,861	309,898	190,628
Rest of world	19,255	18,874	39,215	41,142
Subtotal	449,882	500,918	1,282,579	1,313,892
Intercompany	-21,170	-22,860	-62,468	-62,581
Total	428,712	478,058	1,220,111	1,251,311

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 were 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.