



TomTom Reports First Quarter 2008 Results

First quarter financial highlights

- Revenue of €264 million compared to €296 million last year
- US revenue increased 133% year on year to €85 million
- Other revenue increased 45% year on year to €25 million
- Portable navigation device (PND) volume of 2.0 million; up 50% year on year
- Gross margin of 35% compared to 40% last year
- Net profit of €7.3 million; fully diluted EPS of €0.06

First quarter operational highlights

- Continued strong PND market growth of over 40% in Europe and over 100% in North America
- HD Traffic™ service announced in Germany, France and Switzerland
- TomTom community grew to over 5 million registered users
- IQ Routes™ technology launched
- New TomTom GO range shipping in April

Outlook 2008

- Continued strong growth of the European and North American PND markets; combined markets expected to grow by more than 50% to 38 million units in 2008
- Revenue expectation for 2008 of between €1.8 billion and €2.0 billion
- PND unit forecast for 2008 of between 14 million and 15 million
- Targets for gross margin and operating margin for 2008 of close to 40% and 20% of revenue respectively

Key figures*

(in € millions) (unaudited)

	Q1'08	Q4'07	Change	Q1'07	Change
Revenue	264	634	-58%	296	-11%
Gross profit	92	268	-66%	118	-22%
Gross margin	35%	42%		40%	
Operating profit	9	144	-94%	57	-85%
Operating margin	3%	23%		19%	
Net profit	7	107	-93%	44	-83%
EPS - fully diluted (in €)	0.06	0.87	-93%	0.37	-85%

* percentages are based on non-rounded figures

TomTom's Chief Executive Officer, Harold Goddijn said:

"The European and North American markets showed strong customer demand during the quarter. With the vast majority of the PND sales still being first time purchases it is clear that penetration levels continue to grow and that more and more people are discovering the value of PNDs. The introduction of new technologies, products and services will result in further adoption of the category. New services like HD Traffic are attracting different types of buyers and will stimulate the replacement market.

During the past quarter we introduced our ground-breaking IQ Routes technology and launched the HD Traffic receiver which will deliver TomTom's unique traffic information service to both existing and new TomTom customers. We will continue to focus our efforts on features and content that improve the core navigation experience."

Outlook 2008

We confirm our full year guidance of revenue of between €1.8 billion and €2.0 billion. We expect to sell between 14 million and 15 million PNDs and to achieve a gross margin and operating margin of close to 40% and 20% respectively. We maintain our long term financial model of a gross margin of 40% and an operating margin of 20%.

Update on Tele Atlas acquisition

TomTom remains committed to the intended acquisition and we are looking forward to a positive outcome of the Phase II review by the European Commission.

A decision from the European Commission is currently expected on 21 May 2008. Allowing for additional days after the decision for the shareholders of Tele Atlas to tender the shares that have not yet been tendered under the Offer, the end of the tender period is set at 30 May 2008.

Operational review

In the first quarter we saw continued strong growth of the PND market. The European market grew by over 40% compared to the same period last year to approximately 3.7 million units. In the same period the North American market more than doubled to approximately 2 million units. TomTom continues to have strong market shares in Europe and North America.

Introductions of new products and services are expected to continue to drive increased penetration levels. In the quarter we introduced our new IQ Routes technology. TomTom IQ Routes gives our customers the smartest route calculations for their journeys on the market today because journey times are now based on real average speeds measured on roads, rather than on static maximum speeds based on road classifications.

This technology is included in the new TomTom GO series which also features Advanced Lane Guidance. Advanced Lane Guidance gives drivers enhanced visual instructions about their surroundings, ensuring they are better informed about the situation ahead.

The new TomTom GO series, which started shipping early in the second quarter, will replace the current TomTom GO range. It gives users the option to combine the static historical data of TomTom IQ Routes with the dynamic information of TomTom HD Traffic, together with maps that incorporate daily updates via TomTom Map Share. This combination produces the most advanced navigation experience on the market today.

To give existing and new TomTom GO customers the opportunity to benefit from TomTom's superior traffic information service, we introduced the HD Traffic Receiver. The HD Traffic Receiver has a built-in SIM card for GPRS connectivity and plugs into the vehicle's cigarette lighter.

In the quarter we announced the roll out of our TomTom HD Traffic service in Germany and Switzerland in 2008, and in France in 2009. By launching our service in these countries and in the UK, together with the existing service in the Netherlands, we will have HD Traffic available to more than 50% of our current customer base in Europe by the end of 2008.

TomTom WORK, the business-to-business division of TomTom added another 7,000 new subscriptions in the quarter and now has over 40,000 subscribers. In the quarter the division introduced a new and enhanced TomTom WEBFLEET service and the new TomTom LINK 300 box for its updated TomTom WORK Active solution. With its new technology base TomTom WORK is well positioned to continue to grow rapidly.

The TomTom community continues to grow and passed the 5 million registered user mark in the quarter. To further facilitate this growth we launched the industry's first content-sharing platform for TomTom devices through the latest version of TomTom HOME. Users can seamlessly download, upload and share content with other members of the TomTom community for free.

The success of the TomTom community is also shown in the number of map improvements uploaded. Since its launch last summer, TomTom Map Share has received over 1.5 million improvements from our users. TomTom Map Share is available in 30 countries.

Financial review

(in € millions)	Q1'08	Q4'07	Change	Q1'07	Change
Revenue	<i>unaudited</i>	<i>audited</i>		<i>unaudited</i>	
PNDs	234	602	-61%	271	-13%
PDA/smartphone solutions	5	4	14%	8	-41%
Other	25	28	-12%	17	45%
Total	264	634	-58%	296	-11%
Number of units sold (in 000s)					
PNDs	1,997	4,278	-53%	1,330	50%
PDA/smartphone solutions	161	93	73%	184	-13%
Total	2,158	4,371	-51%	1,514	43%
Average selling price					
PNDs (in €)	117	141	-17%	204	-43%
PDA/smartphone solutions (in €)	30	45	-33%	44	-32%

* percentages and totals are based on non-rounded figures

Revenue

Revenue for the first quarter was €264 million, a seasonal decrease of 58% sequentially from the traditionally strong fourth quarter (Q4 2007: €634 million) and 11% year on year (Q1 2007: €296 million).

Revenue from PND sales was €234 million and represented 89% of total revenue in the quarter (Q4 2007: 95%; Q1 2007: 92%). PND sales decreased €37 million or 13% compared to the same quarter of the previous year (Q1 2007: €271 million).

Europe represented 68% of total revenue for the quarter (Q4 2007: 73%; Q1 2007: 86%). North America provided 32% of total revenue, an increase of 11 percentage points compared to the previous quarter (Q4 2007: 21%) and an increase of 20 percentage points year on year (Q1 2007: 12%). Revenues from the rest of the world were 0.4% of quarterly revenue (Q4 2007: 5.7%; Q1 2007: 1.9%).

Other revenues were €25 million for the quarter. Compared to Q1 2007 (€17 million) other revenues increased by 45%. Other revenue consists of the sale of maps, accessories and TomTom WORK. All elements contributed to this growth especially sales of map updates.

Volumes and average selling prices

TomTom shipped 2.0 million PND units in the quarter, an increase of 50% year on year (Q1 2007: 1.3 million).

In the quarter, in Europe, retailers reduced their inventory levels more strongly than expected, which restricted sell-in volumes. We ended the quarter with channel inventories owned by retailers at a sequentially lower absolute level.

The average selling price for PNDs in the first quarter was €117, a decrease of 17% compared to the previous quarter (Q4 2007: €141). The sequential decrease in ASP results from planned price drops across the board (ahead of the introduction of new products in the second quarter), additional promotions to clear channel inventory and the geographical shift in product mix.

Gross margin

The quarter delivered a gross profit of €92.1 million representing 35% of revenue. Due to the planned price decreases, additional promotional activities and the increase in the proportion of our revenue coming from North America, the gross margin decreased 7 percentage points (Q4 2007: 42%) sequentially, and 5 percentage points year on year (Q1 2007: 40%).

Operating expenses

Total operating expenses for the quarter decreased by 33% or €40 million to €83.4 million compared to the fourth quarter (Q4 2007: €123.8 million). Year on year operating expenses increased by 35% (Q1 2007: €61.6 million). The sequential decrease in operating expenses was caused by the seasonal decrease in marketing expenditures. Operating expenses (excluding stock compensation expenses) as a proportion of revenue for the quarter increased year on year by 12 percentage points to 30% (Q1 2007: 18%).

Research and development (R&D) expenses for the quarter increased sequentially by 6% to €20.8 million (Q4 2007: €19.5 million), and year on year by 94% (Q1 2007: €10.7 million). This increase was driven by the growth of our development capacity including automotive and by increased product development. R&D expenses represented 8% of revenue compared to 3% in the previous quarter and 4% in the first quarter of last year.

Marketing expenses were lower at €20.5 million compared to the previous quarter (Q4 2007: €62.1 million) which is in line with our seasonal pattern. The year on year comparison shows a decrease in marketing expenses of 1% (Q1 2007: €20.8 million). Marketing expenses represented 8% of revenue, down from 10% in the previous quarter and up from 7% in the first quarter of last year.

Selling, general and administrative (SG&A) expenses for the quarter increased sequentially by 4% to €36.5 million (Q4 2007: €35.2 million) and increased by 61% year on year (Q1 2007: €22.6 million). SG&A costs for the quarter represented 14% of revenue, up from 8% in the same period last year.

Stock compensation expenses for the fourth quarter decreased by 21% sequentially to €5.6 million (Q4 2007: €7.0 million; Q1 2007: €7.5 million). The decrease was mainly driven by lower costs for the cash settled share plan.

The operating profit for the quarter was €8.7 million compared with €56.6 million in the same quarter last year.

Interest income

Interest income for the first quarter decreased sequentially to €3.5 million (Q4 2007: €4.3 million).

Exchange rate

In the first quarter the use of foreign exchange hedge instruments resulted in a net gain of €10.9 million. This gain was largely caused by the depreciation of the US dollar, the British pound and the Australian dollar against the euro. We recorded a gain on foreign exchange hedge contracts protecting our non euro revenue, which matured in the quarter and a further gain to mark-to-market all outstanding unrealised option and forward foreign exchange contracts at quarter end.

Result of associate

TomTom acquired 29.9% of the shares of Tele Atlas in the fourth quarter of 2007. TomTom recognised a proportional percentage of the expected net loss of Tele Atlas as a result of associates of €4.6 million in the quarter (Q4 2007: net profit €0.8 million). Estimates were made of the expected result of the associate for the first quarter. The estimates were based on external research analyst reports and trend analysis. The estimated result of the associate was adjusted by TomTom as the value (fair value) of the assets of Tele Atlas in our balance sheet is higher compared with the value as presented by Tele Atlas. Our share of the additional amortisation charge that results from the asset step up is included in the result of the associate as presented in our profit and loss account.

Tax

The effective tax rate was impacted this quarter by a partial write down of a deferred tax asset in relation to the employee stock option plan. Because of the decline in our stock value we adjusted our expected tax benefit upon vesting of the options downwards. The effective tax rate was further impacted by the non tax deductible loss on our participation in Tele Atlas. Without these two exceptional items, the effective tax rate for the quarter would have been 28.6%, reflecting the larger share of our US operations.

Cash flow

Cash at the end of the first quarter amounted to €476 million, an increase of €13 million from €463 million at the end of 2007. In the first quarter €52 million of cash

was generated from operations mainly driven by the seasonal reduction of outstanding receivables.

Balance sheet

At the end of the first quarter, we had shareholder's equity of €1,363 million, compared with €1,352 million at the start of the quarter. Cash and cash equivalents at the end of the period amounted to €476 million (Q4 2007: €463 million).

As TomTom remains confident that the acquisition of Tele Atlas will be closed the investment in associate is valued at net asset value.

For further information

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Audio web cast Q1 2008 results

The information for our Q1 2008 results audio web cast is as follows:

Time: 23 April 2008 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

TomTom NV is the world's leading navigation solutions provider. 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. TomTom offers a portfolio of content and services for TomTom's navigation products, which are easily available through TomTom HOME. TomTom also provides navigation software products that integrate with third party devices; the TomTom NAVIGATOR software for PDAs 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 30 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 in The Netherlands. For more information, go to <http://www.tomtom.com>.

Consolidated income statements

(in € thousands)

	Q1'08	Q1'07
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	263,842	295,856
Cost of sales	171,792	177,652
Gross profit	92,050	118,204
Operating expenses		
Research & development expenses	20,767	10,680
Marketing expenses	20,495	20,760
Selling, general and administrative expenses	36,524	22,627
Stock compensation	5,564	7,548
Total operating expenses	83,350	61,615
Operating profit	8,700	56,589
Interest income	3,547	4,192
Exchange rate gain (loss)	10,890	-1,070
Result of associate	-4,617	0
Profit before tax	18,520	59,711
Income tax	11,264	15,965
Net profit	7,256	43,746
Average number of shares outstanding		
Basic (in 000s)	121,799	112,922
Diluted (in 000s)	125,870	117,281
Earnings Per Share, basic (in €)	0.06	0.39
Earnings Per Share, diluted (in €)	0.06	0.37

Consolidated balance sheets

	31 March 2008 <i>(unaudited)</i>	31 December 2007 <i>(audited)</i>
(in € thousands)		
Non-current assets		
Intangible assets	55,044	56,344
Property, plant and equipment	19,720	17,824
Investment in associate	811,841	816,788
Deferred tax assets	18,379	24,363
Total non-current assets	904,984	915,319
Current Assets		
Inventories	136,233	130,675
Trade receivables	164,071	403,015
Other receivables and prepayments	32,845	30,548
Other financial assets	41,227	26,695
Cash and cash equivalents	476,040	463,339
Total current assets	850,416	1,054,272
Total assets	1,755,400	1,969,591
Equity and liabilities		
Shareholders' equity		
Share capital	24,402	24,357
Share Premium	566,662	566,736
Legal reserves	4,104	5,832
Stock compensation reserve	65,059	58,765
Retained earnings	702,778	696,660
Total equity	1,363,005	1,352,350
Non-current liabilities		
Deferred tax liability	356	412
Long term liabilities	386	377
Provisions	40,374	41,624
Total non-current liabilities	41,116	42,413
Current liabilities		
Trade payables	100,683	151,859
Tax and social security	30,562	88,737
Accruals	92,023	153,625
Provisions	49,222	54,345
Other liabilities	78,789	126,262
Total current liabilities	351,279	574,828
Total equity and liabilities	1,755,400	1,969,591

Consolidated statements of cash flows

(in € thousands)	Q1'08 <i>(unaudited)</i>	Q1'07 <i>(unaudited)</i>
Operating profit	8,700	56,589
Financial losses	-3,988	-5,091
Depreciation of property, plant and equipment	1,841	1,802
Amortisation of intangible assets	5,926	3,470
Change to provisions	-6,363	2,089
Change to stock compensation reserve	6,294	7,548
Changes in working capital:		
(Increase) / decrease in inventories	-5,559	37,732
Decrease in receivables and prepayments	236,450	71,168
Decrease in current liabilities	-191,210	-77,619
Cash generated from operations	52,091	97,688
Interest received	4,897	4,200
Interest paid	-1,350	-7
Corporate income taxes paid	-31,522	-22,674
Net cash flow from operating activities	24,116	79,207
Investments in intangible assets	-4,627	-1,345
Investments in property, plant and equipment	-3,736	-2,643
Total cash flow used in investing activities	-8,363	-3,988
Proceeds on issue of ordinary shares	-29	0
Total cash flow from financing activities	-29	0
Net increase in cash and cash equivalents	15,724	75,219
Cash and Cash equivalents at beginning of period	463,339	437,801
Exchange rate effect on cash balances held in foreign currencies	-3,023	-422
Cash and Cash equivalents at end of period	476,040	512,598

Consolidated statement of changes in stockholders' equity

(unaudited) (in € thousands)	Share capital	Share premium	Legal reserves	Stock compens. reserve	Retained earnings	Total
1 Jan 2008	24,357	566,736	5,832	58,765	696,660	1,352,350
Translation differences			-2,866			-2,866
Transfer to legal reserves			1,138		-1,138	0
Net income (expense) recognised directly in equity			-1,728		-1,138	-2,866
Profit for the year					7,256	7,256
Total recognised income and expense			-1,728		6,118	4,390
Stock compensation reserve				6,294		6,294
Issue of Share Capital	45	-74				-29
31 Mar 2008	24,402	566,662	4,104	65,059	702,778	1,363,005

Accounting policies

Basis of accounting

The condensed consolidated financial statements for the three-month period ended 31 March 2008 with related comparative information have been prepared using International Financial Reporting Standards (IFRS). Accounting policies and methods of computation followed in the Financial Statements for the year ended 31 December 2007 are the same as those followed in the interim financial statements, for the period ended 31 March 2008. 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

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

(in € thousands)

	Q1'08 (unaudited)	Q1'07 (unaudited)
Revenues per Region		
Europe	178,114	253,946
North America	84,641	36,346
Rest of world	1,087	5,564
Total	263,842	295,856

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.

This includes an announcement of TomTom N.V. ("TomTom") which is required pursuant to the provisions of section 9b paragraph 1 of the Dutch Securities Markets Supervision Decree 1995 (Besluit toezicht effectenverkeer 1995) in connection with the Offer. This announcement and related materials do not constitute an offer to purchase nor a solicitation of an offer to sell shares. Any offer will be made only by means of the offer memorandum as published on 18 November 2007 which contains the full terms and conditions of the Offer (the "Offer Memorandum"). Not for release, distribution or publication, in whole or in part to Australia, Canada, Italy or Japan.

Copies of the Offer Memorandum are available on the website of TomTom (www.tomtom.com) or Tele Atlas (www.teleatlas.com). TomTom's and Tele Atlas' website do not constitute a part of, and are not incorporated by reference into the Offer Memorandum.

Restrictions

The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholder, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of the Offer

Memorandum. Persons obtaining the Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror, nor Tele Atlas, nor any of their advisers accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intend to forward the Offer Memorandum or any related document to any jurisdiction outside The Netherlands should carefully read Section 1 (Restrictions and Important Information) of the Offer Memorandum before taking any action. The distribution of the Offer Memorandum in jurisdictions other than The Netherlands may be restricted by law and therefore persons into whose possession the Offer Memorandum comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction.

Purchases outside the Offer

To the extent permitted by applicable law, in accordance with normal Dutch practice and pursuant to exemptive relief granted by the Staff of the Division of Market Regulation of the SEC (the "Staff") from Rule 14e-5 of the US Securities Exchange Act of 1934 ("Rule 14e-5"), the Offeror or its nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares otherwise than under the Offer, such as in open market or privately negotiated purchases outside the United States during the period in which the Offer remains open for acceptance. In addition, in accordance with Dutch law and with exemptive relief granted by the Staff from Rule 14e-5, Goldman Sachs and ABN AMRO, serving as financial advisors to the Offeror, or their respective affiliates and separately identifiable departments may make purchases of, or arrangements to purchase, Shares outside of the Offer or engage in trading activities involving Shares and various related derivative transactions in the normal and ordinary course of their business. In accordance with the requirements of Rule 14e-5 and exemptive relief granted by the SEC, any such transactions outside of the Offer must comply with Dutch law. Any information about purchases by the Offeror will be notified forthwith (onverwijld) to the Dutch Authority for the Financial Markets. In accordance with applicable Dutch law, only in certain instances will purchases, or arrangements to purchase, of Shares outside the Offer be publicly disclosed and such public disclosure will be available on the website of The Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) (www.afm.nl). Information regarding transactions in the Shares will also be publicly disclosed in the United States to the extent that such information is made public in The Netherlands.

This announcement does not constitute an offer to purchase any securities, nor a solicitation of any offer, proxy, consent or authorization to buy or subscribe for any securities of Tele Atlas or any other securities, nor shall it (or any part of it) form the basis of, or be relied upon in connection with, any contract therefore. In the event that an offer is made, details of the offer will be set out in an offer memorandum, which will contain the full terms and conditions of the offer including how the offer can be accepted, and which will be made available to all holders of securities of Tele Atlas free of charge.

Statements in this document regarding the proposed transaction between Tele Atlas and TomTom, the expected timing for completing the transaction, future financial and operating results, benefits and synergies of the transaction, future opportunities for the combined company and any other statements about Tele Atlas or TomTom managements' future expectations, beliefs, goals, plans, or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "believes," "will," "plans," "anticipates," "expects" and similar expressions) should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the ability to consummate the transaction, the ability of TomTom to successfully integrate Tele Atlas' operations and employees; the ability to realize anticipated synergies and cost-savings; the receipt of regulatory clearances; and other factors described in TomTom's and Tele Atlas' most recent respective annual reports for the year ended 2006. TomTom and Tele Atlas each disclaim any intention or obligation to update any forward-looking statements as a result of developments after the date of this announcement.