

TomTom N.V.

Second quarter 2008 results

Harold Goddijn – CEO

Marina Wyatt - CFO



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Market and business review

Harold Goddijn – CEO



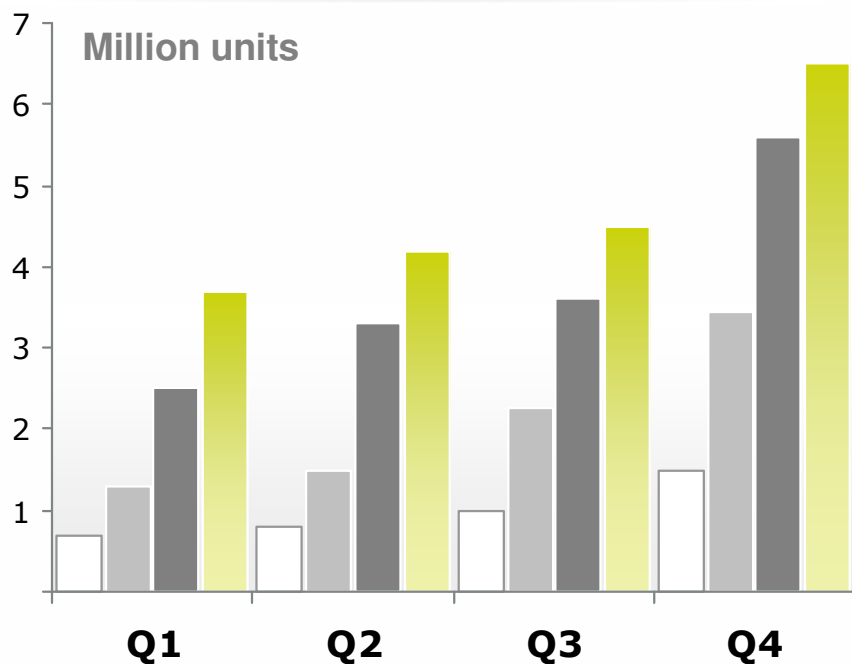
Second quarter highlights

- Resilient consumer demand for our products and services
 - PND product portfolio completely renewed
 - Unique IQ Routes™ technology introduced
 - Acquisition of Tele Atlas without remedies
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- Reported revenue €453 million
 - Operating result of € 92 million
 - Net profit of €52 million; Diluted EPS €0.41

Market size – history and forecast

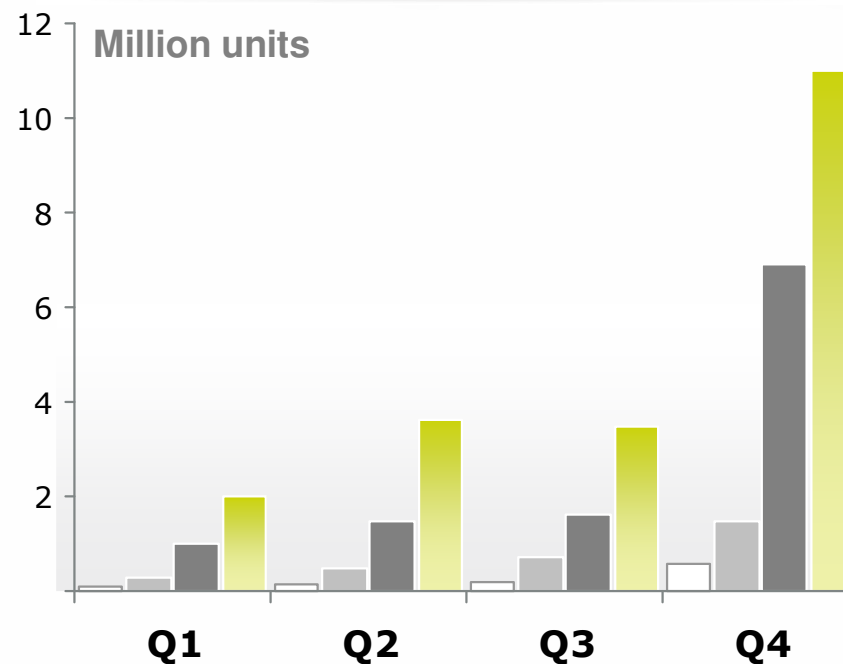
Market size PND (sell-out)

Europe



Market size PND (sell-out)

North America



	2005	2006	2007	2008 (FC)
Europe	4	8.5	15	20
US	1	3	11	20

Source: GfK, NPD and TomTom estimates

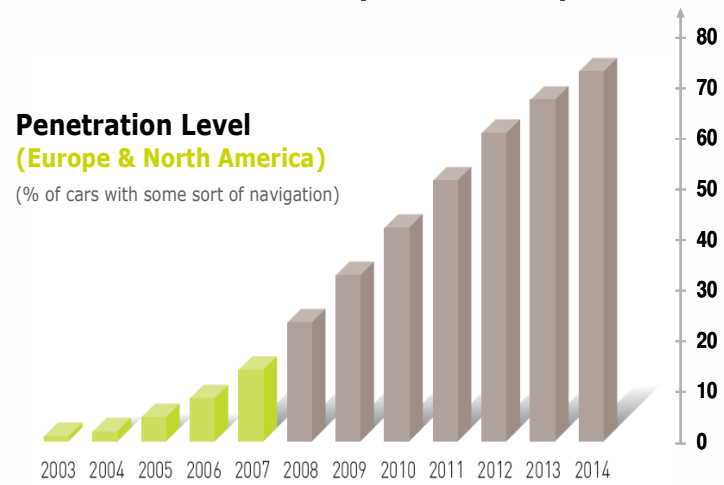


Resilient consumer demand, PNDs growing strongly

- European market grew by 4.3 million units or 30% year on year

- US market grew by 3.7 million units

or 140% year on year



- Penetration rates are still low (25% in Europe and 10% in US)

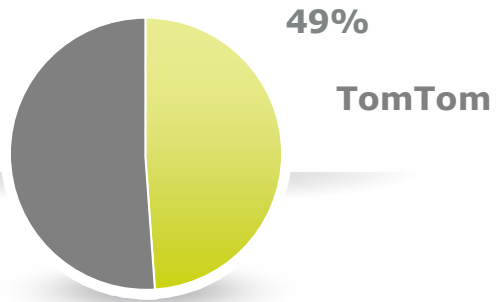
*“Consumers’ ongoing desire for mobility makes this the largest CE category worldwide both in terms of unit sales and revenue. **Topping the list are portable navigation devices, with expected worldwide revenue growth of nearly 20 percent in 2008.**” – Source: CEA and GfK, 9 June ‘08*



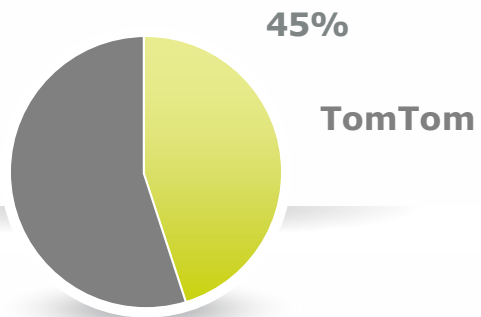
Market share

Europe

June 2008

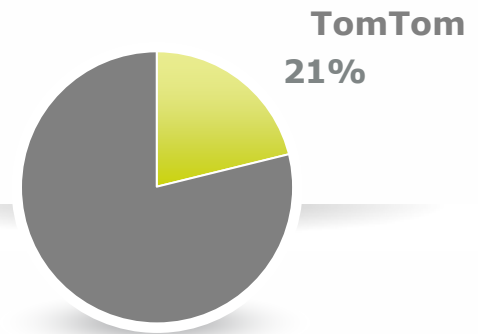


Q2 2008

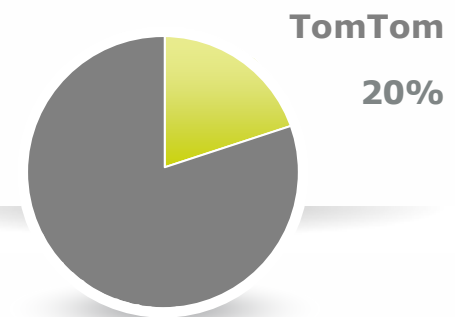


North America

June 2008



Q2 2008



Our product line-up

- TomTom renewed its entire PND product portfolio
- Successfully executed product transition - all our new PNDs were available for sale before the start of the important driving season
- Positive reception of the new product portfolio

- **TomTom ONE and TomTom XL** - New sleeker design, foldable EasyPort™ mount and clearer sound are the latest improvements in the value and mid-range series.



- **TomTom GO X30** - TomTom's new premium series. Filled with TomTom's latest technology such as IQ Routes and Advanced Lane Guidance.

- **TomTom ONE XL HD Traffic**™ - TomTom's connected device combines smart navigation software with the world's most advanced traffic information.



- **TomTom HD Traffic Receiver** - This accessory delivers TomTom's HD traffic service to existing and new TomTom customers via a built-in SIM card for GPRS connectivity which plugs into the vehicle's cigarette lighter.



TomTom's added value

**The smartest route everyday.
TomTom IQ Routes.™**

Lovers know how you get the route with the least obstacles, anytime of the day. Now your new TomTom GO knows too. Thanks to IQ routes, which is based on real driving data from millions of enthusiastic TomTom users.

A stunning 40% got a quicker route than they would have picked themselves. So you arrive between 5 and 10% earlier. And save gas at the same time. Which makes IQ routes ideal for everyday use. And weekends. And holidays. And...

Now available on the new TomTom GO.
More information at tomtom.com.

TomTom Find your way the easy way

- Difference between volume and value market share is increasing in Europe
- More educated customers lead to more educated purchases
- TomTom is transforming the function of car navigation
- From a don't get-lost device to an everyday travel companion



Tele Atlas – focus on quality and efficiency

- Strengthen market position by delivering superior quality maps
 - Use TomTom’s customer base and latest technologies
 - Continued investments in map production capabilities
 - First results available end 2008
- Increase efficiency
 - Create a truly focused B2B company – lean organisation with streamlined operations
 - 30 million annualised cost savings from 2009
- Next generation of products and services
 - Develop and deliver the building blocks for the next generation of real time products and services

**More details on our Tele Atlas strategy at our
Capital Markets Day on 25 September 2008**



Outlook 2008

- Outlook TomTom standalone maintained
 - European and North American markets expected to grow to 40 million units in '08, up from 26 million units in '07
 - Revenue expectation for '08 of between €1.8 billion and €2.0 billion
 - PND unit forecast for '08 of between 14 million and 15 million
 - Targets for gross margin and operating margin of close to 40% and 20% of revenue respectively
- Outlook Tele Atlas standalone maintained
 - Full year pro forma revenue for '08 of approx. €335 million – or €150 million reported (excl. first 5 months and intercompany revenue)
 - Full year pro forma adjusted EBITDA of approximately €70 million
- Outlook TomTom Group
 - Revenue of between €1.95 billion and €2.15 billion
 - EBITDA margin of between 20% and 25%

Financial review

Marina Wyatt - CFO

Financial summary – Q2 '08 TomTom Group reported

(Tele Atlas consolidated from 1 June 2008)

<i>in € millions</i>	Q2 '08	Q2 '07	Δ	Q1 '08
Revenue	453	380	19%	264
Gross profit	207	169	22%	96
Gross margin	46%	45%	-	36%
Operating result	92	93	-1%	9
Operating margin	20%	25%	-	3%
Net result	52	68	-24%	7
Net margin	11%	18%	-	3%
EBITDA	103	98	4%	16
EBITDA margin	23%	26%		6%

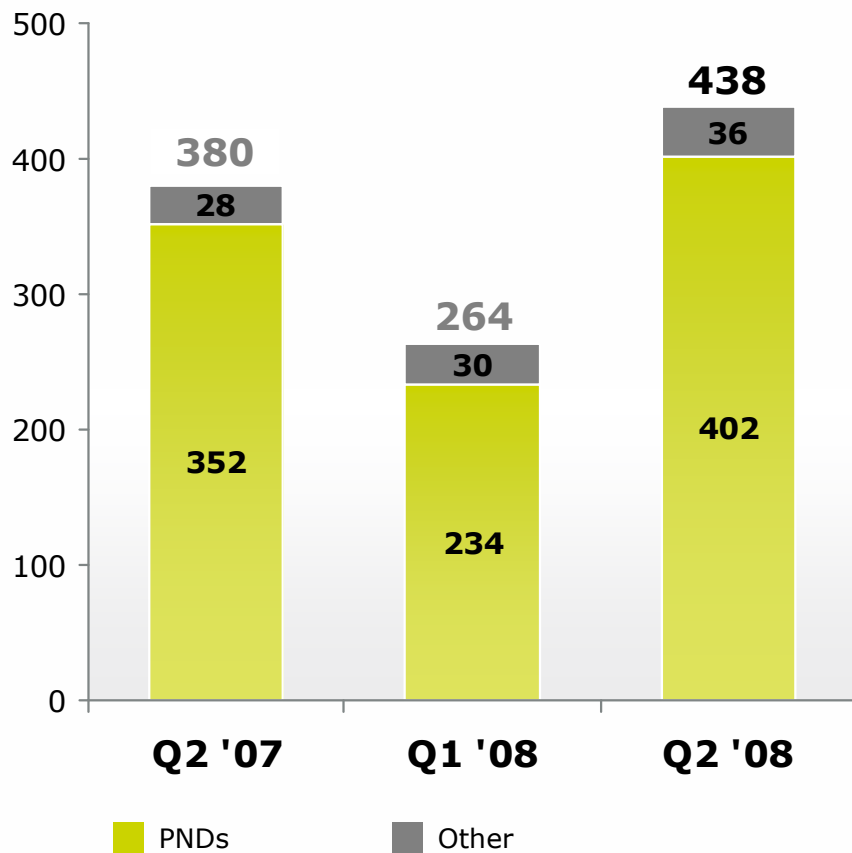
Financial summary – Q2 '08 TomTom Group pro forma

(Tele Atlas consolidated from 1 January 2007)

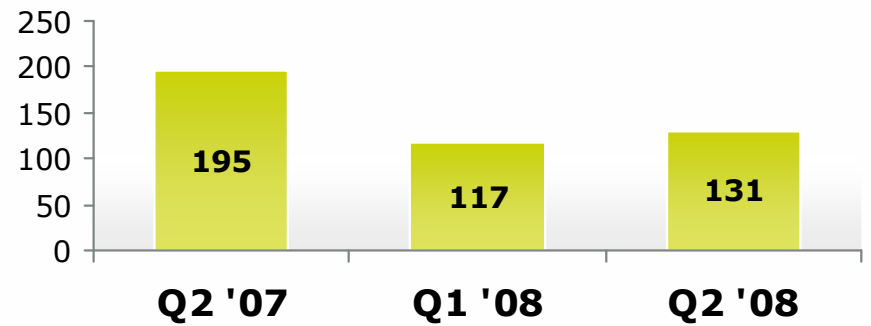
<i>in € millions</i>	Q2 '08	Q2 '07	Δ	Q1 '08
Revenue	485	432	12%	307
Gross profit	243	235	3%	149
Gross margin	50%	54%	-	49%
Operating result	87	91	-4%	(6)
Operating margin	18%	21%	-	-2%
Net result	38	42	-10%	(24)
Net margin	8%	10%	-	-8%
EBITDA	109	110	-1%	17
EBITDA margin	23%	26%	-	5%

Segmental revenue analysis – TomTom only

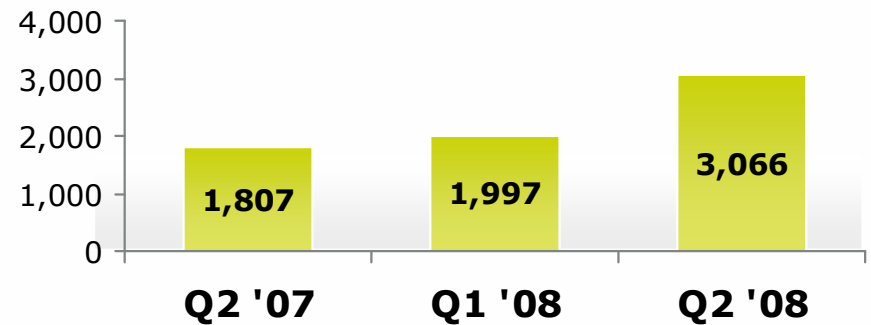
Revenue (in € millions)



ASP PNDs (in €)



Units PNDs (in '000s)



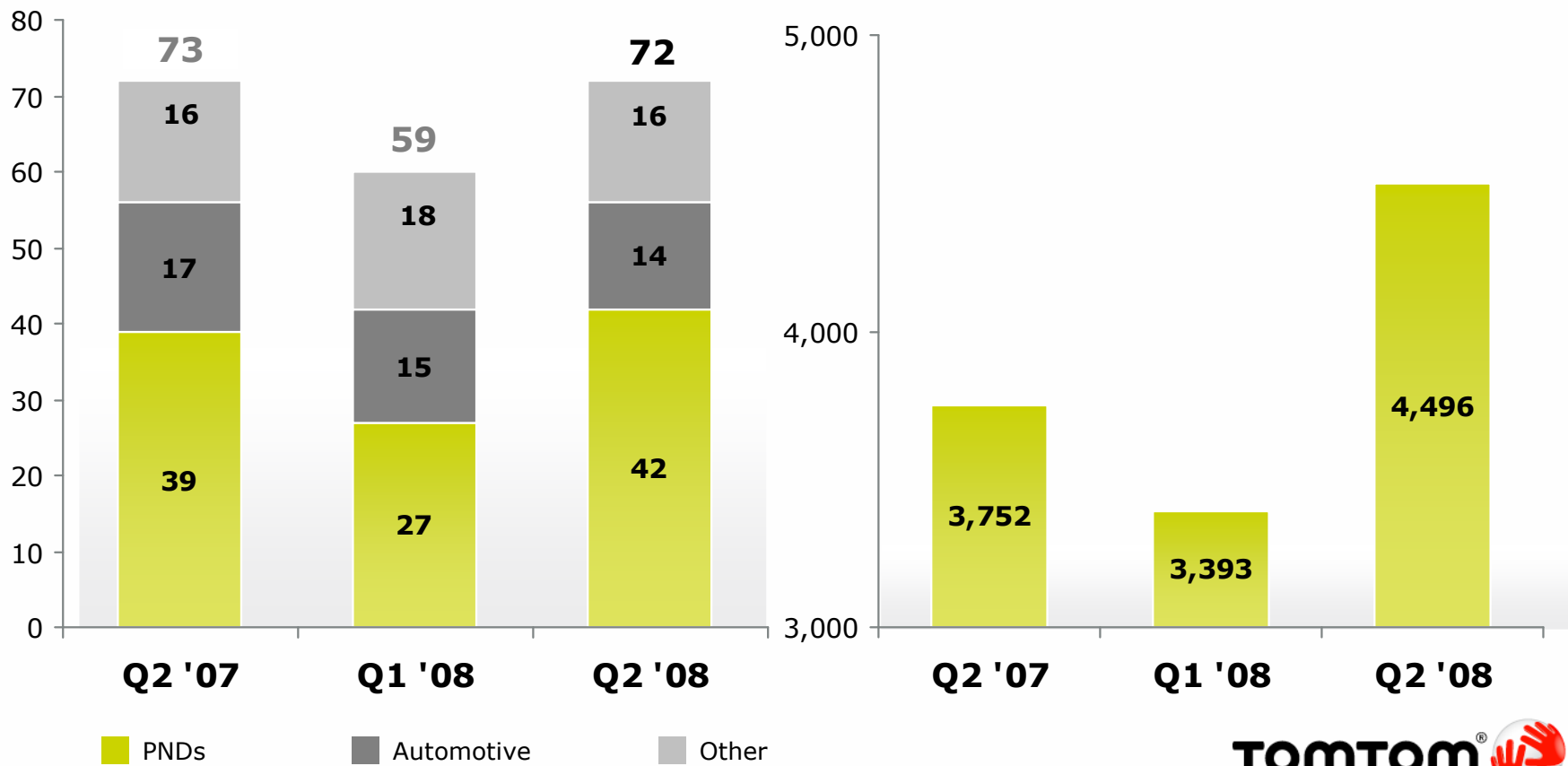
Operating expenses overview – TomTom *only*

<i>in € millions</i>	Q2 '08	Q2 '07	Q1 '08
R&D	16.5	10.2	19.1
<i>% of revenue</i>	3.8%	2.7%	7.3%
Amortisation of technology & databases	4.9	3.3	5.6
<i>% of revenue</i>	1.1%	0.9%	2.1%
Marketing	36.5	33.3	20.5
<i>% of revenue</i>	8.3%	8.8%	7.8%
SG&A	35.5	21.5	36.5
<i>% of revenue</i>	8.1%	5.6%	13.8%
Share based compensation	(7.4)	7.8	5.6
<i>% of revenue</i>	1.7%	2.0%	2.1%
Total operating expenses	86.0	76.1	87.3
<i>% of revenue</i>	19.6%	20.0%	33.1%

Segmental revenue analysis - Tele Atlas (Apr-Jun)

Revenue (in € millions)

Units Maps (in '000s)



Operating expenses overview – Tele Atlas*

<i>in € millions</i>	Q2 '08	Q2 '07	Q1 '08
R&D	26.7	23.5	26.6
<i>% of revenue</i>	37.1%	32.3%	45.3%
Amortisation of technology & databases	11.1	11.3	11.3
<i>% of revenue</i>	15.4%	15.5%	19.1%
Marketing	7.4	8.6	7.4
<i>% of revenue</i>	10.4%	11.8%	12.5%
SG&A	20.2	21.0	19.4
<i>% of revenue</i>	28.1%	28.7%	32.9%
Share based compensation	5.0	4.2	2.7
<i>% of revenue</i>	7.0%	5.7%	4.6%
Total operating expenses	70.5	68.5	67.4
<i>% of revenue</i>	98.0%	94.1%	114.2%

* Excluding transaction related costs of €28.8 million in Q2 '08 and €2.1 million for Q1 '08.



Earnings overview TomTom Group

(Tele Atlas consolidated from 1 June 2008)

<i>in € millions</i>	Q2 '08	Q2 '07	Q1 '08
Operating result	92.1	93.4	8.7
Interest result	(1.6)	4.6	3.5
Other finance result	(2.8)	(5.0)	10.9
Result of associate	(8.8)	-	(4.6)
Taxation	(27.1)	(24.6)	(11.3)
Effective tax rate	34.3%	26.5%	60.8%
Net result	51.8	68.3	7.3
Adjusted net result	62.6	73.5	15.0
Diluted EPS (in €)	0.41	0.58	0.06
Diluted Adjusted EPS (in €)	0.50	0.63	0.12

Earnings overview TomTom Group pro forma

(Tele Atlas consolidated per 1 January 2007)

<i>in € millions</i>	Q2 '08	Q2 '07	Q1 '08
Operating result	86.9	90.8	(5.6)
Interest result	(24.0)	(26.0)	(24.7)
Other finance result	(2.5)	(4.9)	11.1
Result of associate	(0.7)	0.7	(0.6)
Taxation	(22.1)	(18.5)	(3.8)
Effective tax rate	36.9%	30.5%	(19.0%)
Net result	37.7	42.1	(23.5)
Adjusted net result	60.2	61.8	(1.0)
Diluted EPS (in €)	0.30	0.36	(0.19)
Diluted Adjusted EPS (in €)	0.48	0.53	(0.01)

Cash flow overview TomTom Group

(Tele Atlas consolidated from 1 June 2008)

<i>in € millions</i>	Q2 '08	Q2 '07	Q1 '08
Operating result	92	93	9
Depreciation and amortisation	13	5	8
Other	(15)	0	2
Changes to provisions	17	21	(6)
Changes in working capital	(51)	(15)	40
Cash generated from operations	55	105	52
Interest received	6	5	5
Interest paid	-7	(0)	(1)
Tax paid	-10	(37)	(32)
Net cash flow from operating activities	44	72	24
Total cash flow used in investing activities	-1,791	(29)	(8)
Total cash flow from financing activities	1,567	1	(0)
Net increase in cash and cash equivalents	-180	44	16

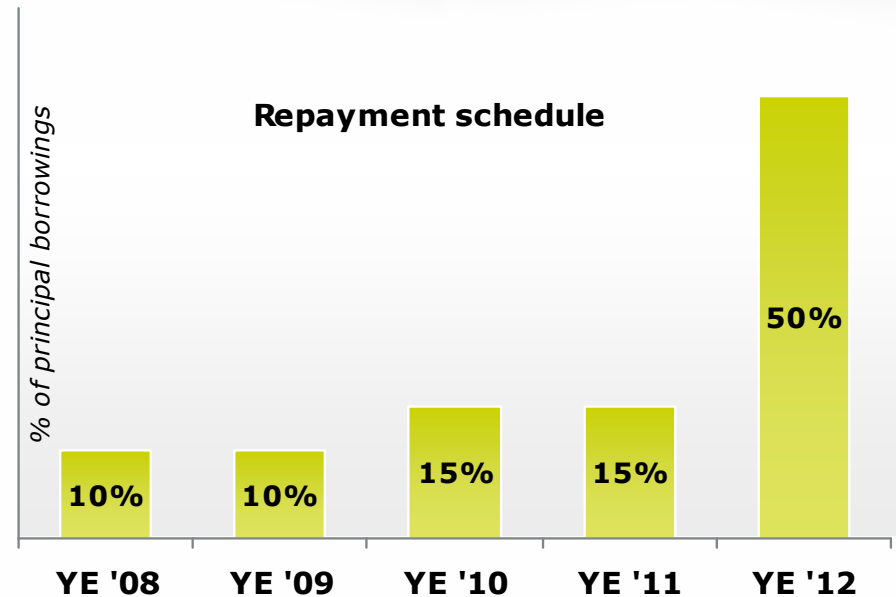
Balance sheet TomTom Group

<i>in € millions</i>	Q2 '08	FY '07 pro forma	FY '07
Non-current assets			
Goodwill	1,942	1,895	0
Intangible assets	1,005	1,013	56
Property, plant & equipment	56	42	18
Deferred tax assets	32	34	24
Investment in associate	7	10	817
Current assets			
Inventories	144	132	131
Receivables, prepayments & financial instruments	436	540	460
Cash and equivalents	296	268	463
Total assets	3,918	3,934	1,970
Shareholders' equity	1,414	1,358	1,352
Provisions	101	96	96
Long-term liabilities	265	268	0
Borrowings	1,554	1,554	0
Current liabilities (excl. provisions)	584	659	521
Total equity and liabilities	3,918	3,934	1,970

Debt financing

- Acquisition debt of €1,585 million incurred from 10 June 2008
- The interest on the loan is based on Euribor plus a margin. The Euribor rate has been hedged
- Covenants are based on a net debt over LTM EBITDA* ratio and interest cover
- At the end of Q2 '08, TomTom Group had net debt of €1,289 million and LTM EBITDA* of €464 million
- Leverage ratio at the end of Q2 '08 was 2.8 times, and is expected to be below 2.5 times at the end of 2009

* **L**ast **T**welve **M**onths **E**arnings **B**efore **I**nterest **T**ax **D**epreciation and **A**mortisation -/- transaction related charges





Questions?

**Save the date: TomTom holds its first Capital Markets Day
in Amsterdam on 25 September 2008**

TomTom 

Appendix

Accounting charge for share based compensation

Under IFRS, share options have to be accounted in the P&L through a specific charge

TomTom accounts for this charge as follows:

- At the date of issuance, options were valued by a Black & Scholes model and the calculations have been reviewed by our auditors
- The monthly charge to the P&L is calculated as total value of the options / number of months of the vesting period (taking into account a leavers percentage which is adjusted every period)

For Q2 2008 we had an accounting gain for share options of: €7.6m (€7.0m costs and €14.6m release)

- €2.3m {Nov '06} + €0.2m {Aug '06} + €0.2m {May '06} + €0.1 {Feb '06} + €3.1m {Nov '05} + and €1.1m {Aug '05}
- An amount of €14.6m was released due to forfeited share options in June

In May 2007 and May 2008 TomTom introduced Share Based Incentive Plans. Total costs for both plans together in Q2 2008 amounted to €300K. These expenses are estimated by TomTom and benchmarked with a model that is built together with a third party. This model will be applied consistently over the vesting period of the share plans.



Explanation accounting result associates

- Year-to-date result May '08 of Tele Atlas -/- € 45.4m
- Additional amortisation (after tax) resulting from PPA¹ € 0.4m
- Net loss Tele Atlas adjusted for TomTom PPA corrections -/- € 45.0m
- Calculation result associate Tele Atlas:
 $-/- \text{ €}45.0\text{m} * 29.9\% = -/- \text{ €} -13.5\text{m}$ -/- €13.5m
- Less amounts previously recorded -/- € 4.6m
- Net loss to be booked in Q2 -/- €8.8m
- The result associate is a non-cash result in the TomTom Profit and Loss

1. *PPA = Purchase price allocation - at acquisition date all assets of Tele Atlas are valued at fair value*

Outstanding shares

Common shares outstanding end of Q1 2008	121,804,920
Common shares outstanding end of Q2 2008	121,804,920

Average shares outstanding end of Q1 2008 **121,804,920**

Share options as of end of Q1 2008	9,537,919
Exercised share options in Q2 2008	0
Forfeited share options in Q2 2008	1,499,992
Out of the money share options	4,997,492

Share options as of end of Q2 2008: 3,040,435

Weighted average non dilutive share options: 342,816
 $3,040,435 * (\text{exercise price}) / (\text{average share price})$

Average shares outstanding from dilution of options ¹ 2,697,619

Average fully diluted number of shares outstanding Q2 2008 **124,502,539**

1. Calculated according to Treasury Method using an average Q2 share price of €22.74

