

Q2 Results Presentation

27 July 2005



tomtom[®]

Taking Navigation to the Mass Market

Important Notice

- This Presentation has been produced by TomTom N.V. (the “Company”) and is furnished to you solely for your information.
- 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.
- No representation or warranty (express or implied) is made as to, and reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor any of its subsidiary undertakings or any officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.
- You will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the company’s business.
- This document does not constitute or form part of, and should not be constructed as, an offer or invitation to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis of, or be relied on in connection, with any offer or commitment whatsoever.
- This Presentation speaks as of 27 July 2005. You should be aware that the Presentation has not been updated to reflect any changes to the affairs of the Company since that date.



Agenda

Topic

Speaker

1) Market Developments
and Business Update

Harold Goddijn (CEO)

2) Q2 Financial Results

Marina Wyatt (CFO)

3) Questions & Answers





 **Market Developments
and Business Highlights**



Market Opportunity

- Very significant market opportunity for TomTom's products
 - The total European and US car park is 418m cars
 - 94% of cars on the road in Europe and 98% in the US do not have a satellite navigation system
 - Only 10% of new cars sold have a satellite navigation system



Overall Market Developments

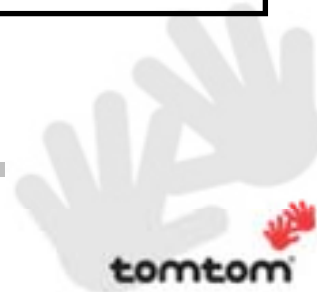
- Market acceptance for personal navigation products is accelerating faster than anticipated
- Continued high growth for personal navigation sector
- More product choice and lower price points have been fuelling growth
- Market movement towards integrated “fit for purpose” personal navigation solutions and away from non-integrated solutions



Personal vs. Factory-Installed Navigation systems

'Why in-dash GPS nav systems are lost' CNET, May 5, 2005

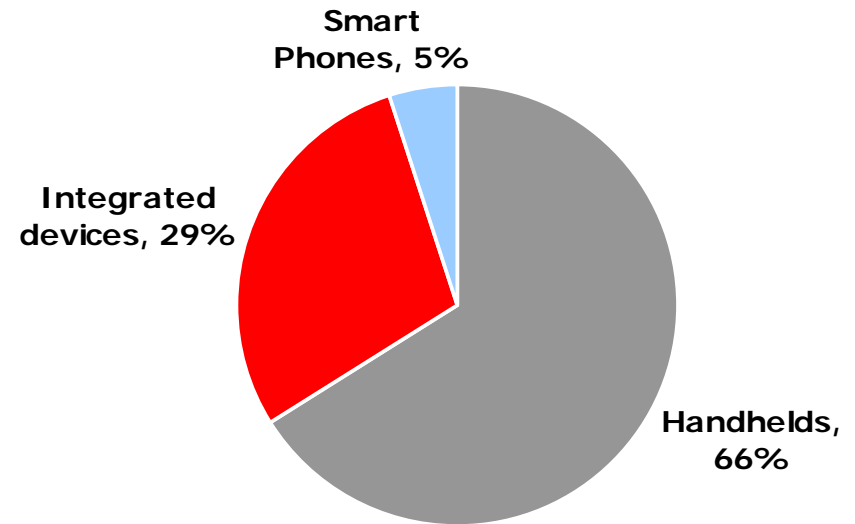
"Of course, car makers stress the reliability and robust nature of their products, qualities the consumer electronics biz often ignores. Still, consumers have been conditioned by companies such as Dell, PalmOne, Canon, and Nokia to expect products that are useful and easy to operate, as well as sport a lower dollar-to-features cost with each generation ... The aftermarket TomTom GO navigation system bests any dealer-installed peer. It doesn't help that any car owner can trot down to Best Buy and pick up the excellent TomTom GO aftermarket nav device or something like it. The TomTom GO costs less than half the price of an OEM in-dash nav system, and it's portable, to boot."



European Personal Navigation Market Update

- Integrated devices represented 29% of the European mobile navigation market in Q1 2005
- Canalys estimates that integrated devices will outsell solutions for handhels in 2006
- Most new entrants into the personal navigation market are launching integrated devices
- Currently smartphone solutions only represent a small proportion of the overall market

Personal Navigation Solutions Shipped (Q1)



TomTom Business Update

- TomTom's market position is strengthening
 - Diversified product range through the introduction of the GO 300/500/700 products which address the entry level to the high end
 - Substantial investment in brand and product
- The TomTom Plus functionality is unique
 - Gives user simple access to an increasing number of real time location based services
- TomTom SDK (software development kit)
 - Enables business navigation and tracking solutions



TomTom Business Update

- TomTom's distribution network is strong and increasing
 - **Europe**; deepening and widening of distribution network
 - Czech Republic, Poland
 - New distributors in both well established and new western European markets
 - **US**; growing distribution nationwide to 2,500 outlets this summer, eg: Best Buy, CompUSA, Circuit City
 - **Australia**; first revenue in Q2
 - **Automotive**; both European and country level eg: Opel Corsa, Toyota Aygo, Lancia Ypsilon
 - **Car rental**; Avis European deal announced



2H 2005 Business Outlook

- Retail demand is strong and growth will continue to be driven by the GO range
- We are ramping up the supply chain to meet the significant volume uplift in 2H
- Rider (motorcycle product) expected to ship in Q3
- Further TomTom Plus content will be released in Q3





 **Q2 Financial Results**



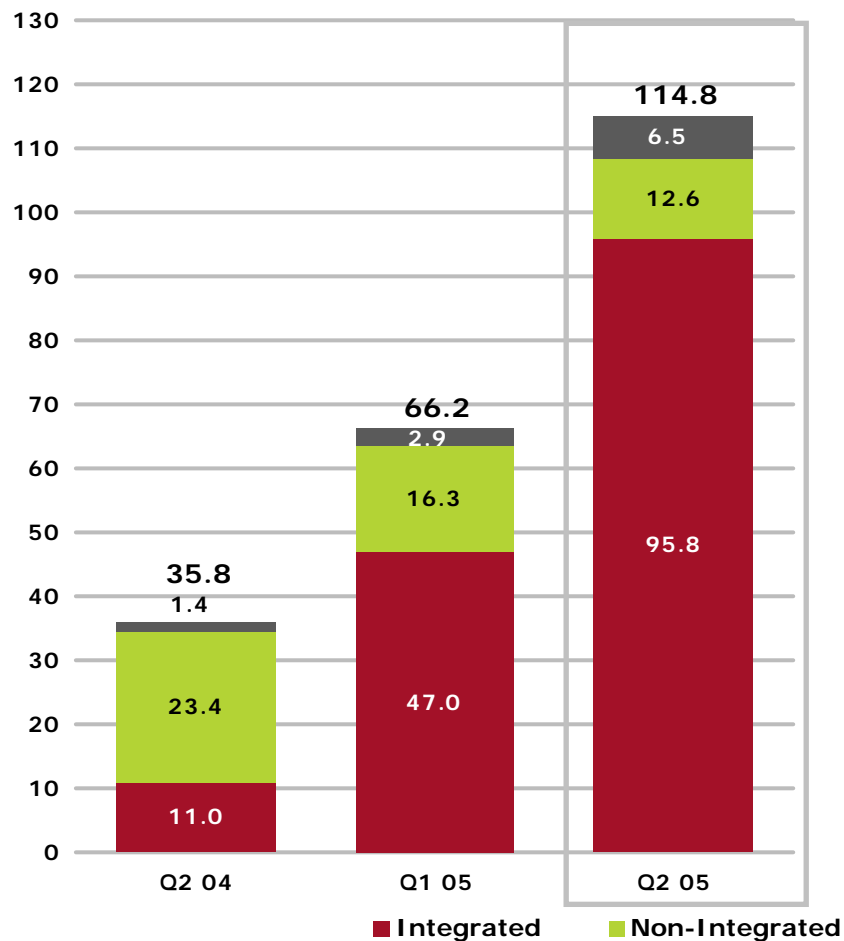
Financial Summary

(€ millions)	Q2 2005	Q1 2005	Change vs. Q1 2005	Q2 2004	Change vs. Q2 2004
Revenue	114.8	66.2	73%	35.8	221%
Gross Profit	47.9	31.2	54%	14.6	228%
Gross Margin	42%	47%	-	41%	-
Operating Profit	27.0	18.5	46%	8.6	216%
Operating Profit Margin	24%	28%	-	24%	-
Net Profit	22.1	13.8	61%	5.4	306%
Net Profit Margin	19%	21%	-	15%	-

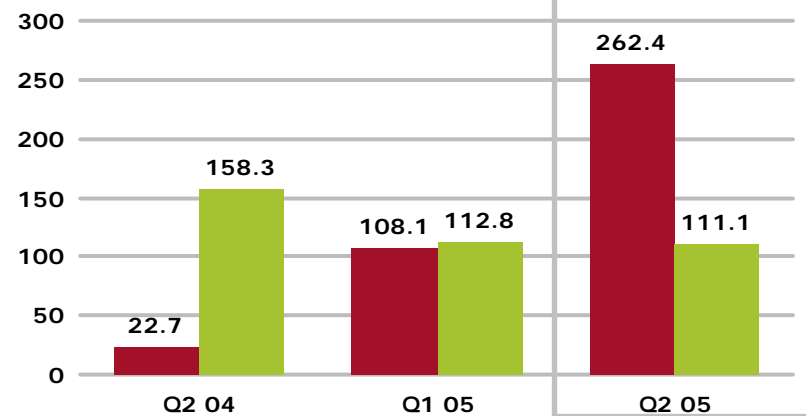


Revenue Analysis

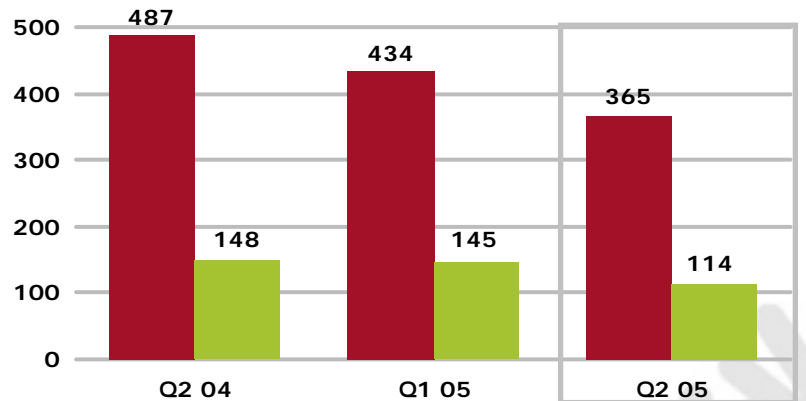
Revenue (€ millions)



Units (thousands)



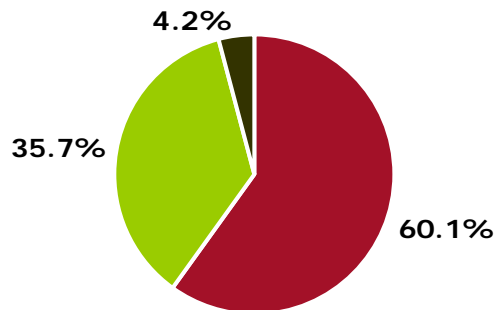
ASP (€)



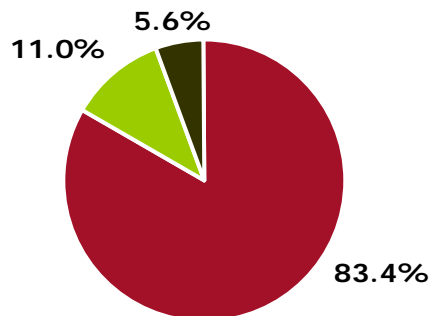
Q2 Revenue By Product and Geography

By Product Group

FY 2004



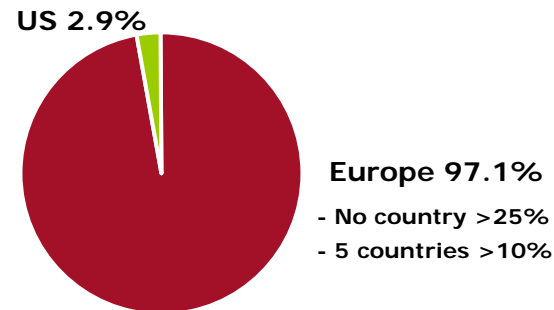
Q2 2005



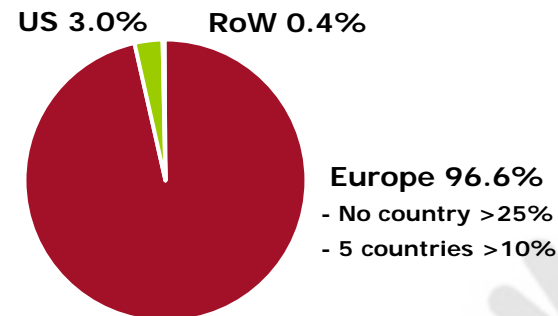
■ Integrated Devices ■ Non-Integrated Devices ■ Other

By Geography

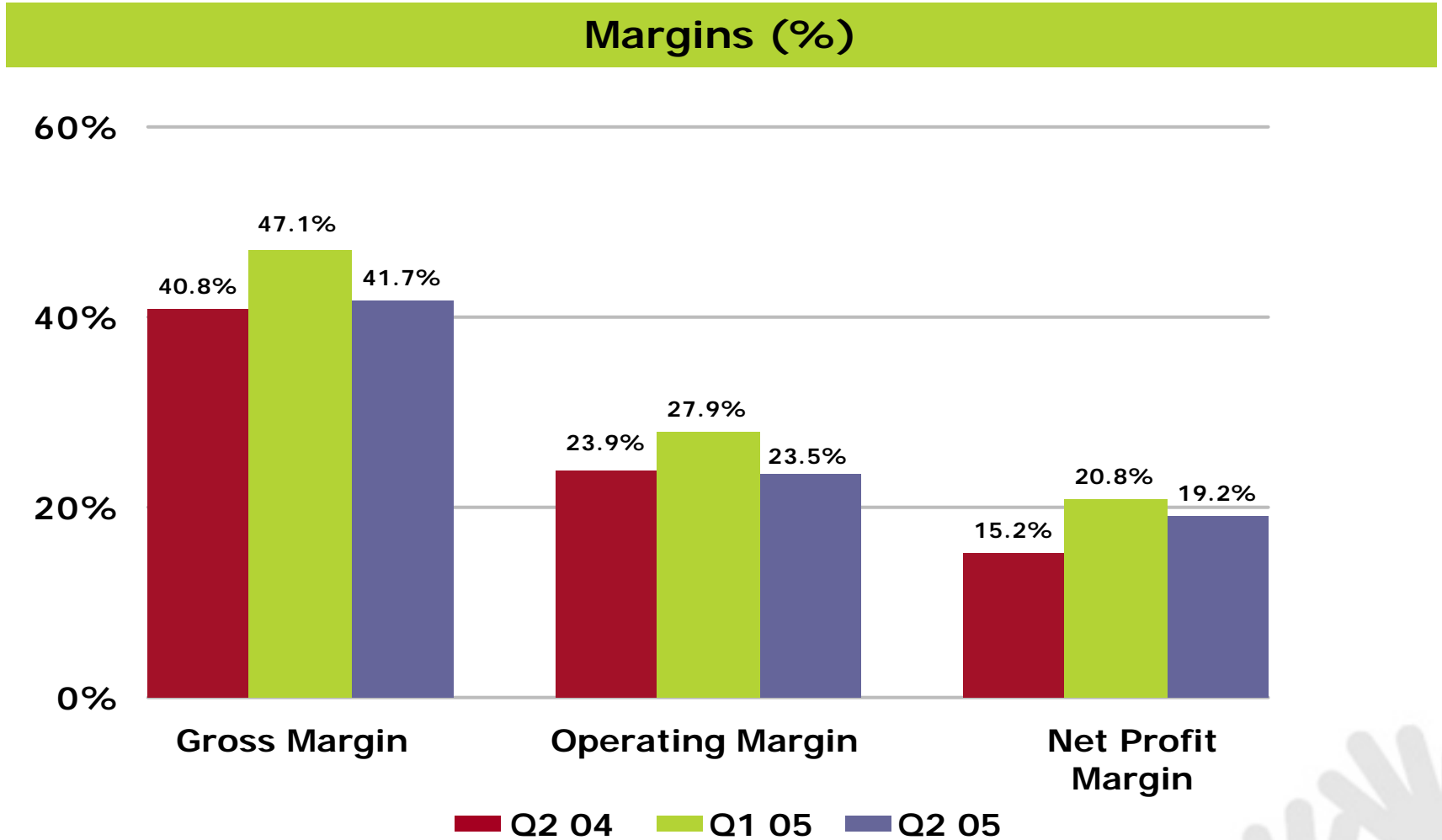
FY 2004



H1 2005



Quarterly Margin Development



Operating Expenses Overview

	Q2 2005		Q1 2005		Q2 2004	
	€m	% of Revenue	€m	% of Revenue	€m	% of Revenue
R&D	2.2	1.9%	1.8	2.7%	1.2	3.2%
Marketing	12.1	10.5%	5.1	7.8%	2.1	6.0%
Other SG&A	6.2	5.4%	5.4	8.1%	2.6	7.3%
Accounting Charge for Share Options	0.4	0.4%	0.4	0.6%	0.1	0.3%
Total Operating Expenses	20.9	18.2%	12.7	19.2%	6.0	16.9%



Earnings Overview

(€ millions)	Q2 2005	Q1 2005	Q2 2004
Operating Profit	27.0	18.5	8.6
Financial Expenses and Income, Net	5.7	1.7	0.1
Of which FX Gains / (Losses)	5.4	1.5	0.1
Income Tax	10.6	6.4	3.2
Net Profit	22.1	13.8	5.4
EPS (€ per Share)	0.20	0.13	0.05

Cash Flow Profile

(€ millions)	Q2 2005	Q1 2005	Q2 2004
Operating Profit	27.0	18.4	8.6
Depreciation and Amortisation	0.4	0.5	0.3
Additions to Provisions	0.9	0.2	0.1
Changes in Working Capital	(10.5)	(9.3)	(9.8)
Other Operating Items	2.0	1.9	0.1
Cash Generated from Operations	19.8	11.7	(0.7)
Net Cash Flow from Operating Activities	17.3	15.6	(0.9)
Total Cash Flow used in Investing Activities	(1.2)	(0.6)	(0.8)
Total Cash Flow from Financing Activities	116.6	0	0
Net Increase in Cash and Cash Equivalents	132.7	15.0	(1.8)

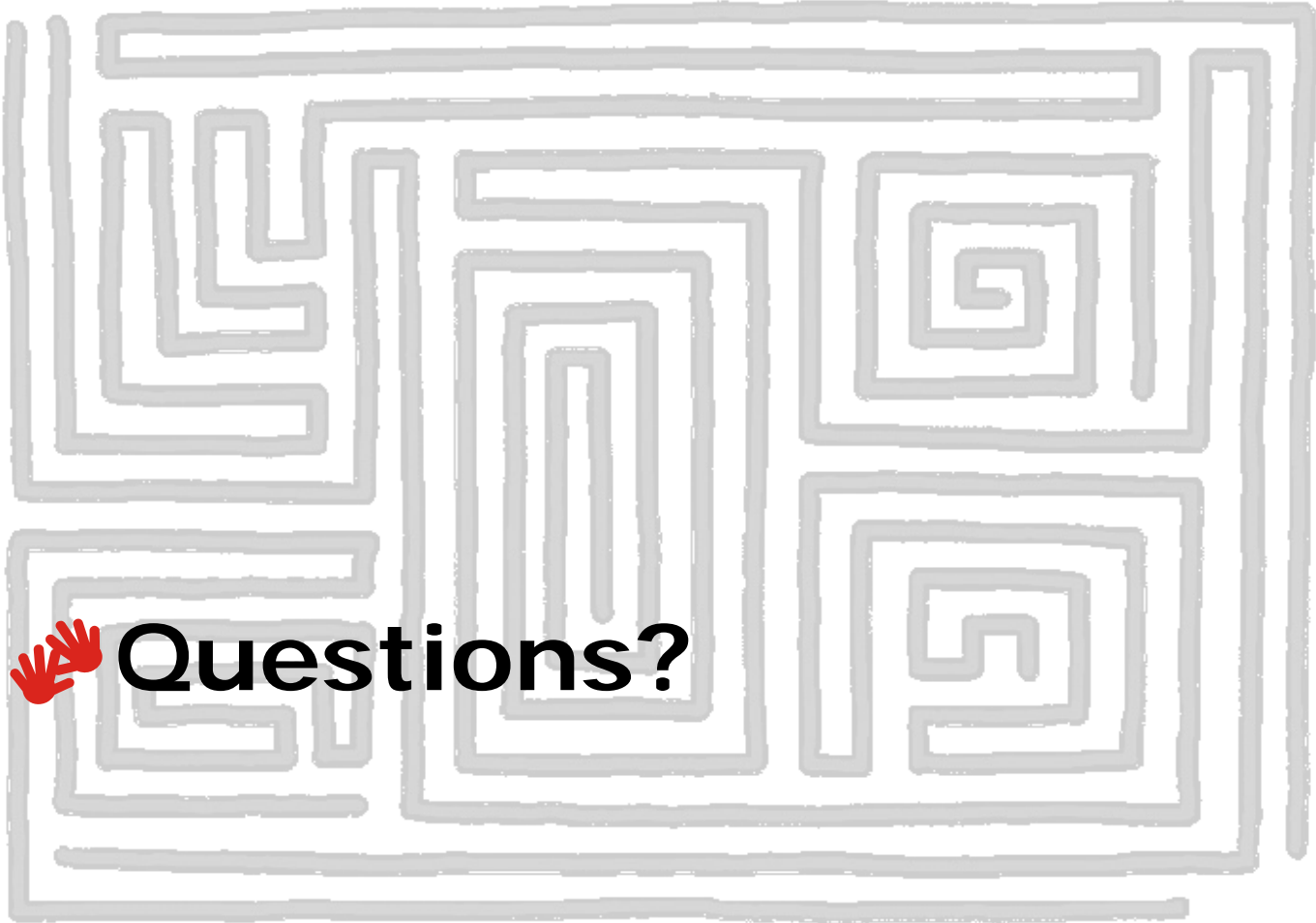
Q2 2005 Balance Sheet

(€ millions)	30-Jun-2005	31-Dec-2004
Non-Current Assets	3.9	3.0
Current Assets		
Inventories	28.2	13.4
Receivables, Prepayments & Financial Instruments	68.0	34.4
Cash and Equivalents	187.9	40.2
<u>Total Assets</u>	<u>288.0</u>	<u>90.9</u>
Shareholders' Equity	191.1	37.8
Long-term Liabilities	1.0	1.3
Current Liabilities	95.9	51.8
<u>Total Equity and Liabilities</u>	<u>288.0</u>	<u>90.9</u>

2005 FY Financial Outlook

- Revenues expected to at least triple compared to last year driven by integrated devices
- ASPs expected to increase in the second half compared to Q2, due to product mix
- Operating margin expected to be broadly similar to 2004 FY reported
 - Gross margins lower
 - Fixed cost leverage
- Continued strong net income and cash flow growth is expected





 **Questions?**





tomtom[®]

Taking Navigation to the Mass Market