Fourth quarter and full year 2016 results

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial summary Q4 '16
- Revenue of €266 million (Q4 '15: €282 million)
- Gross margin of 58% (Q4 '15: 49%)
- EBITDA of €39 million (Q4 '15: €42 million)
- Cash flow from operating activities of €76 million (Q4 '15: €58 million)

Financial summary FY '16
- Revenue of €987 million (FY '15: €1,007 million)
- Gross margin of 57% (FY '15: 52%)
- EBITDA of €141 million (FY '15: €124 million)
- Adjusted EPS[1] of €0.23 (FY '15: €0.21)
- Cash flow from operating activities of €144 million (FY '15: €119 million)
- Net cash position of €133 million (Q4 '15: €98 million)

Operational summary
- Automotive order intake exceeded €300 million in 2016
- FCA Group awarded TomTom Automotive 'Innovation Supplier of the Year 2016'
- Microsoft partnership announced to bring location-based services to Azure platform
- Collaborations with SAP, MapQuest and Pitney Bowes extended
- TomTom City reaches coverage in 100 cities
- Telematics installed base increased by 15% and recurring subscription revenue increased by 21% year on year
- Consumer shipped over one million sports devices in the year

Outlook 2017
- Revenue in the range of €925 million to €950 million
- Adjusted EPS[1] of around €0.25

Key figures

(€ in millions, unless stated otherwise)	Q4 '16	Q4 '15	y.o.y. change	FY '16	FY '15	y.o.y. change
Automotive & Licensing	71.7	69.6	3%	269.0	248.0	8%
Telematics	41.6	37.0	12%	155.1	135.0	15%
Consumer	152.3	175.9	–13%	563.2	623.6	–10%
REVENUE	265.6	282.5	–6%	987.3	1,006.6	–2%
GROSS RESULT	153.0	139.0	10%	566.2	518.5	9%
Gross margin	*58%*	*49%*		*57%*	*52%*	
EBITDA	38.6	41.7	–8%	140.9	123.7	14%
EBITDA margin	*15%*	*15%*		*14%*	*12%*	
OPERATING RESULT (EBIT)	–0.5	0.2		8.9	0.6	
EBIT margin	*0%*	*0%*		*1%*	*0%*	
NET RESULT	–5.6	20.9		12.0	18.3	
ADJUSTED NET RESULT	11.3	23.1		54.1	49.6	
DATA PER SHARE (in €)						
EPS - fully diluted	–0.02	0.09		0.05	0.08	
Adjusted EPS[1] - fully diluted	0.05	0.10		0.23	0.21	

Change percentages and totals calculated before rounding.

This report includes the following non-GAAP measures: gross margin, EBIT (margin), EBITDA (margin), adjusted net result, adjusted EPS and net cash, which are further explained on page 11 of this report.

[1] *Earnings per fully diluted share count adjusted for acquisition-related expenses & gains on a post-tax basis.*

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"We reported revenue of €987 million in 2016, which is slightly below last year. We are increasing high margin recurring data, software & services business, which now reflects nearly 50% of our revenue mix and more than 70% of our gross result mix. Gross result grew strongly this year with 9%.

Our Automotive products and roadmap continue to be well received, resulting in order intake for 2016 of over €300 million. Order intakes from previous years are now starting to deliver a strong revenue growth in Automotive. We are working with many automotive OEMs and Tier1s to integrate our HD Maps into the self-driving systems they are developing. In early 2017, we acquired Autonomos, a Berlin-based start-up that will give us greater insights and capabilities into the Autonomous Driving software stack.

Telematics reached a subscriber base of nearly 700,000 subscriptions, representing the largest European fleet management business."

OUTLOOK 2017

In 2017, we expect full year revenue of between €925 million and €950 million. Adjusted EPS[2] is expected of around €0.25.

We expect the combined revenue of the Automotive, Licensing and Telematics businesses to grow above 10% year on year in 2017, in line with our previous expectations of their combined revenue CAGR of 15% between 2016 and 2020.

In Consumer, we expect the PND revenue to continue to decline; this will be only partially offset by a growing Sports business.

We expect the level of investments (both CAPEX and OPEX) to show a modest increase compared with 2016[3], excluding acquisitions. In particular, we are investing in advanced content and software for the automotive industry and in our mapmaking activities.

FINANCIAL AND BUSINESS REVIEW

We generated revenue of €266 million in the fourth quarter, a decrease of 6% compared with €282 million in Q4 '15. On a full year basis, our revenue was €987 million (FY '15: €1,007 million). Automotive, Telematics and Consumer Sports grew strongly, partially offsetting the reduction in Consumer Drive revenue; Consumer Drive remained the biggest revenue contributor for the group. Licensing business showed a modest decline year on year.

We reported a gross margin of 57% in FY '16 (FY '15: 52%). Operating profit (EBIT) for the year amounted to €9 million (FY '15: €1 million). The net result for the year was €12 million, which translates to adjusted EPS[2] of €0.23 in FY '16 (FY '15: €0.21).

Automotive & Licensing

(€ in millions, unless stated otherwise)	Q4 '16	Q4 '15	y.o.y. change	FY '16	FY '15	y.o.y. change
Automotive revenue	36.7	30.3	21%	132.6	105.9	25%
Licensing revenue	35.0	39.3	–11%	136.3	142.1	–4%
Total Automotive & Licensing revenue	71.7	69.6	3%	269.0	248.0	8%
Automotive & Licensing segment EBITDA				82.1	68.4	20%
EBITDA margin (%)				*31%*	*28%*	
Automotive & Licensing segment EBIT				–25.5	–33.9	
EBIT margin (%)				*–9%*	*–14%*	

Change percentages and totals calculated before rounding.

[2] *Earnings per fully diluted share count adjusted for acquisition-related expenses & gains on a post-tax basis.*
[3] *In 2016, CAPEX was €118 million and OPEX was €557 million.*

Automotive & Licensing combined revenue in the quarter was €72 million (Q4 '15: €70 million) and €269 million for the full year 2016 (FY '15: €248 million).

Automotive generated revenue of €37 million in the quarter, representing a 21% increase year on year. On a full year basis, Automotive revenue reached €133 million, 25% higher compared with last year (FY '15: €106 million). This growth reflects increasing revenue from new contracts that started to kick in during 2016 as well as higher revenue on existing contracts.

The deferred revenue position of Automotive increased to €59 million at the end of 2016 from €23 million at the end of 2015. A breakdown of deferred revenue is provided in the Balance sheet section.

Licensing revenue in Q4 '16 was €35 million compared with €39 million in the same quarter last year. On a full year basis, Licensing reported total revenue of €136 million, 4% lower compared with €142 million in 2015. The year on year decrease was driven mainly by the discontinuation of a customer business relationship, which was in turn partially offset by revenue growth from other customers.

In the quarter, FCA Group selected TomTom as 'Innovation Supplier of the Year 2016' Lucid Motors selected TomTom as 'infotainment partner' for its first vehicle launch. We also entered some smaller contracts with Tier1 and Tier2 suppliers, including Digen, through which TomTom components appeared in Mitsubishi vehicles.

In addition, we demonstrated Autonomous Driving together with Bosch at ITS world congress in Australia, and are working with the majority of OEMs and Tier1s using TomTom's HD Map product samples, including RoadDNA.

Licensing business announced a partnership with Microsoft to integrate its online APIs into the Azure platform. By providing our maps, traffic, and navigation software on Azure, we will be able to reach a much broader developer community. This will make it easier and be more flexible for developers to build and manage mobile, web and 'Internet of Things' applications that are location-aware. We also extended a number of existing partnerships including MapQuest, Pitney Bowes, and SAP. The partnership with MapQuest (a subsidiary of AOL, Inc.) now includes TomTom's leading traffic solution in addition to our mapping services. We have increased Pitney Bowes' access to our localisation data and for the first time we are providing geocoding and address validation capabilities across SAP's product portfolio globally.

Finally, to address the growing opportunities in smart city technology and live up to our commitment to fight against traffic congestion, we have launched TomTom City in 100 cities across six continents. The TomTom City portal is a showcase for the extensive range of traffic information we have available on a city by city basis and provides a platform to connect traffic authorities, businesses and citizens.

Telematics

(€ in millions, unless stated otherwise)	Q4 '16	Q4 '15	y.o.y.[1] change	FY '16	FY '15	y.o.y.[1] change
Hardware and other services revenue[2]	10.8	11.0	−3%	36.8	37.2	−1%
Subscription revenue	30.8	26.0	19%	118.4	97.8	21%
Total Telematics revenue	41.6	37.0	12%	155.1	135.0	15%
Telematics segment EBITDA				59.1	49.0	21%
EBITDA margin (%)				*38%*	*36%*	
Telematics segment EBIT				44.5	39.7	12%
EBIT margin (%)				*29%*	*29%*	
Monthly subscription ARPU (€)	14.5	15.8	−8%	14.9	15.9	−6%
Subscriber installed base (# in thousands)				696	605	15%

[1] Change percentages and totals calculated before rounding.
[2] Other services revenue comprises installation services and separately purchased traffic service and/or map content.

Telematics generated revenue of €42 million in Q4 '16, a 12% increase compared with €37 million in Q4 '15. This increase was driven by growth in the WEBFLEET subscriber base, which was partially offset by a decline in hardware revenue. The recurring SaaS revenue amounted to €31 million for the quarter, 19% higher compared with the same quarter last year. Hardware revenue was relatively flat

TOMTOM

compared with Q4 '15, due to a higher proportion of hardware rental in our new subscriber sales mix. Revenue for 2016 was €155 million, representing a 15% growth year on year (FY '15: €135 million).

At the end of the year, Telematics reported more than 46,000 customers worldwide, with an installed base of more than 696,000 active subscribers. This is a 15% increase from 605,000 at the start of 2016

Consumer

(€ in millions, unless stated otherwise)	Q4 '16	Q4 '15	y.o.y. change	FY '16	FY '15	y.o.y. change
Consumer products	140.6	156.7	−10%	502.0	551.2	−9%
Automotive hardware	11.7	19.2	−39%	61.2	72.4	−15%
Total Consumer revenue	152.3	175.9	−13%	563.2	623.6	−10%
Consumer segment EBITDA				5.9	14.1	−58%
EBITDA margin (%)				*1%*	*2%*	
Consumer segment EBIT				−3.9	2.6	
EBIT margin (%)				*−1%*	*0%*	

Change percentages and totals calculated before rounding.

Total Consumer revenue for the quarter was €152 million, a decline of 13% compared with the same quarter last year (Q4 '15: €176 million). Total Consumer products revenue amounted to €141 million in the quarter, 10% lower than in the same quarter last year (Q4 '15: €157 million). On a full year basis, Consumer products revenue decreased by 9% totalling €502 million (FY '15: €551 million). This decrease was driven by lower PND revenue, which was partially offset by a strong growth in Sports revenue. Sports revenue amounted to €106 million in 2016, an increase of 53% compared with last year (FY '15: €69 million). In 2016, we shipped over one million sports devices (FY '15: 600,000). In the quarter, we launched the Get Going campaign to further strengthen the TomTom Sports brand.

Consumer PND markets were weak during the second half of 2016. The European PND market experienced a faster rate of unit decline compared with the first half of the year. This market in units was down by 19% for the year as a whole. We remained market leader in Europe.

Automotive hardware revenue was €12 million in the quarter (Q4 '15: €19 million) and €61 million in 2016 (FY '15: €72 million). This year on year decrease was mainly driven by a legacy product that went to end of life earlier in 2016.

Data, software & services and Hardware revenue split

(in € millions)	Q4 '16	Q4 '15	y.o.y. change	FY '16	FY '15	y.o.y. change
Hardware revenue	142.7	163.0	−13%	505.9	557.8	−9%
Data, software & services revenue	122.9	119.5	3%	481.4	448.8	7%
Total revenue	265.6	282.5	−6%	987.3	1,006.6	−2%

Change percentages and totals calculated before rounding.

Hardware revenue for the quarter was €143 million compared with €163 million in Q4 '15. Data, software & services revenue in the quarter was €123 million, 3% higher compared with €120 million in Q4 '15, mainly due to growing Automotive and Telematics subscription revenue. As a percentage of revenue, data, software & services revenue increased to 46% in Q4 '16 from 42% in Q4 '15.

On a full year basis, revenue from data, software & services was €481 million (FY '15: €449 million) and accounted for 49% of total revenue (FY '15: 45%).

Geographical revenue split

(€ in millions)	FY '16	FY '15	y.o.y. change
Europe	773.2	771.5	0%
North America	167.4	186.1	−10%
Rest of the world	46.7	49.0	−5%
Total revenue	987.3	1,006.6	−2%

Change percentages and totals calculated before rounding.

From a regional perspective, 78% of 2016 revenue was generated in Europe (FY '15: 77%), 17% in North America (FY '15: 18%) and the remaining 5% in the rest of the world (FY '15: 5%).

Gross margin

The gross margin for the quarter was 58%, which is 9 percentage points higher compared with 49% in Q4 '15. The year on year increase was mainly due to a change in our product mix, with a relatively higher portion of recurring high gross margin data, software & services revenue. In addition, the Q4 '15 gross margin was negatively impacted by an impairment charge of €11 million related to certain Automotive customer specific technology being recorded as part of cost of sales.

On a full year basis, we reported a gross margin of 57% in 2016 (FY '15: 52%). At constant currency rates for the US dollar and GB pound, our FY '16 gross margin and operating result would have been 1% higher.

Operating expenses

Total operating expenses for the quarter were €154 million, which is €15 million higher compared with the same quarter last year (Q4 '15: €139 million). The higher operating expenses were mainly driven by higher service platform charges and higher amortisation related to certain technology platforms that went operational in 2016.

On a full year basis, total operating expenses amounted to €557 million compared with €518 million in 2015, an increase of €39 million year on year. This increase is mainly caused by higher depreciation and amortisation costs. In addition, last year's operating expenses included a one-off gain from a settlement of a litigation case.

FX sensitivity

(€ in millions, unless stated otherwise)	Q4 '16 actual	Q4 '16[1] recalculated at Q4 '15 FX rates	FY '16 actual	FY '16[1] recalculated at FY '15 FX rates
Revenue	265.6	270.9	987.3	998.9
Gross result	153.0	158.2	566.2	578.6
Gross margin	*58%*	*58%*	*57%*	*58%*
EBIT	−0.5	3.0	8.9	17.4
EBIT margin	*0%*	*1%*	*1%*	*2%*
FX RATES IN €	**Q4 '16**	**Q4 '15**	**FY '16**	**FY '15**
US dollar	1.09	1.09	1.11	1.11
GB pound	0.87	0.72	0.81	0.73

[1] The Q4 '16 / FY '16 income and expenses in US dollar and GB pound have been reconverted to euro using Q4 '15 / FY '15 average rates. All other foreign currencies have not been converted.

Depreciation and amortisation

(€ in millions)	Q4 '16	Q4 '15	y.o.y. change	FY '16	FY '15	y.o.y. change
Cost of sales	2.6	14.6	−82%	8.8	21.6	−59%
Research and development	2.5	2.4	3%	11.6	9.0	28%
Amortisation of technology and databases	27.2	19.9	36%	91.5	76.7	19%
Marketing	0.1	0.0		0.3	0.0	
Selling, general and administrative	6.7	4.6	46%	19.8	15.8	25%
Total depreciation and amortisation	**39.1**	**41.5**	**−6%**	**132.0**	**123.1**	**7%**
Of which acquisition-related amortisation	*14.2*	*13.1*	*8%*	*55.3*	*52.1*	*6%*

Change percentages and totals calculated before rounding.

Total depreciation and amortisation costs amounted to €39 million in the quarter, 6% lower compared with last year (Q4 '15: €42 million). Acquisition-related amortisation was €14 million in Q4 '16 (Q4 '15: €13 million).

On a full year basis, acquisition-related amortisation amounted to €55 million in 2016, 6% higher compared with last year (FY '15: €52 million) due to a Telematics acquisition at the end of 2015.

Financial income and expenses

The net interest charge for the quarter was €0.3 million versus a net interest charge of €0.2 million in Q4 '15. The other financial result for the quarter was a loss of €2.0 million (Q4 '15: loss of €2.4 million), which consisted primarily of foreign exchange losses from the revaluation of monetary balance sheet items partially offset by our hedging results.

On a full year basis, the total financial income and expense charge equalled €2.4 million compared with €8.3 million in 2015. The decrease reflects lower foreign exchange loss in 2016 compared with last year.

Income tax

The net income tax for the quarter was a charge of €3.0 million versus a net income tax gain of €23 million in Q4 '15. The income tax for the year was a gain of €4.7 million mainly reflecting a change in the estimated prior years' taxable income following the finalisation of the tax returns and the remeasurement of deferred tax assets and liabilities to a lower tax rate due to the application of the innovation box facility in the Netherlands.

Net result and adjusted EPS

(€ in millions, unless stated otherwise)	Q4 '16	Q4 '15	y.o.y. change	FY '16	FY '15	y.o.y. change
Net result	**−5.6**	**20.9**		**12.0**	**18.3**	**−35%**
Net result attributed to equity holders	−5.5	20.8		12.0	18.1	−34%
Remeasurement of deferred tax liability	5.3	−7.5		−2.3	−7.5	−70%
Acquisition-related amortisation	14.2	13.1	8%	55.3	52.1	6%
Tax effect of adjustments	−2.7	−3.3	−18%	−10.9	−13.0	−16%
Adjusted net result	**11.3**	**23.1**		**54.1**	**49.6**	
Adjusted EPS, € fully diluted	0.05	0.10		0.23	0.21	

Change percentages and totals calculated before rounding.

The net result for the quarter was a loss of €5.6 million compared with a gain of €21 million in Q4 '15. The net result adjusted for acquisition-related expenses & gains on a post-tax basis was a gain of €11 million compared with €23 million in Q4 '15.

Adjusted EPS for the quarter was €0.05 versus €0.10 in Q4 '15. Adjusted EPS for 2016 was €0.23 (FY '15: €0.21) .

TOMTOM

Balance sheet

At the end of the quarter, trade receivables plus other receivables totalled €179 million compared with €192 million at the end of Q4 '15. The inventory level at the end of the quarter was €54 million, compared with €49 million at the end of the same quarter last year. Cash and cash equivalents at the end of the quarter were €143 million versus €148 million at the end of Q4 '15.

Current liabilities excluding deferred revenue were €266 million compared with €293 million at the end of Q4 '15. The year on year decrease is mainly due to a decrease in trade payables.

Deferred revenue was €204 million at the end of Q4 '16, compared with €187 million at the end of the same quarter last year. The year on year increase reflects the increased deferred revenue position related to Automotive contracts with upfront payments.

Deferred revenue balance by segment

(€ in millions)	**31 December 2016**	**31 December 2015**	**y.o.y. change**
Automotive & Licensing	70.0	53.8	16.2
Automotive	*58.6*	*22.6*	*36.0*
Licensing	*11.4*	*31.2*	*−19.8*
Telematics	1.7	2.7	−1.0
Consumer	132.7	130.4	2.3
Total deferred revenue	**204.4**	**186.9**	**17.5**

Change amounts are calculated before rounding.

At 31 December 2016, we reported a net cash position of €133 million (Q4 '15: net cash of €98 million). Net cash is the sum of the cash and cash equivalents at the end of the period (€143 million) minus the borrowings (€10 million).

Cash flow

The cash flow from operating activities for the quarter was €76 million compared with €58 million in Q4 '15. The year on year increase was mainly driven by lower working capital utilisation in Q4 '16. On a full year basis, cash flow from operating activities was €144 million compared with €119 million in 2015.

The cash flow used in investing activities during the quarter decreased by €29 million year on year to €26 million. On a full year basis the cash flow used in investing activities was €120 million, a decrease of €34 million year on year. The year on year decrease in investments relates mainly to acquisitions. In 2015, we made two acquisitions for an aggregate consideration of €42 million. The majority of the investments in 2016 related to our transactional mapmaking platform, map database and Automotive customer specific projects.

The cash flow used in financing activities mainly reflects a lower utilisation from our credit facility. In the quarter, 276 thousand options (Q4 '15: 928 thousand options) related to our long-term employee incentive programmes, were exercised resulting in a €1.1 million cash inflow (Q4 '15: €4.5 million). On a full year basis, 2.4 million options (FY '15: 6.9 million options) were exercised resulting in a €10 million cash inflow for 2016 (FY '15: €34 million).

- END -

Consolidated condensed statement of income

(€ in thousands)	Q4 '16 Unaudited	Q4 '15 Unaudited	FY '16 Audited	FY '15 Audited
REVENUE	**265,618**	**282,488**	**987,329**	**1,006,607**
Cost of sales	112,594	143,523	421,101	488,080
GROSS RESULT	**153,024**	**138,965**	**566,228**	**518,527**
Research and development expenses	49,585	46,807	190,473	185,443
Amortisation of technology and databases	27,222	19,939	91,526	76,694
Marketing expenses	24,847	25,777	80,609	83,438
Selling, general and administrative expenses	51,868	46,239	194,726	172,352
TOTAL OPERATING EXPENSES	**153,522**	**138,762**	**557,334**	**517,927**
OPERATING RESULT	**–498**	**203**	**8,894**	**600**
Interest result	–285	–170	–1,371	–925
Other financial result	–2,001	–2,437	–1,010	–7,343
Result of associates	178	164	736	167
RESULT BEFORE TAX	**–2,606**	**–2,240**	**7,249**	**–7,501**
Income tax gain / (expense)	–2,954	23,179	4,709	25,794
NET RESULT	**–5,560**	**20,939**	**11,958**	**18,293**
Attributable to:				
- Equity holders of the parent	–5,466	20,824	11,987	18,122
- Non-controlling interests	–94	115	–29	171
NET RESULT	**–5,560**	**20,939**	**11,958**	**18,293**
Basic number of shares (in thousands)	232,725	230,131	231,743	227,771
Diluted number of shares (in thousands)	235,430	237,656	234,970	232,378
EARNINGS PER SHARE (in €)				
Basic	–0.02	0.09	0.05	0.08
Diluted	–0.02	0.09	0.05	0.08

TOMTOM

Consolidated condensed balance sheet

(€ in thousands)	31 December 2016 Audited	31 December 2015 Audited
Goodwill	400,318	403,437
Other intangible assets	795,771	810,908
Property, plant and equipment	40,398	38,869
Deferred tax assets	12,046	7,512
Investments in associates	3,941	3,546
TOTAL NON-CURRENT ASSETS	**1,252,474**	**1,264,272**
Inventories	54,078	48,657
Trade receivables	132,424	138,593
Other receivables and prepayments	46,115	53,533
Other financial assets	1,210	967
Cash and cash equivalents	142,527	147,565
TOTAL CURRENT ASSETS	**376,354**	**389,315**
TOTAL ASSETS	**1,628,828**	**1,653,587**
Share capital	46,577	46,099
Share premium	1,051,890	1,035,451
Other reserves	234,502	228,216
Accumulated deficit	–338,138	–340,956
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**994,831**	**968,810**
Non-controlling interests	1,906	1,723
TOTAL EQUITY	**996,737**	**970,533**
Borrowings	9,586	44,254
Deferred tax liability	97,282	123,825
Provisions	54,406	35,065
Deferred revenue	107,151	83,726
TOTAL NON-CURRENT LIABILITIES	**268,425**	**286,870**
Borrowings	0	4,287
Trade payables	76,630	94,951
Income tax	1,289	4,382
Other taxes and social security	9,383	13,056
Provisions	36,410	32,573
Deferred revenue	97,256	103,147
Accruals and other liabilities	142,698	143,788
TOTAL CURRENT LIABILITIES	**363,666**	**396,184**
TOTAL EQUITY AND LIABILITIES	**1,628,828**	**1,653,587**

TOMTOM

Consolidated condensed statements of cash flows

(€ in thousands)	Q4 '16 Unaudited	Q4 '15 Unaudited	FY '16 Audited	FY '15 Audited
Operating result	–498	203	8,894	600
Financial gains / (losses)	2,794	278	1,235	–2,364
Depreciation and amortisation	39,052	41,536	132,003	123,096
Change in provisions	10,483	–9,311	9,649	–15,386
Equity-settled stock compensation expenses	525	1,046	3,275	3,788
Changes in working capital:				
Change in inventories	6,830	8,968	–5,817	2,468
Change in receivables and prepayments	42,063	17,257	14,183	–18,038
Change in liabilities (excluding provisions)[1]	–22,325	–1,645	–5,301	29,115
CASH GENERATED FROM OPERATIONS	**78,924**	**58,332**	**158,121**	**123,279**
Interest received	57	112	185	504
Interest (paid)	–261	–57	–1,227	–958
Corporate income taxes (paid)	–3,046	–830	–12,762	–4,050
CASH FLOWS FROM OPERATING ACTIVITIES	**75,674**	**57,557**	**144,317**	**118,775**
Investments in intangible assets	–21,973	–22,889	–96,444	–87,169
Investments in property, plant and equipment	–4,439	–4,018	–21,141	–21,577
Acquisitions of subsidiaries and other businesses	0	–28,175	–2,331	–45,636
Dividends received	60	62	190	167
CASH FLOWS FROM INVESTING ACTIVITIES	**–26,352**	**–55,020**	**–119,726**	**–154,215**
Change in utilisation of credit facility	–38,000	15,000	–35,000	–5,000
Repayment of borrowings	0	0	–4,287	0
Change in non-controlling interest	0	0	–98	–126
Dividends paid	0	0	–138	0
Proceeds on issue of ordinary shares	1,116	4,484	10,039	34,397
CASH FLOWS FROM FINANCING ACTIVITIES	**–36,884**	**19,484**	**–29,484**	**29,271**
Net increase / (decrease) in cash and cash equivalents	**12,438**	**22,021**	**–4,893**	**–6,169**
Cash and cash equivalents at the beginning of period	129,262	124,427	147,565	152,949
Effect of exchange rate changes on cash balances held in foreign currencies	827	1,117	–145	785
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**142,527**	**147,565**	**142,527**	**147,565**

[1] Includes the movement of non-current deferred revenue presented under Non-Current liabilities.

Accounting policies - basis of accounting

The condensed consolidated financial information for the three-month and the twelve-month period ended 31 December 2016 with related comparative information has been prepared using accounting policies which are based on International Financial Reporting Standards (IFRS). Accounting policies and methods of computation followed in the condensed consolidated financial information, for the period ended 31 December 2016, are the same as those followed in the Financial Statements for the year ended 31 December 2016. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the condensed consolidated financial information. The consolidated and company financial statements of TomTom NV for the year ended 31 December 2016 have been prepared and audited but are not yet published. The quarterly condensed consolidated information in this press release is unaudited.

Non-GAAP measures

The financial information in this report includes measures, which are not defined by generally accepted accounting principles (GAAP) such as IFRS. We believe this information, along with comparable GAAP measurements, gives insight to investors because it provides a basis for evaluating our operational performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures.

Gross margin is calculated as gross result divided by revenue
EBIT is equal to our operating result
EBIT margin is calculated as operating result divided by revenue
EBITDA is equal to our operating result plus depreciation and amortisation charges
EBITDA margin is calculated as operating result plus depreciation and amortisation charges divided by revenue
Adjusted net result is calculated as net result attributed to equity holders adjusted for acquisition-related expenses and gains on a post-tax basis (a reconciliation to net result is provided on page 6)
Adjusted EPS is calculated as adjusted net result divided by the weighted average number of diluted shares over the period
Net cash is defined as our cash and cash equivalents minus the nominal value of our outstanding borrowings

For more information

TomTom Investor Relations
ir@tomtom.com
+31 20 757 5194

Audio webcast fourth quarter and full year 2016 results

The information for our fourth quarter and full year 2016 results audio webcast is as follows:

- Date and time: 8 February 2017 at 14.00 CET
- corporate.tomtom.com/presentations.cfm

TomTom is listed at NYSE Euronext Amsterdam in the Netherlands
ISIN: NL0000387058 / Symbol: TOM2

About TomTom

TomTom (TOM2) empowers movement. Every day millions of people around the world depend on TomTom to make smarter decisions. We design and develop innovative products that make it easy for people to keep moving towards their goals. Our map-based components include map content, online map-based services, real-time traffic, and navigation software. Our consumer products include PNDs, navigation apps, sports watches and action camera. Our main business products are custom in-dash navigation systems and a fleet management system, which is offered to fleet owners as an online service with integrated in-vehicle cellular devices. Our business consists of four customer facing business units: Automotive, Licensing, Telematics and Consumer. Founded in 1991 and headquartered in Amsterdam, we have more than 4,700 employees worldwide. For further information, please visit www.tomtom.com.

Forward-looking statements/Important notice

This document contains certain forward-looking statements with respect to the financial position and results of TomTom's activities. We have based these forward-looking statements on our current expectations and projections about future events, including numerous assumptions regarding our present and future business strategies, operations and the environment in which we will operate in the future. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements, and you should not place undue reliance on them. Many of these risks and uncertainties relate to factors that are beyond TomTom's ability to control or estimate precisely, such as levels of customer spending in major economies, changes in consumer preferences, the performance of the financial markets, the levels of marketing and promotional expenditures by TomTom and its competitors, costs of raw materials, employee costs, exchange-rate and interest-rate fluctuations, changes in tax rates, changes in law, acquisitions or disposals, the rate of technological changes, political developments in countries where the company operates and the risk of a downturn in the market. Statements regarding market share, including the company's competitive position, contained in this document are based on outside sources such as specialised research institutes, industry and dealer panels in combination with management estimates.

The forward-looking statements contained herein speak only as of the date they are made. We do not assume any obligation to update any public information or forward-looking statement in this document to reflect events or circumstances after the date of this document, except as may be required by applicable laws.

This document contains inside information as meant in clause 7 of the Market Abuse Regulation.