

Fourth quarter and full year 2017 results

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial summary Q4 '17

- Revenue of €220 million (Q4 '16: €266 million)
- Gross margin of 59% (Q4 '16: 58%)
- EBITDA of €37 million (Q4 '16: €39 million)
- Cash flow from operating activities of €98 million (Q4 '16: €76 million)

Financial summary FY '17

- Revenue of €903 million (FY '16: €987 million)
- Gross margin of 62% (FY '16: 57%)
- EBITDA of €141 million (FY '16: €141 million)
- Non-cash impairment charge on the entire goodwill of the Consumer segment of €169 million
- Adjusted EPS¹ of €0.26 (FY '16: €0.23)
- Cash flow from operating activities of €173 million (FY '16: €144 million)
- Deferred revenue position of €244 million (Q4 '16: €204 million)

Operational summary

- Automotive order intake exceeded €400 million in 2017
- Strategic mapping and traffic services cooperation with ZENRIN in Japan
- HD Map & AutoStream to power Baidu's open autonomous driving platform, Apollo
- Online APIs integrated in Microsoft Azure's newly launched location-based services
- Telematics installed base increased by 16% in the year, reaching more than 800,000 subscriptions

Key figures²

(€ in millions, unless stated otherwise)	Q4 '17	Q4 '16	y.o.y. change	FY '17	FY '16	y.o.y. change
Automotive & Enterprise	86.6	71.7	21%	328.8	269.0	22%
Telematics	42.0	41.6	1%	162.1	155.1	4%
Consumer	91.0	152.3	-40%	412.5	563.2	-27%
REVENUE	219.6	265.6	-17%	903.4	987.3	-9%
GROSS RESULT	130.6	153.0	-15%	564.0	566.2	
<i>Gross margin</i>	<i>59%</i>	<i>58%</i>		<i>62%</i>	<i>57%</i>	
EBITDA	36.8	38.6	-5%	141.2	140.9	
<i>EBITDA margin</i>	<i>17%</i>	<i>15%</i>		<i>16%</i>	<i>14%</i>	
OPERATING RESULT (EBIT)	-29.5	-0.5		-199.8	8.9	
<i>EBIT margin</i>	<i>-13%</i>	<i>0%</i>		<i>-22%</i>	<i>1%</i>	
NET RESULT	-34.5	-5.6		-204.4	12.0	
ADJUSTED NET RESULT	14.3	11.3	28%	61.3	54.1	13%
DATA PER SHARE (in €)						
EPS - fully diluted	-0.15	-0.02		-0.87	0.05	
Adjusted EPS ¹ - fully diluted	0.06	0.05	28%	0.26	0.23	12%

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 14 of this report.

¹ Earnings per fully diluted share count adjusted for acquisition-related expenses & gains, impairments and material restructuring and disposal costs on a post-tax basis.

² As of the start of 2018, we have changed the name of our Licensing segment to Enterprise as it better reflects the nature of activities, customers and target markets.

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"Our business continues to shift towards higher gross margins, better predictability due to longer term contracts and more upfront cash flows. Over 60% of our revenue is now coming from data, software and services. We are becoming a software technology company, with a leading position in connected car, fleet management and online location and navigation services.

As a result of significant wins in North America, Automotive order intake exceeded €400 million in 2017, a new record. We have over 800,000 cars connected to our fleet management platform. Our online location and navigation services will become part of Microsoft's Azure platform in 2018."

OUTLOOK 2018

Forward-looking statements (and restated comparable 2017 figures) are provided using IFRS 15 and IFRS 16 accounting standards. Going forward, the definition of adjusted EPS is changed to better reflect the transition of our business model towards a software and services company.

	Outlook 2018	Restated 2017
Revenue*	~ €800 million	€903 million
Gross margin	close to 70%	63%
Adjusted EPS**	~ €0.25	€0.18
OPEX & CAPEX (excl. acquisitions)	~ €700 million	€721 million

* 2018 revenue outlook reflects the continuous decline of Consumer.

** Adjusted net result is now calculated as net result attributed to equity holders adjusted for movement of deferred/unbilled revenue, deferred cost of sales, impairments and material restructuring and disposal costs on a post-tax basis. Adjusted EPS is calculated as adjusted net result divided by the weighted average number of diluted shares over the period.

Adjusted EPS definitions used throughout this report are further explained on page 11.

UPDATE SHARE BUYBACK PROGRAMME

On 8 December 2017, TomTom completed its share buyback programme that was launched on 19 September 2017. Under this programme, a total of 5,384,450 ordinary TomTom shares were repurchased on Euronext Amsterdam at an average price of €9.25 per share, for a total consideration of €49.8 million. TomTom will use the shares to cover its commitments arising from its stock option and share plans.

FINANCIAL AND BUSINESS REVIEW

TomTom generated revenue of €220 million in the fourth quarter, a decrease of 17% compared with €266 million in Q4 '16. Automotive & Enterprise showed strong year on year revenue growth in Q4, which was offset by a decline in Consumer. On a full year basis, total revenue was €903 million (FY '16: €987 million). Automotive & Enterprise and Telematics revenue delivered a combined year on year revenue growth of 16% in 2017. However, this revenue growth was more than offset by a decline of Consumer revenue of 27% year on year.

Gross margin was 62% in FY '17 (FY '16: 57%) and EBITDA was €141 million in FY '17 (FY '16: €141 million). The adjusted net result for the year was a gain of €61 million, which translates to adjusted EPS of €0.26 in FY '17 (FY '16: €0.23).

Automotive & Enterprise

(€ in millions, unless stated otherwise)	Q4 '17	Q4 '16	y.o.y. change	FY '17	FY '16	y.o.y. change
Automotive	53.9	36.7	47%	190.6	132.6	44%
Enterprise	32.8	35.0	-7%	138.2	136.3	1%
Total Automotive & Enterprise revenue	86.6	71.7	21%	328.8	269.0	22%
Automotive & Enterprise segment EBITDA				100.0	82.1	22%
<i>EBITDA margin (%)</i>				30%	31%	
Automotive & Enterprise segment EBIT				-47.6	-25.5	
<i>EBIT margin (%)</i>				-14%	-9%	

Change percentages and totals calculated before rounding.

Automotive & Enterprise combined revenue in the quarter was €87 million (Q4 '16: €72 million) and €329 million for the full year 2017 (FY '16: €269 million).

Automotive generated revenue of €54 million in the quarter, representing a 47% increase year on year. On a full year basis, Automotive revenue reached €191 million, 44% higher compared with last year (FY '16: €133 million). This considerable revenue growth mainly came from the ramp-up of a new contract that went live in 2016 as well as higher revenue from existing contracts. The deferred revenue position of Automotive increased in the year by 94% to €113 million at the end of 2017 (December 2016: €59 million). A breakdown of deferred revenue is provided in the Balance Sheet section.

Enterprise revenue in Q4 '17 was €33 million compared with €35 million in the same quarter last year. This decline was mainly caused by a weaker USD. On a full year basis, Enterprise reported total revenue of €138 million, 1% higher compared with €136 million in 2016.

We launched our traffic service in Japan during the quarter, bringing our global Traffic coverage to 69 countries. We announced a collaboration with ZENRIN, Japan's market leader in mapping and navigation, to cooperate on traffic services and mapping in Japan. With this collaboration, we will be able to provide even more accurate traffic information to OEMs and Tier 1s in the country. In addition, we extended our HD Map coverage to Japan, covering over 18,000 kilometres of freeways across the country.

At the CES 2018, we launched AutoStream, an innovative map delivery service that enables vehicles to build a horizon for the road ahead by streaming the latest map data from the TomTom cloud. TomTom AutoStream has launched with two initial partners: Baidu and Zenuity. We also announced TomTom MotionQ, a unique predictive driving concept to ensure the comfort of passengers in self-driving transport. We are working together with Qualcomm to demonstrate new location technologies for autonomous driving, specifically, fusing the TomTom HD Map, with camera technologies and GPS data from the Qualcomm® Drive Data Platform, to power highly precise and reliable localisation for connected car applications and autonomous vehicles.

Also in the quarter, TomTom Route Monitoring was introduced, designed to address the growing road congestion challenges faced by smart cities worldwide. This service helps traffic managers, event managers and emergency service dispatchers to monitor travel times and delays on routes of interest, as they happen, and inform the public of delays and alternative routes through smartphones, in-car systems and variable message signs.

In Enterprise, we announced that our online APIs are integrated in the newly launched Microsoft Azure cloud platform. By providing our location-based technologies on Azure, we enable IoT solutions, with impact on a wide range of industries from Smart Cities to Automotive. We have also completely revamped the developer portal for Online APIs during the quarter. Update included enhancements to the product offerings and a pricing model geared towards small and medium sized businesses to easily integrate TomTom's Online APIs into their applications. We started to supply map and traffic data to Transport Systems Catapult (TSC), supporting their intelligent mobility platform in providing innovative transportation solutions in the UK.

Telematics

(€ in millions, unless stated otherwise)	Q4 '17	Q4 '16	y.o.y. ¹ change	FY '17	FY '16	y.o.y. ¹ change
Subscriptions	32.7	30.8	6%	126.3	118.4	7%
Hardware and other services ²	9.2	10.8	-15%	35.8	36.8	-3%
Total Telematics revenue	42.0	41.6	1%	162.1	155.1	4%
Telematics segment EBITDA				59.1	59.1	0%
<i>EBITDA margin (%)</i>				36%	38%	
Telematics segment EBIT				43.0	44.5	-3%
<i>EBIT margin (%)</i>				27%	29%	
Monthly revenue per subscription (€)	13.6	14.5	-6%	13.8	14.9	-7%
Subscriber installed base (# in thousands)				809	696	16%

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 '17, flat compared with €42 million in Q4 '16. This performance was driven by growth in the WEBFLEET subscriber base, which was partially offset by a decline in hardware revenue. The recurring subscription revenue amounted to €33 million for the quarter, 6% higher compared with the same quarter last year. Hardware revenue declined with 15% year on year, due to a higher proportion of hardware rental in our subscriber sales mix. Revenue for 2017 was €162 million, representing a 4% growth year on year (FY '16: €155 million).

At the end of the year, Telematics reached more than 809,000 fleet management and connected car subscriptions. This represents a 16% year on year increase, from 696,000 subscriptions at the end of 2016.

Consumer

(€ in millions, unless stated otherwise)	Q4 '17	Q4 '16	y.o.y. change	FY '17	FY '16	y.o.y. change
Consumer products	81.0	140.6	-42%	367.7	502.0	-27%
Automotive hardware	10.0	11.7	-13%	44.9	61.2	-27%
Total Consumer revenue	91.0	152.3	-40%	412.5	563.2	-27%
Consumer segment EBITDA				-11.2	5.9	
<i>EBITDA margin (%)</i>				-3%	1%	
Consumer segment EBIT				-19.8	-3.9	
<i>EBIT margin (%)</i>				-5%	-1%	

Change percentages and totals calculated before rounding.

Total Consumer revenue for the quarter was €91 million, a decline of 40% compared with the same quarter last year (Q4 '16: €152 million). On a full year basis, Consumer revenue declined by 27% to €413 million (FY '16: €563 million), reflecting a decrease in both Consumer products as well as Automotive hardware revenue.

Data, software & services and Hardware revenue split

(€ in millions)	Q4 '17	Q4 '16	y.o.y. change	FY '17	FY '16	y.o.y. change
Data, software & services	139.5	122.9	13%	547.2	481.4	14%
Hardware	80.1	142.7	-44%	356.2	505.9	-30%
Total revenue	219.6	265.6	-17%	903.4	987.3	-9%

Change percentages and totals calculated before rounding.

Fourth quarter and full year 2017 results / Continued

Hardware revenue for the quarter was €80 million compared with €143 million in Q4 '16. Data, software & services revenue in the quarter was €140 million, 13% higher compared with €123 million in Q4 '16, due to growing Automotive and Telematics subscription revenue. As a percentage of revenue, data, software & services revenue increased to 64% in Q4 '17 from 46% in Q4 '16.

On a full year basis, revenue from data, software & services was €547 million (FY '16: €481 million) and accounted for 61% of total revenue (FY '16: 49%).

Geographical revenue split

(€ in millions)	FY '17	FY '16	y.o.y. change
Europe	702.1	773.2	-9%
North America	147.5	167.4	-12%
Rest of the world	53.7	46.7	15%
Total revenue	903.4	987.3	-9%

Change percentages and totals calculated before rounding.

From a regional perspective, 78% of 2017 revenue was generated in Europe (FY '16: 78%), 16% in North America (FY '16: 17%) and the remaining 6% in the rest of the world (FY '16: 5%).

Gross margin

The gross margin for the quarter was 59%, which is one percentage point higher compared with the same quarter last year. On a full year basis, gross margin was 62% (FY '16: 57%). At constant currency rates for the US dollar and GB pound, FY '17 gross margin and operating result would have been the same.

Operating expenses

Total operating expenses for the quarter were €160 million, which is €6 million higher compared with the same quarter last year (Q4 '16: €154 million). The increase results from additional amortisation charges partly offset by lower personnel related cost.

On a full year basis, total operating expenses amounted to €764 million compared with €557 million in 2016, an increase of €207 million year on year. Excluding the goodwill impairment charge our operating expenses increased by €38 million. The increase resulted from restructuring charges in our Consumer business, accelerated amortisation of some customer relationships and the disposal of some technology assets.

FX sensitivity

(€ in millions, unless stated otherwise)	Q4 '17 actual	Q4 '17 ¹ recalculated at Q4 '16 FX rates	FY '17 actual	FY '17 ¹ recalculated at FY '16 FX rates
Revenue	219.6	223.2	903.4	911.0
Gross result	130.6	130.5	564.0	568.3
Gross margin	59%	58%	62%	62%
EBIT (FY excl. impairment charge)	-29.5	-30.9	-31.2	-30.0
EBIT margin (FY excl. impairment charge)	-13%	-14%	-3%	-3%
FX RATES IN €	Q4 '17	Q4 '16	FY '17	FY '16
US dollar	1.18	1.09	1.13	1.11
GB pound	0.88	0.87	0.87	0.81

¹ The Q4 '17 / FY '17 income and expenses in US dollar and GB pound have been converted to euro using Q4 '16 / FY '16 average exchange rates. All other foreign currencies have not been converted.

Depreciation, amortisation and impairment

(€ in millions)	Q4 '17	Q4 '16	y.o.y. change	FY '17	FY '16	y.o.y. change
Cost of sales	4.1	2.6	57%	14.4	8.8	64%
Research and development	5.0	2.5	98%	14.2	11.6	22%
Amortisation of technology and databases	41.1	27.2	51%	112.3	91.5	23%
Marketing	0.1	0.1	24%	0.3	0.3	11%
Selling, general and administrative	16.1	6.7	142%	31.1	19.8	57%
Impairment charge				168.7		
Total	66.3	39.1	70%	341.0	132.0	158%
<i>Of which acquisition-related amortisation and impairment</i>	<i>25.1</i>	<i>14.2</i>		<i>235.4</i>	<i>55.3</i>	

Change percentages and totals calculated before rounding.

Total depreciation and amortisation expenses amounted to €66 million in the quarter, 70% higher compared with last year (Q4 '16: €39 million). Acquisition-related amortisation was €25.1 million in Q4 '17 (Q4 '16: €14 million).

On a full year basis, acquisition-related amortisation amounted to €235 million in 2017, higher compared with last year (FY '16: €55 million) due to the impairment of goodwill related to Consumer and the accelerated amortisation of some customer relationships.

Financial income and expenses

The net interest charge for the quarter was €0.3 million versus a net interest charge of €0.3 million in Q4 '16. The other financial result for the quarter was a gain of €0.9 million (Q4 '16: loss of €2.0 million), which consisted primarily of foreign exchange gains 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 was a gain of €1.7 million compared with a loss of €2.4 million in 2016.

Income tax

The net income tax for the quarter was a charge of €5.8 million versus a net income tax charge of €3.0 million in Q4 '16. The income tax for the year was a charge of €7.0 million (FY '16: tax gain of €4.7 million).

Net result and adjusted EPS

(€ in millions, unless stated otherwise)	Q4 '17	Q4 '16	y.o.y. change	FY '17	FY '16	y.o.y. change
Net result	-34.5	-5.6		-204.4	12.0	
Net result attributed to equity holders	-34.2	-5.5		-204.0	12.0	
Impairment charge				168.7		
Acquisition-related expenses	26.3	14.2	87%	72.2	55.3	31%
Restructuring charge and disposals	29.2		.	44.6		
Remeasurement of deferred tax liability	4.6	5.3	-13%	4.6	-2.3	
Tax effect of adjustments	-11.6	-2.7		-24.9	-10.9	
Adjusted net result	14.3	11.3	28%	61.3	54.1	13%
Adjusted EPS, € fully diluted	0.06	0.05	28%	0.26	0.23	12%

Change percentages and totals calculated before rounding.

The net result for the quarter was a loss of €34 million compared with a loss of €5.6 million in Q4 '16. The net result adjusted for acquisition-related expenses & gains, impairments and material restructuring and disposal costs on a post-tax basis was a gain of €14 million compared with €11 million in Q4 '16.

Adjusted EPS for the quarter was a gain of €0.06 versus €0.05 in Q4 '16. Adjusted EPS for 2017 was €0.26 (FY '16: €0.23).

Balance sheet

Trade receivables plus other receivables totalled €167 million in Q4 '17 compared with €179 million at the end of Q4 '16. The inventory level at the end of the quarter was €32 million, compared with €54 million at the end of the same quarter last year. Cash and cash equivalents at the end of the quarter were €121 million versus €143 million at the end of Q4 '16.

Current liabilities excluding deferred revenue were €237 million compared with €266 million at the end of Q4 '16. The year on year decrease is mainly due to a decrease in trade payables. Deferred revenue was €244 million at the end of Q4 '17, compared with €204 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 2017	31 December 2016	y.o.y. change
Automotive & Enterprise	127.4	70.0	82%
Automotive	113.4	58.6	94%
Enterprise	14.0	11.4	22%
Telematics	1.5	1.7	-14%
Consumer	114.8	132.7	-14%
Total deferred revenue	243.6	204.4	19%

Change amounts are calculated before rounding.

At year-end 2017, TomTom repaid all its outstanding bank borrowings and reported a net cash position of €121 million (Q4 '16: net cash of €133 million).

Cash flow

The cash flow from operating activities for the quarter was €98 million compared with €76 million in Q4 '16. The year on year increase was mainly driven by lower working capital utilisation in Q4 '17. On a full year basis, cash flow from operating activities was €173 million compared with €144 million in 2016. The cash flow used in investing activities during the quarter increased by €3.0 million year on year to €29 million (Q4 '16: €26 million). On a full year basis, the cash flow used in investing activities (excluding the effect of acquisitions) was €120 million, an increase of €2.6 million year on year (FY '16: €117 million). The vast majority of the investments related to map content and various technology platforms to support growth in Automotive and Enterprise.

CAPEX (excluding acquisitions)

(€ in millions)	Q4 '17	Q4 '16	y.o.y. change	FY '17	FY '16	y.o.y. change
Map content	8.5	8.2	4%	31.2	26.9	16%
Mapmaking platform	9.2	6.1	51%	33.0	30.3	9%
Applications	3.4	1.9	79%	15.0	12.4	21%
Customer specific	4.5	4.4	2%	20.5	19.6	5%
Telematics	2.8	3.2	-13%	12.7	10.6	20%
Other	1.0	2.6	-62%	7.8	17.7	-55%
Total	29.3	26.4	11%	120.2	117.5	2%

Change percentages and totals calculated before rounding.

The cash flow used in financing activities for the quarter was an outflow of €52 million (Q4 '16: €37 million). This is mainly caused by the cash outflow of €49.8 million related to the share buyback programme. In the quarter, 276 thousand options (Q4 '16: 276 thousand options) related to our long-term employee incentive programmes, were exercised resulting in a €0.6 million cash inflow (Q4 '16: €1.1 million). On a full year basis, 2.4 million options (FY '16: 2.4 million options) were exercised resulting in a €12 million cash inflow (FY '16: €10 million).

- END -

Consolidated condensed statement of income

(€ in thousands)	Q4 '17 Unaudited	Q4 '16 Unaudited	FY '17 Unaudited	FY '16 Audited
REVENUE	219,573	265,618	903,392	987,329
Cost of sales	89,020	112,594	339,343	421,101
GROSS RESULT	130,553	153,024	564,049	566,228
Research and development expenses	52,456	49,585	207,857	190,473
Amortisation of technology and databases	41,062	27,222	112,293	91,526
Marketing expenses	9,741	24,847	57,397	80,609
Selling, general and administrative expenses	56,777	51,868	217,660	194,726
Impairment charge			168,687	
TOTAL OPERATING EXPENSES	160,036	153,522	763,894	557,334
OPERATING RESULT	-29,483	-498	-199,845	8,894
Interest result	-261	-285	-1,001	-1,371
Other financial result	926	-2,001	2,667	-1,010
Result of associates	203	178	759	736
RESULT BEFORE TAX	-28,615	-2,606	-197,420	7,249
Income tax gain / (expense)	-5,838	-2,954	-6,991	4,709
NET RESULT	-34,453	-5,560	-204,411	11,958
Attributable to:				
- Equity holders of the parent	-34,190	-5,466	-203,987	11,987
- Non-controlling interests	-263	-94	-424	-29
NET RESULT	-34,453	-5,560	-204,411	11,958
Basic number of shares (in thousands)	232,167	232,725	233,722	231,743
Diluted number of shares (in thousands)	235,027	235,430	236,836	234,970
EARNINGS PER SHARE (in €)				
Basic	-0.15	-0.02	-0.87	0.05
Diluted ¹	-0.15	-0.02	-0.87	0.05

¹ In 2017, no additional shares from assumed conversion are taken into account as the effect would be anti-dilutive.

Consolidated condensed balance sheet

(€ in thousands)	31 December 2017	31 December 2016
	Unaudited	Audited
Goodwill	256,319	400,318
Other intangible assets	752,952	795,771
Property, plant and equipment	33,621	40,398
Deferred tax assets	7,453	12,046
Investments in associates	4,223	3,941
TOTAL NON-CURRENT ASSETS	1,054,568	1,252,474
Inventories	31,609	54,078
Trade receivables	114,254	132,424
Other receivables and prepayments	53,114	46,115
Other financial assets		1,210
Cash and cash equivalents	120,850	142,527
TOTAL CURRENT ASSETS	319,827	376,354
TOTAL ASSETS	1,374,395	1,628,828
Share capital	47,064	46,577
Share premium	1,068,149	1,051,890
Treasury shares	-48,790	
Other reserves	263,164	234,502
Accumulated deficit	-577,193	-338,138
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	752,394	994,831
Non-controlling interests	2,308	1,906
TOTAL EQUITY	754,702	996,737
Borrowings		9,586
Deferred tax liability	95,602	97,282
Provisions	43,727	54,406
Deferred revenue	142,059	107,151
TOTAL NON-CURRENT LIABILITIES	281,388	268,425
Trade payables	51,441	76,630
Income tax	1,702	1,289
Other taxes and social security	7,025	9,383
Provisions	37,173	36,410
Deferred revenue	101,572	97,256
Accruals and other liabilities	139,392	142,698
TOTAL CURRENT LIABILITIES	338,305	363,666
TOTAL EQUITY AND LIABILITIES	1,374,395	1,628,828

Consolidated condensed statements of cash flows

(€ in thousands)	Q4 '17 Unaudited	Q4 '16 Unaudited	FY '17 Unaudited	FY '16 Audited
Operating result	-29,483	-498	-199,845	8,894
Financial gains / (losses)	615	2,794	-2,303	1,235
Depreciation, amortisation and impairment	66,276	39,052	341,003	132,003
Change in provisions	1,583	10,483	4,788	9,649
Equity-settled stock compensation expenses	1,356	525	8,104	3,275
Changes in working capital:				
Change in inventories	10,254	6,830	9,964	-5,817
Change in receivables and prepayments	56,427	42,063	11,255	14,183
Change in liabilities (excluding provisions) ¹	-8,670	-22,325	9,179	-5,301
CASH GENERATED FROM OPERATIONS	98,358	78,924	182,145	158,121
Interest received	59	57	258	185
Interest (paid)	-237	-261	-927	-1,227
Corporate income taxes (paid)	-341	-3,046	-8,654	-12,762
CASH FLOWS FROM OPERATING ACTIVITIES	97,839	75,674	172,822	144,317
Investments in intangible assets	-24,141	-21,973	-104,127	-96,444
Investments in property, plant and equipment	-5,301	-4,439	-16,116	-21,141
Acquisitions of subsidiaries and other businesses	-1		-24,494	-2,331
Dividends received	96	60	202	190
CASH FLOWS FROM INVESTING ACTIVITIES	-29,347	-26,352	-144,535	-119,726
Change in utilisation of credit facility	-3,000	-38,000	-10,000	-35,000
Repayment of borrowings			-708	-4,287
Change in non-controlling interest	-121		-244	-98
Dividends paid				-138
Proceeds on issue of ordinary shares	563	1,116	12,403	10,039
Repurchase of share capital	-49,831		-49,831	
CASH FLOWS FROM FINANCING ACTIVITIES	-52,389	-36,884	-48,380	-29,484
Net increase / (decrease) in cash and cash equivalents	16,103	12,438	-20,093	-4,893
Cash and cash equivalents at the beginning of period	105,220	129,262	142,527	147,565
Exchange rate changes on cash balances held in foreign currencies	-473	827	-1,584	-145
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	120,850	142,527	120,850	142,527

¹ Includes movements in the non-current portion of deferred revenue presented under Non-Current liabilities.

ADJUSTED EPS CALCULATION

In 2018, TomTom changed the definition of adjusted EPS to better reflect the transition of its business model towards a software and services company. Adjusted net result is now calculated as net result attributed to equity holders adjusted for movement of deferred and unbilled revenue, deferred cost of sales, impairments and material restructuring and disposal costs on a post-tax basis. Below table shows the calculations of adjusted EPS, using the old and the new definitions and taking into account different accounting standards.

(€ in millions, unless stated otherwise)	FY '17	Restated FY '17	Restated FY '17
Definition	Old definition	Old definition	New definition
Accounting standards	As applicable in 2017	IFRS 15 and IFRS 16	IFRS 15 and IFRS 16
Net result	-204.4	-194.4	-194.4
Net result attributed to equity holders	-204.0	-194.0	-194.0
Impairment charge	168.7	168.7	168.7
Acquisition-related expenses	72.2	72.2	11.3
Restructuring charge and disposals	44.6	44.6	44.6
Remeasurement of deferred tax liability	4.6	4.6	4.6
Deferred/unbilled revenue movement			25.1
Deferred cost of sales movement			-1.0
Tax effect of adjustments	-24.9	-24.9	-17.0
Adjusted net result	61.3	71.2	42.3
Adjusted EPS, € fully diluted	0.26	0.30	0.18

TRANSITION TO NEW ACCOUNTING STANDARDS - 1 JANUARY 2018

TomTom has assessed the estimated impact that the initial application of IFRS 9, IFRS 15 and IFRS 16 will have on the consolidated financial statements. The estimated impact of the adoption of these standards on the Group's equity as at 1 January 2018 is based on assessments undertaken to date. There is no expected material impact from the adoption of IFRS 9. The estimated adjustments due to adoption of IFRS 15 and IFRS 16 are material and are illustrated in the subsequent tables.

Consolidated condensed statement of income using IFRS 15 and IFRS 16 accounting standards

The new accounting policies are subject to change until the group presents its first financial statements that include the date of initial application and, therefore, the actual impact of adopting the new standards at 1 January 2018 may change.

(€ in millions)	FY '17 Reported	IFRS 15	IFRS 16	FY '17 Restated
Automotive & Enterprise	328.8	4.4		333.2
<i>Automotive</i>	190.6	5.1		195.7
<i>Enterprise</i>	138.2	-0.7		137.5
Telematics	162.1	1.5		163.6
Consumer	412.5	-6.4		406.1
TOTAL REVENUE	903.4	-0.5		902.9
Cost of sales	339.3	-6.2		333.1
GROSS RESULT	564.1	5.7		569.8
Research and development expenses	207.9			207.9
Amortisation of technology and databases	112.3			112.3
Marketing expenses	57.4	-5.6		51.8
Selling, general and administrative expenses	217.7		-2.6	215.1
Impairment charge	168.7			168.7
TOTAL OPERATING EXPENSES	763.9	-5.6	-2.6	755.7
OPERATING RESULT (EBIT)	-199.8	11.3	2.6	-186.0
EBITDA	141.2	5.7	16.5	163.3
Interest result	-1.0		-0.9	-1.9
Other financial result	2.7			2.7
Result of associates	0.8			0.8
RESULT BEFORE TAX	-197.4	11.3	1.7	-184.4
Income tax gain / (expense)	-7.0	-2.6	-0.4	-10.0
NET RESULT	-204.4	8.7	1.3	-194.4
Basic number of shares (in millions)	236.8	236.8	236.8	236.8
Diluted number of shares (in millions)	233.7	233.7	233.7	233.7
EARNINGS PER SHARE (in €)				
EPS, Diluted ¹	-0.87	0.04	0.01	-0.83
Adjusted EPS, Diluted ²	0.26	0.04	0.01	0.30

¹ In 2017, no additional shares from assumed conversion are taken into account as the effect would be anti-dilutive.

² Earnings per fully diluted share count adjusted for acquisition-related expenses & gains, impairments and material restructuring and disposal costs on a post-tax basis.

Consolidated condensed balance sheet using IFRS 15 and IFRS 16 accounting standards

The new accounting policies are subject to change until the group presents its first financial statements that include the date of initial application and, therefore, the actual impact of adopting the new standards at 1 January 2018 may change.

(€ in millions)	31 December 2017 Reported	IFRS 15	IFRS 16	31 December 2017 Restated
Goodwill	256.3			256.3
Other intangible assets	753.0	-21.8		731.1
Other non-current assets	45.3		45.7	91.0
TOTAL NON-CURRENT ASSETS	1,054.6	-21.8	45.7	1,078.4
Inventories	31.6			31.6
Receivables, prepayments & derivatives	167.4	0.3		167.7
Cash and cash equivalents	120.9			120.9
TOTAL CURRENT ASSETS	319.8	0.3		320.2
TOTAL ASSETS	1,374.4	-21.5	45.7	1,398.6
TOTAL EQUITY	754.7	-30.9	-1.9	721.9
Deferred tax liability	95.6	-9.2	-0.6	85.8
Non-current borrowings	0.0		48.2	48.2
Provisions	80.9			80.9
Trade payables	51.4			51.4
Deferred revenue	243.6	17.7		261.3
<i>Automotive</i>	113.4	-15.4		98.0
<i>Enterprise</i>	14.0	1.7		15.7
<i>Telematics</i>	1.5	29.8		31.4
<i>Consumer</i>	114.8	1.5		116.3
Accruals and other liabilities	148.1	1.0		149.1
TOTAL LIABILITIES	619.7	9.4	47.6	676.7
TOTAL EQUITY AND LIABILITIES	1,374.4	-21.5	45.7	1,398.6

Accounting policies - basis of accounting

The condensed consolidated financial information for the three-month and the twelve-month period ended 31 December 2017 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 2017, are the same as those followed in the Financial Statements for the year ended 31 December 2017. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the condensed consolidated financial information. 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, amortisation and impairment charges

EBITDA margin is calculated as operating result plus depreciation, amortisation and impairment charges divided by revenue

Adjusted net result is calculated as net result attributed to equity holders adjusted for acquisition-related expenses & gains, impairments and material restructuring and disposal costs on a post-tax basis

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

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Audio webcast fourth quarter and full year 2017 results

The information for our audio webcast is as follows:

- Date and time: 6 February 2018 at 14:00 CET
- corporate.tomtom.com/presentations.cfm

TomTom is listed at NYSE Euronext Amsterdam in the Netherlands

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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, traffic, and navigation software. Our consumer products include PNDs, navigation apps, and sports watches. 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, Enterprise, Telematics and Consumer. Founded in 1991 and headquartered in Amsterdam, we have more than 4,800 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.