



# ANNUAL REPORT 2014



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## ICONS by category

### DRIVE

-  CAR
-  MOTORCYCLE
-  CAMPER & CARAVAN
-  TRUCK

### SPORT

-  RUNNING
-  CYCLING
-  SWIMMING
-  GOLF

### PRODUCT-RELATED

-  CONNECTED CAR
-  DIGITAL MAP
-  MULTINET-R
-  REAL-TIME TRAFFIC INFORMATION
-  NAVKIT NAVIGATION ENGINE
-  NAVCLOUD
-  CLOUD-BASED PRODUCTS
-  WEBFLEET
-  TELEMATICS APP CENTER
-  FLEET

### FINANCE & STRATEGY

-  ACCOUNTING POLICIES
-  SIGNIFICANT ESTIMATES
-  OUTLOOK
-  STRATEGY

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## FORWARD-LOOKING STATEMENTS/IMPORTANT NOTICE

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of TomTom NV (the company) and certain of the plans and objectives of TomTom and its subsidiaries (together with the company referred to as 'the group') with respect to these items. In particular the words 'expect', 'anticipate', 'estimate', 'may', 'should', 'would', 'believe' and similar expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on them. 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. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, levels of customer spending in major economies, changes in consumer tastes and preferences, changes in law, the performance of the financial markets, the levels of marketing and promotional expenditures by the group and its competitors, raw materials and employee costs, changes in exchange and interest rates (in particular changes in the USD and GBP versus the euro can materially affect results), changes in tax rates, future business combinations, acquisitions or disposals, the rate of technological changes, political and military 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. Where full year information regarding 2014 is not yet available to the company, these statements may also be based on estimates and projections prepared by outside sources or management. Market shares are based on sales in units unless otherwise stated. The forward-looking statements contained refer only to the date in which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this annual report.

We have business continuity and disaster recovery planning in place for certain systems and various eventualities. However, we are unable to plan for every possible disaster or incident. A major failure of a business critical system from which we are not able to quickly recover could have a material adverse effect on our financial condition, results of operations and liquidity.

## Legal and compliance risks

### Intellectual property

We rely on a combination of trademarks, trade names, patents, confidentiality and non-disclosure clauses and agreements, copyrights and design rights to defend and protect our trade secrets, and rights to the intellectual property in our products.

We may be faced with claims that we have infringed the intellectual property rights or patents of others, which if successfully asserted against us may result in us being ordered to pay substantial damages or forced to stop or delay the development, manufacture or sale of infringing products. Any such outcome could have a material adverse effect on our financial condition, results of operations and liquidity. Furthermore, even if we were to prevail, any litigation could be costly and time-consuming.

### Privacy of customer data

The focus of our business providing location-based products and services to individual customers, growing public awareness and increased scrutiny by regulatory authorities, means that compliance with privacy regulations and customer expectations is increasingly important in maintaining our competitive position.

While we anonymise the trace data we collect from our individual customers, and our privacy programme is designed to ensure TomTom's Privacy Principles are adhered to throughout our operations and in the design of our products and services, our reputation and brand may suffer if we fail to comply with privacy regulations or otherwise fail to meet our customers' expectations in relation to privacy matters.

### Information security

Our business operations and reputation are substantially dependent on our ability to maintain confidentiality, integrity and availability over information regarding customers, employees, suppliers, proprietary technologies, intellectual property and business processes. Our information security programme requires that we deploy and maintain information security controls, processes and tools in our operations and products using a risk-based approach. However, the volume and sophistication of information security threats continue to grow. The leakage of confidential information, unauthorised use of our systems and networks or defective products could adversely affect our business and could have a material adverse effect on our financial conditions, results of operations and liquidity.

### Financial risks

Financial risks are presented in [note 28. Financial risk management](#) in the consolidated financial statements.