







ANNUAL REPORT 2014







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

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.

13. Property, plant and equipment

(€ in thousands)	Furniture and fixture	Computer and hardware	Other ¹	Total
BALANCE AS AT 31 DECEMBER 2012				
Investment cost	18,069	70,703	43,383	132,155
Accumulated amortisation and impairment	-16,340	-58,404	-30,641	-105,385
	1,729	12,299	12,742	26,770
Movements				
Investments	810	7,467	8,600	16,877
Transfer between categories	25	1,500	-1,525	0
Acquisitions through business combination	0	466	0	466
Disposals (net)	-61	-233	-817	-1,111
Depreciation charges	-643	-8,593	-7,779	-17,015
Currency translation differences	-122	-151	90	-183
	9	456	-1,431	-966
BALANCE AS AT 31 DECEMBER 2013				
Investment cost	14,328	51,638	48,089	114,055
Accumulated amortisation and impairment	-12,590	-38,883	-36,778	-88,251
	1,738	12,755	11,311	25,804
Movements				
Investments	1,945	8,186	6,354	16,485
Transfer between categories	270	297	-567	0
Acquisitions through business combination	6	303	10	319
Disposals (net) ²	-60	-73	-50	-183
Depreciation charges	-647	-5,859	-6,116	-12,622
Net foreign currency exchange differences	86	242	163	491
	1,600	3,096	-206	4,490
BALANCE AS AT 31 DECEMBER 2014				
Investment cost	10,499	53,769	36,811	101,079
Accumulated amortisation and impairment	-7,161	-37,918	-25,706	-70,785
	3,338	15,851	11,105	30,294

¹ Other assets balance as at 31 December 2014 mainly comprises of leasehold improvements with a carrying value of €4.2 million (31 December 2013: €5.0 million).

² The total gross amount of the assets disposed across all asset classes was €31.8 million.

The costs for operating leases in 2014 amounted to €13.0 million (2013: €15.5 million).

Accounting policy

The group leases certain property, plant and equipment. Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the group. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment charges. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Furniture and fixtures: 4-10 years
- Computer equipment and hardware: 2-4 years
- Vehicles: 4 years
- Tools and moulds: 1-2 years
- Leasehold improvements: 4-10 years

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end, with the effect that any changes in estimate are accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in profit or loss.

14. Impairment testing of non-financial assets

Non-financial assets comprises of goodwill, other intangible assets and property, plant and equipment. No impairment was identified for these assets during the reporting period.

Goodwill is allocated to the operating segments identified according to the core business activities as monitored by management for the purpose of impairment testing. The allocation is made to those operating segments that are expected to benefit from the business combination in which the goodwill arose.