



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.

SECTION 4 WORKING CAPITAL

The notes in this section specify items that form part of group's working capital. Disclosure on cash and cash equivalents is included in this section.

17. Inventories

(€ in thousands)	2014	2013
Finished goods	24,632	21,492
Components and sub-assemblies	21,943	20,768
INVENTORIES	46,575	42,260

The amount of inventories recognised as an expense when the inventories are sold and included in cost of sales amounted to €319 million (2013: €320 million).

As a result of the write-down of inventories to their net realisable value, the group recognised a cost of €3.1 million (2013: €2.7 million). The costs are included in cost of sales.

Accounting policy

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises costs of purchase, assembly and conversion to finished products. The cost of inventories is determined using the first-in, first-out (FIFO) method, net of reserves for obsolescence and any excess stock. Net realisable value represents the estimated selling price less an estimate of the costs of completion and direct selling costs.

18. Trade receivables

(€ in thousands)	2014	2013
Gross accounts receivables	136,812	118,546
Allowance for doubtful receivables	-3,546	-3,117
TRADE RECEIVABLES (NET)	133,266	115,429

The group expects to recover all receivables within a year. An allowance has been made for estimated unrecoverable amounts from the sale of goods. The carrying amount of trade receivables approximates their fair value. The group does not hold any collateral over these balances.

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is some concentration of credit risk with certain of the group's large customers' accounts. Management actively monitors the credit risk related to these customers and takes pro-active action to reduce credit limits if required.

The following table summarises the movement in the allowance for doubtful trade receivables account:

(€ in thousands)	2014	2013
BALANCE AS AT 1 JANUARY	-3,117	-1,863
Additional receivables impairment	-1,321	-2,567
Receivables written off during the year as uncollectible	837	410
Unused amounts reversed	15	654
Translation effects	40	249
BALANCE AS AT 31 DECEMBER	-3,546	-3,117

The following table sets out details of the age of trade accounts receivable that are not overdue, as the payment terms specified in the terms and conditions established with the group's customers have not been exceeded, and an analysis of overdue amounts and related provisions for doubtful trade accounts receivable:

(€ in thousands)	2014	2013
Of which:		
Not overdue	118,289	94,883
Overdue < 3 months	13,422	20,594
3 to 6 months	2,826	1,463
Over 6 months	2,275	1,606
less provision	-3,546	-3,117
TRADE RECEIVABLES (NET)	133,266	115,429

The provisions recorded in 2014 and 2013 are mainly related to the overdue amounts.