



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 5 FINANCING, FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

This section includes notes related to financing items such as equity and borrowings as well as financial risk management and financial instruments. Related items such as earnings per share calculation as well as financial income and expenses, are included in this section.

24. Shareholder's equity

	2014		2013	
	No.	(€ in thousands)	No.	(€ in thousands)
AUTHORISED:				
Ordinary shares	600,000,000	120,000	600,000,000	120,000
Preferred shares	300,000,000	60,000	300,000,000	60,000
	900,000,000	180,000	900,000,000	180,000
ISSUED AND FULLY PAID:				
Ordinary shares	223,569,822	44,714	222,176,212	44,435

In 2014, 1,393,610 shares were issued following the exercise of stock options and the restricted stock units by employees (2013: 281,200).

Reserves are freely distributable except for €172.9 million of legal reserves (2013: €130.6 million). [Note F. Other reserves](#) in the company financial statements provides an overview of the non-distributable reserves.

All shares have a par value of €0.20 per share (2013: €0.20 per share). Further information on the rights, restrictions and other conditions attached to ordinary and preferred shares is provided in the [Corporate Governance](#) section in the annual report.

The Corporate Governance section of this annual report provides a detailed description regarding the use of [Foundation Continuity TomTom](#) as a protective measure.

Management is of the opinion that the call option as described in the [Corporate Governance](#) section does not represent a significant value as meant in IAS 1, paragraph 31, due to the fact that the likelihood that the call option will be exercised is remote. In the remote event that the call option is exercised, the preferred shares that are issued are intended to be cancelled shortly after issuance (within 1 year period). The option is therefore not accounted for in the annual accounts, nor is any additional information as meant in IAS 32 and 39 provided.

Accounting policy

Share capital

Ordinary shares are classified as share capital.

Share premium

The share premium represents the amount by which the fair value of the consideration received exceeds the nominal value of shares issued. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

25. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

(€ in thousands)	2014	2013
Earnings		
Net result attributed to equity holders	22,549	19,539
Adjusted net result		
Net result attributed to equity holders	22,549	19,539
Amortisation of acquired intangibles	50,332	53,895
Acquisition-related gain	0	-2,472
Tax effect of adjustments	-12,583	-12,985
ADJUSTED NET RESULT	60,298	57,977