



# 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.

## Notes to the company financial statements

### A. Presentation of financial statements and recognition and measurement principles

The description of the activities of TomTom NV (the company) and the company structure, as included in the notes to the consolidated financial statements, also applies to the company financial statements.

The company has prepared its company financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and, specifically, in accordance with section 362.8 of the Dutch Civil Code. In doing so, it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS). Investments in subsidiaries are accounted for using the equity method. For more information on the accounting policy applied, and on the notes, please refer to the [notes to the consolidated financial statements](#) section.

### B. Investments in subsidiaries

The movements in the 'Investments in subsidiaries' were as follows:

(€ in thousands)	2014	2013
<b>BALANCE AS AT 1 JANUARY</b>	<b>2,873,122</b>	2,842,149
Result of subsidiaries	46,405	34,923
Transfer to stock compensation reserve	4,126	4,965
Currency translation differences	13,967	-8,925
Other direct equity movements	-1,086	10
<b>BALANCE AS AT 31 DECEMBER</b>	<b>2,936,534</b>	<b>2,873,122</b>

A list of subsidiaries and affiliated companies prepared in accordance with the relevant legal requirements (the Dutch Civil Code Book 2, Part 9, sections 379 and 414) is deposited at the office of the Chamber of Commerce in Amsterdam, the Netherlands.

### C. Other income and expenses after tax

The employees of the company comprise only the members of the Management Board.

Other income and expenses consist of the remuneration of the Management Board and the Supervisory Board, the interest expense on the borrowings and the interest income on the company's outstanding cash balances. For the remuneration of the Management Board and Supervisory Board, please refer to [note 33. Remunerations of members of the Management Board and the Supervisory Board](#) of the consolidated financial statements.

### D. Deferred taxation

As at 31 December 2014, the company had a deferred tax liability of €0.3 million (2013: €0.4 million). The deferred tax liability results from a temporary difference between the tax treatment and the accounting treatment of the borrowing cost. The movement of the deferred tax positions during the year was the result of changes/reversals of temporary differences and has been charged/released to the income statement.

### E. Shareholders' equity

For the statement of changes in consolidated equity for the year ended 31 December 2014, please refer to [Consolidated statement of changes in equity](#) in the consolidated financial statements. Additional information on the shareholders' equity is disclosed in [note 24. Shareholder's equity](#) in the consolidated financial statements.

### F. Other reserves

(€ in thousands)	Legal reserve participations	Cumulative translation adjustment	Total Legal reserve	Stock compensation reserve	Total
<b>BALANCE AS AT 31 DECEMBER 2012</b>	<b>104,379</b>	<b>5,629</b>	<b>110,008</b>	<b>49,003</b>	<b>159,011</b>
Currency translation differences	0	-8,925	-8,925	0	-8,925
Transfer from retained earnings	29,563	0	29,563	0	29,563
Stock compensation related movements	0	0	0	524	524
Release to retained earnings	0	0	0	-20,086	-20,086
<b>BALANCE AS AT 31 DECEMBER 2013</b>	<b>133,942</b>	<b>-3,296</b>	<b>130,646</b>	<b>29,441</b>	<b>160,087</b>
Currency translation differences	0	13,967	13,967	0	13,967
Transfer from retained earnings	28,271	0	28,271	0	28,271
Stock compensation related movements	0	0	0	1,072	1,072
Release to retained earnings	0	0	0	-1,108	-1,108
<b>BALANCE AS AT 31 DECEMBER 2014</b>	<b>162,213</b>	<b>10,671</b>	<b>172,884</b>	<b>29,405</b>	<b>202,289</b>

## Legal reserves

Legal reserves are the non-distributable reserves that are recorded for an amount equal to the restricted reserves of the company's subsidiaries and the cumulative translation adjustment reserve.

## Stock compensation reserve

The stock compensation reserve represents the cumulative expense of issued stock options that have been granted but not exercised.

## G. Borrowings

Please refer to [note 27. Borrowings](#) in the consolidated financial statements.

## H. Intercompany payable

'Intercompany payable' comprises of loans provided by subsidiaries. The interest rate on the loan during 2014 is based upon LIBOR plus a margin of 1.3% (2013: LIBOR plus a margin of 0.6%). Although no repayment period has been agreed the loan has a long-term nature.

## I. Off-balance sheet commitments

The company has issued several declarations of joint and several liability for various group companies, in compliance with section 403 of Part 9 of Book 2 of the Dutch Civil Code. Besides these declarations, TomTom NV has given a guarantee as described in article 479C of the UK Companies Act for UK subsidiary TomTom Software Ltd.

In addition, a German subsidiary, TomTom Germany GmbH & Co. KG., applies the exemption as described in section 264b of the German Commercial Code (HGB) with regard to the publication of the annual financial statements.

The company forms a fiscal unity for corporate income tax and value added tax (VAT) purposes with several of its Dutch subsidiaries. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

Amsterdam, 12 February 2015

Amsterdam, 12 February 2015

### The Management Board

Harold Goddijn  
Marina Wyatt  
Alain De Taeye

### The Supervisory Board

Peter Wakkie  
Doug Dunn  
Guy Demuyneck  
Ben van der Veer  
Toine van Laack  
Jacqueline Tammenoms Bakker  
Anita Elberse

### TomTom NV

Amsterdam