



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.

Quarterly summary income statement 2014

(€ in thousands, unless stated otherwise; quarterly data unaudited)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
REVENUE	205,378	251,951	234,564	258,399	950,292
Cost of sales	88,089	112,089	101,271	125,517	426,966
GROSS RESULT	117,289	139,862	133,293	132,882	523,326
Research and development expenses	43,178	46,225	39,052	45,559	174,014
Amortisation of technology and databases	21,182	21,114	26,227	19,578	88,100
Marketing expenses	9,298	21,499	18,993	19,768	69,559
Selling, general and administrative expenses	42,120	40,792	41,178	46,449	170,539
TOTAL OPERATING EXPENSES	115,778	129,630	125,450	131,354	502,212
OPERATING RESULT	1,511	10,232	7,843	1,528	21,114
Interest result	-1,020	10	-1,017	-1,118	-3,145
Other financial result	-1,176	-306	-657	-1,581	-3,720
Result of associates	136	-75	232	81	374
RESULT BEFORE TAX	-549	9,861	6,401	-1,090	14,623
Income tax gain / (charge)	8,103	-1,010	-619	1,558	8,032
NET RESULT	7,554	8,851	5,782	468	22,655
Attributable to:					
- Equity holders of the parent	7,492	8,850	5,741	466	22,549
- Non-controlling interests	62	1	41	2	106
NET RESULT	7,554	8,851	5,782	468	22,655
MARGINS					
Gross margin (%)	57%	56%	57%	51%	55%
Operating margin (%)	1%	4%	3%	1%	2%
CALCULATION OF ADJUSTED EARNINGS PER SHARE					
Net result attributed to equity holders	7,492	8,850	5,741	466	22,549
Amortisation of acquired intangibles	13,243	12,830	12,004	12,255	50,332
Tax effect of adjustments	-3,311	-3,207	-3,001	-3,064	-12,583
ADJUSTED NET RESULT	17,424	18,473	14,744	9,657	60,298
Basic number of shares (in thousands)	222,191	222,238	222,740	223,540	222,689
Diluted number of shares (in thousands)	224,431	224,521	225,914	226,428	225,122
EARNINGS PER SHARE					
Basic EPS (in €)	0.03	0.04	0.03	0.00	0.10
Fully diluted Adjusted EPS (in €)	0.08	0.08	0.07	0.04	0.27