

Second quarter and H1 2016 results

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial summary Q2 '16

- Group revenue of €265 million (Q2 '15: €265 million)
- Gross margin of 55% (Q2 '15: 51%)
- EBITDA of €44 million (Q2 '15: €28 million)
- Net result of €12 million (Q2 '15: €3 million)
- Adjusted EPS¹ of €0.10 (Q2 '15: €0.05)
- Net cash position of €58 million (Q1 '16: €50 million)

Operational summary Q2 '16

- Consumer reached over 1 million users on the MySports platform
- Volvo Cars selected TomTom maps, traffic and software for its new infotainment platform
- HD Map and RoadDNA coverage launched in 17 states across the United States
- Collaboration with PSA Group announced making the TomTom WEBFLEET fleet management solution available for all connected Peugeot, Citroën and DS fleet vehicles

Outlook 2016

- Full year outlook reiterated; Revenue expected of around €1,050 million and adjusted EPS¹ expected of around €0.23

Key figures

(€ in millions, unless stated otherwise)

	Q2 '16	Q2 '15	y.o.y. change	H1 '16	H1 '15	y.o.y. change
Consumer	157.2	164.9	-5%	273.9	286.6	-4%
Automotive	34.9	26.0	34%	64.6	49.6	30%
Licensing	33.2	38.6	-14%	66.9	67.6	-1%
Telematics	39.9	35.1	14%	77.0	66.1	16%
REVENUE	265.2	264.6	0%	482.4	469.9	3%
GROSS RESULT	145.3	134.6	8%	268.6	244.5	10%
<i>Gross margin</i>	<i>55%</i>	<i>51%</i>		<i>56%</i>	<i>52%</i>	
EBITDA	43.7	27.8	57%	69.3	49.3	41%
<i>EBITDA margin</i>	<i>16%</i>	<i>11%</i>		<i>14%</i>	<i>10%</i>	
OPERATING RESULT (EBIT)	12.8	0.6		8.4	-4.5	
<i>EBIT margin</i>	<i>5%</i>	<i>0%</i>		<i>2%</i>	<i>-1%</i>	
NET RESULT	12.2	2.5		17.0	-4.4	
ADJUSTED NET RESULT	23.2	12.4	87%	30.7	14.9	106%
DATA PER SHARE (in €)						
EPS - fully diluted	0.05	0.01		0.07	-0.02	
Adjusted EPS ¹ - fully diluted	0.10	0.05	87%	0.13	0.06	102%

Change percentages and totals calculated before rounding

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"Overall, we reported a solid set of results in the second quarter. Our gross margin continued to strengthen, as we are reducing our dependency on hardware products by growing recurring content and services business. Our Automotive order intake is on track, and we are especially pleased that Volvo Cars selected us as global provider of maps, navigation and traffic. In this quarter, Telematics added a record number of 27,000 vehicles to its installed base and signed an important agreement with PSA Group to offer value-added fleet management services."

¹ Earnings per fully diluted share count adjusted for acquisition-related amortisation & gain on a post-tax basis.

OUTLOOK 2016

We are reiterating our guidance for the year. We expect to grow our revenue to around €1,050 million and adjusted EPS¹ to around €0.23.

We expect the level of investment (both CAPEX and OPEX) in our core technologies to be higher than in 2015². In particular, we are investing in advanced content and software for the automotive industry and in our new map-making platform.

FINANCIAL AND BUSINESS REVIEW

We generated revenue of €265 million in the second quarter, flat compared with the same quarter last year (Q2 '15: €265 million). The decline in Consumer and Licensing revenue (Licensing included a one-off catch-up of €5 million in Q2 '15) was offset by growth in Automotive and Telematics. We reported a strong gross margin of 55% in the second quarter (Q2 '15: 51%) mainly driven by a higher share of content and services revenue. The net result for the quarter was a gain of €12 million (Q2 '15: €2.5 million), which translates to an adjusted earnings per share of €0.10 (Q2 '15: €0.05).

Consumer

(€ in millions, unless stated otherwise)	Q2 '16	Q2 '15	y.o.y. change	H1 '16	H1 '15	y.o.y. change
Consumer products	138.2	147.8	-7%	235.3	248.6	-5%
Automotive hardware	19.0	17.1	11%	38.6	38.0	2%
Total Consumer revenue	157.2	164.9	-5%	273.9	286.6	-4%
Key PND market data						
Market size Europe ³ (# units sold in millions)	1.3	1.6	-18%	2.4	2.9	-16%
<i>TomTom market share</i>	54%	52%		53%	52%	
Market size North America (# units sold in millions)	0.6	0.8	-22%	1.1	1.5	-22%
<i>TomTom market share</i>	21%	18%		19%	17%	

Change percentages and totals calculated before rounding

Total Consumer revenue for the quarter was €157 million, a decline of 5% compared with the same quarter last year (Q2 '15: €165 million). Consumer products revenue in Q2 '16 was down by 7% year on year, driven by a decline in the PND market, which was only partly compensated by strong growth in sports revenue. The Automotive hardware revenue in the first half of this year was strengthened by stronger sales on a legacy platform, which will go end of life at the start of the next quarter.

In Q2 '16, we saw a unit decline of 18% in the European³ PND market, whilst the North American market declined by 22%. The decline of the European PND market was above our expectation, partly explained by the European Football Championship. Our market share in both Europe and North America improved YoY.

In the quarter, we launched three new TomTom PNDs within the TomTom START range. We introduced TomTom Traffic Checker on the MyDrive App, targeting 'commuters'. Additionally, we introduced TomTom Jam Ahead Warnings on the Speed Cameras App, alerting drivers to rapidly slowing, or stationary, traffic on the highway ahead. Finally, we announced the availability of truck trip planning, enabling professional drivers to save on driving time by conveniently planning a route anytime, and anywhere, with TomTom MyDrive.

Automotive

Our Automotive business generated revenue of €35 million in the quarter, compared with €26 million in Q2 '15. This increase is the result of higher volumes on our existing contracts and partially by the go-live of new contracts.

In the quarter, we announced that Volvo Cars selected TomTom as global provider for maps, traffic and navigation for its new infotainment platform. From 2019, Volvo Cars' customers across the globe, across all carlines, will be able to enjoy an exceptional navigation experience powered by TomTom's complete suite of location technology components, both embedded and cloud based.

² In 2015 CAPEX was €108 million (excluding acquisitions) and OPEX was €518 million

³ Europe refers to the following 12 countries: AT, BE, CH, CZ, DE, ES, FR, GB, IT, NL, PL and SE

Second quarter and H1 2016 results / Continued

We also announced coverage expansion of our High Definition (HD) Map and RoadDNA products to 17 new states across the United States delivering more than 54,000 kilometres of new coverage for interstates.

Licensing

Our Licensing revenue was €33 million in Q2 '16, 14% lower compared with the same quarter last year (Q2 '15: €39 million). The year on year decrease is explained by a catch-up of €5 million we recorded in Q2 '15. Excluding this catch-up, the year on year revenue was flat.

In the quarter, we announced a partnership with sensewhere, a provider of indoor positioning technology. The combination of TomTom's maps – both indoor and traditional navigation maps - and sensewhere's accurate indoor positioning will enable a seamless navigation experience indoors and outdoors.

Telematics

(€ in millions, unless stated otherwise)	Q2 '16	Q2 '15	y.o.y. change	H1 '16	H1 '15	y.o.y. change
Hardware and other services revenue ¹	10.7	11.0	-3%	18.9	19.5	-3%
Subscription revenue	29.2	24.1	21%	58.1	46.7	25%
Total Telematics revenue	39.9	35.1	14%	77.0	66.1	16%
Monthly subscription ARPU (€)	15.0	16.2	-7%			
Subscriber installed base (# in thousands)	652	507	29%			

Change percentages and totals calculated before rounding

¹ Other services revenue comprises installation services and separately purchased traffic service and/or map content

Telematics revenue for the quarter was €40 million, a 14% increase compared with €35 million in Q2 '15. The recurring subscription revenue for the quarter increased by 21% year on year to €29 million (Q2 '15: €24 million). The subscriber installed base increased to 652 thousand at the end of the quarter, a record quarterly increase of 27 thousand (Q1 '16: 625 thousand). Monthly subscription ARPU decreased year on year, owing to the impact of the Finder acquisition in Poland.

In the quarter, we announced a partnership with PSA Group, our first telematics deal with an Automotive OEM, to accelerate telematics penetration by connecting customers to a service platform by using factory-installed telematics boxes. Our WEBFLEET fleet management product will be available for all connected Peugeot, Citroën, and DS fleet vehicles. As of this quarter, the service will become accessible in France, Spain, Belgium and the Netherlands.

We also launched WEBFLEET for Sales Cloud on the Salesforce AppExchange. The app integrates TomTom's telematics platform with Salesforce, making it easier for sales staff to use Salesforce on the road. It also enables companies to manage their sales forces more efficiently.

Hardware and Content & Services revenue split

(€ in millions)	Q2 '16	Q2 '15	y.o.y. change	H1 '16	H1 '15	y.o.y. change
Hardware revenue	143.2	149.4	-4%	244.8	255.4	-4%
Content & Services revenue	122.0	115.2	6%	237.6	214.5	11%
Total revenue	265.2	264.6	0%	482.4	469.9	3%

Change percentages and totals calculated before rounding

Content & Services revenue for the quarter was €122 million or 46% of total revenue (Q2 '15: 44%).

Gross margin

The gross margin for the quarter was 55%, which is 4 percentage points higher compared with 51% in Q2 '15. The year on year increase was due to an increase in content and services revenue as percentage of our total revenue.

Operating expenses

Total operating expenses for the quarter were €133 million, €1.5 million lower compared with the same quarter last year (Q2 '15: €134 million). Both this quarter and the same quarter last year contained a one-off gain. This quarter we had a positive outcome on a pending customs case; last year we had a positive outcome on a litigation settlement. Both gains have been reported in the SG&A line. Excluding one-off effects our operating expenses showed a modest year on year increase resulting from the investments needed to support our Automotive order book.

FX sensitivity

Actual key Q2 '16 / H1 '16 financials recalculated based on last year (Q2 '15 / H1 '15) FX rates (in € millions, unless stated otherwise)	Q2 '16 actual reported	Q2 '16 ¹ recalculated at Q2 '15 FX rates	H1 '16 actual reported	H1 '16 ¹ recalculated at H1 '15 FX rates
Revenue	265.2	268.3	482.4	484.4
Gross result	145.3	145.9	268.6	271.7
Gross margin	55%	54%	56%	56%
EBIT	12.8	11.9	8.4	11.1
EBIT margin	5%	4%	2%	2%
P&L RATES IN €	Q2 '16	Q2 '15	H1 '16	H1 '15
US dollar	1.13	1.10	1.11	1.13
GB pound	0.78	0.72	0.77	0.74

¹ The Q2 '16 / H1 '16 income and expenses in US dollar and GB pound have been reconverted to euro using Q2 '15 / H1 '15 average exchange rates. All other foreign currencies have not been reconverted.

Depreciation and amortisation

(€ in millions)	Q2 '16	Q2 '15	y.o.y. change	H1 '16	H1 '15	y.o.y. change
Cost of sales	2.3	2.5	-6%	4.3	5.0	-14%
Research and development	3.1	2.5	22%	5.8	4.3	34%
Amortisation of technology & database	21.1	18.6	13%	41.7	37.1	12%
Marketing	0.1	0.0	n.a.	0.2	0.0	n.a.
Selling, general and administrative	4.3	3.7	20%	8.8	7.4	20%
Total depreciation and amortisation	30.9	27.3	13%	60.8	53.8	13%
<i>Of which acquisition-related amortisation</i>	<i>13.7</i>	<i>13.0</i>	<i>6%</i>	<i>27.4</i>	<i>25.9</i>	<i>6%</i>

Change percentages and totals calculated before rounding

Total depreciation and amortisation costs amounted to €31 million in the second quarter, 13% higher compared with last year (Q2 '15: €27 million). The increase mainly results from an increase in amortisation of technology and databases of €2.5 million to €21.1 million. This increase results from the go-live of several technology platforms. Acquisition-related amortisation amounted €14 million (Q2 '15: €13 million), the increase is mainly related to the acquisition of Finder in Telematics.

Financial income and expenses

The net interest charge for the quarter was €0.4 million compared with €0.2 million in Q2 '15. The other financial result was a loss of €1.2 million for the quarter (Q2 '15: €0.3 million gain), which consisted primarily of a foreign exchange loss on the revaluation of monetary balance sheet items.

Income tax

In Q2 '16, the group recorded an income tax gain of €0.9 million versus €1.8 million in the same period last year.

Net result and adjusted EPS

(€ in millions, unless stated otherwise)	Q2 '16	Q2 '15	y.o.y. change	H1 '16	H1 '15	y.o.y. change
Net result	12.2	2.5	n.a.	17.0	-4.4	n.a.
Net result attributed to equity holders	12.1	2.6	n.a.	16.9	-4.5	n.a.
Remeasurement of deferred tax liability				-7.6		
Acquisition-related amortisation	13.7	13.0	6%	27.4	25.9	6%
Tax effect of adjustments	-2.6	-3.2	-20%	-6.0	-6.5	-7%
Adjusted net result	23.2	12.4	87%	30.7	14.9	106%
Adjusted EPS, € fully diluted	0.10	0.05	87%	0.13	0.06	102%

Change percentages and totals calculated before rounding

The net result for the quarter was a gain of €12 million compared with €2.5 million in Q2 '15. The adjusted net result on a post-tax basis was €23 million compared with €12 million in Q2 '15.

Adjusted EPS for the quarter was €0.10 versus €0.05 in Q2 '15

Balance sheet

At the end of the quarter, trade receivables plus other receivables totalled €231 million compared with €197 million at the end of Q2 '15. The inventory level was €51 million, an increase of €2.5 million compared with the end of the same quarter last year (end of Q2 '15: €48 million). Cash and cash equivalents at the end of the quarter were €136 million versus €122 million at the end of Q2 '15.

Current liabilities excluding deferred revenue were €278 million compared with €287 million at the end of Q2 '15. The year on year decrease is mainly due to decrease in the balance of trade payables and income tax liabilities.

Deferred revenue was €188 million at the end of Q2 '16, compared with €145 million at the end of the same quarter last year. The year on year increase reflects the increased deferred revenue position related to Automotive contracts with upfront payments or lifetime offerings, as well as an increasing number of products with lifetime service offerings within Consumer.

At 30 June 2016, we reported a net cash position of €58 million (Q2 '15: net cash of €77 million). Net cash is the sum of the cash and cash equivalents at the end of the period (€136 million) minus the borrowings (€78 million).

Cash flow

The cash flow from operating activities for the quarter was €33 million compared with €28 million in the same quarter last year, which is mainly due to the higher operating result.

Excluding acquisition-related cash flows and dividends received, the cash flow used in investing activities during the quarter increased by €3 million year on year to €30 million (Q2 '15: €27 million).

In the second quarter, 1.5 million options (Q2 '15: 3.3 million options), related to our long-term employee incentive programmes, were exercised resulting in an €6.4 million cash inflow (Q2 '15: €16 million).

- END -

TOMTOM NV
INTERIM FINANCIAL REPORT
30 JUNE 2016
(Unaudited)

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Semi-annual financial report

Introduction

TomTom NV (the 'Company') and its subsidiaries (together referred to as 'the group') is the world's leading provider of location and navigation solutions. TomTom has more than 4,600 employees (FTE) working in its offices across all continents. The commercial activities of the group are carried out through four customer facing business units – Consumer, Automotive, Licensing and Telematics. Consumer generates revenue mainly from the sale of PNDs, sport watches, maps and related navigation products and services. The Automotive business unit develops and sells navigation software, services and content, such as maps and traffic, to car manufacturers and their suppliers worldwide. Licensing generates revenue by licensing digital maps, traffic and other content to a wide range of customers, and Telematics provides fleet management services and related products to fleet owners.

Market and TomTom outlook 2016

Consumer's aim is to maximise value from the PND category and establish a sport product business. Automotive revenue development will largely depend on the order intake and new car sales / take rates. Licensing aims to maximise its revenue via existing and new customers and broaden its product portfolio. Telematics aims to grow organically and diversify into the Connected Car services industry using our Telematics capabilities and Automotive relationships.

We are reiterating our guidance for the year. We expect to grow our revenue to around €1,050 million and adjusted EPS to around €0.23. We expect the level of investment (both CAPEX and OPEX) in our core technologies to be higher than in 2015. In particular, we are investing in advanced content and software for the automotive industry and in our new map-making platform.

Financial review for the six-month period ended 30 June 2016

In the first half of 2016, the Group generated revenue of €482 million, which is €12 million higher compared with €470 million in the same period of 2015. The year on year growth in revenue came from strong growth in both Automotive and Telematics, partly offset by lower Consumer revenue. The Group's gross margin and operating results were positively impacted by a higher portion of content and services revenue in the revenue mix.

Revenue

Consumer revenue for H1 '16 was €274 million compared with €287 million in H1 '15. PND and related content & services revenue declined year on year, partly offset by a sharp growth in sport revenue.

Automotive generated revenue of €65 million in H1 '16, up by 30% compared with €50 million in the first half year of 2015. This increase is the result of higher volumes on our existing contracts and partially by the go-live of new contracts.

Licensing revenue in H1 '16 was a stable €67 million compared with €68 million in H1 '15.

Telematics revenue grew by 16% year on year from €66 million in H1 '15 to €77 million in H1 '16. The increase was mainly due to the growth in the subscriber installed base, both organically and through the acquisition of Finder at the end of 2015.

Gross margin

The gross profit for H1 '16 was €269 million, an increase of €24 million compared with the same period last year (H1 '15: €244 million). The gross margin in H1 '16 increased to 56% from 52% in H1 '15 mainly as the result of more high margin content and services revenue.

Operating expenses

Operating expenses in H1 '16 were €260 million compared with €249 million in H1 '15. The year on year increase was mainly driven by higher SG&A expenses. Both last year as well as the first half of 2016 contained a one-off gain (2016: customs related, 2015: one-off litigation settlement). The underlying operating expenses are trending slightly up year on year.

Operating result

The operating result for H1 '16 was a gain of €8.4 million compared with a loss of €4.5 million in H1 '15.

Financial result

The group recorded €0.7 million interest expenses in H1 '16 compared with €0.4 million in the same period of 2015. The other financial result in H1 '16 was a gain of €0.5 million versus a loss of €2.3 million in H1 '15. The other financial result is driven by foreign exchange results from the revaluation of monetary balance sheet items.

Income taxes

In H1 '16, the group recorded an income tax gain of €8.3 million versus €2.6 million in the same period last year. The gain in the first half year of 2016 mainly came from a remeasurement of certain deferred tax assets and liabilities resulting from the application of the innovation box facility in the Netherlands.

Cash flow

The cash flow from operating activities was €15 million, flat compared with same period last year.

Excluding acquisition-related cash flows and dividends received, the cash flow used in investing activities during H1 '16 was €59 million, an increase of €8 million compared with €51 million in the same period last year.

The cash flow from financing activities includes a cash inflow of €7.7 million from the exercise of 1.8 million options related to our long-term employee incentive programmes during H1 '16.

Related party transactions

For related party transactions please refer to note 8 of our interim financial report.

Principal risks and uncertainties H1 2016

In the 2015 Annual Report, we described the key business risks and uncertainties which we are aware of, and which could have a material adverse effect on our financial position and results.

We have assessed the risks for the second half year of 2016 and believe that the risk categories and risk factors identified are in line with those presented in the 2015 Annual Report. Those are deemed incorporated and repeated in this report by reference.

Other risks not known to us, or currently regarded not to be material, could later turn out to have a negative material impact on our business, objectives, revenues, income, assets, liquidity or capital resources.

Responsibility statement

With reference to the statement within the meaning of article 5:25d (2c) of the Financial Supervision Act, the Management Board hereby declares that, to the best of their knowledge:

- the interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position, profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the interim Management Board report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Financial Supervision Act.

Amsterdam, 19 July 2016

The Management Board

Harold Goddijn / Chief Executive Officer

Taco Titulaer / Chief Financial Officer

Alain De Taeye / Member of the Management Board

Consolidated condensed statement of income

(€ in thousands)	Q2 '16 Unaudited	Q2 '15 Unaudited	H1 '16 Unaudited	H1 '15 Unaudited
REVENUE	265,225	264,613	482,380	469,888
Cost of sales	119,967	129,993	213,817	225,396
GROSS RESULT	145,258	134,620	268,563	244,492
Research and development expenses	45,675	52,071	90,208	95,361
Amortisation of technology and databases	21,107	18,644	41,733	37,166
Marketing expenses	21,545	25,297	36,603	35,045
Selling, general and administrative expenses	44,179	38,029	91,580	81,410
TOTAL OPERATING EXPENSES	132,506	134,041	260,124	248,982
OPERATING RESULT	12,752	579	8,439	-4,490
Interest result	-377	-223	-682	-427
Other financial result	-1,233	301	478	-2,273
Result of associates	134	116	461	213
RESULT BEFORE TAX	11,276	773	8,696	-6,977
Income tax gain	911	1,762	8,257	2,607
NET RESULT	12,187	2,535	16,953	-4,370
Attributable to:				
- Equity holders of the parent	12,066	2,631	16,858	-4,514
- Non-controlling interests	121	-96	95	144
NET RESULT	12,187	2,535	16,953	-4,370
Basic number of shares (in thousands)	231,193	227,240	230,902	225,843
Diluted number of shares (in thousands)	234,522	234,547	234,687	230,407
EARNINGS PER SHARE (in €)				
Basic	0.05	0.01	0.07	-0.02
Diluted	0.05	0.01	0.07	-0.02

Consolidated condensed statement of comprehensive income

(€ in thousands)	Q2 '16 Unaudited	Q2 '15 Unaudited	H1 '16 Unaudited	H1 '15 Unaudited
NET RESULT	12,187	2,535	16,953	-4,370
OTHER COMPREHENSIVE INCOME:				
<i>Items that will not be reclassified to profit or loss:</i>				
Actuarial losses on defined benefit obligations	-384	-610	-384	-610
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Currency translation differences	3,684	-2,462	-3,783	6,573
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	3,300	-3,072	-4,167	5,963
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15,487	-537	12,786	1,593
Attributable to:				
- Equity holders of the parent	15,375	-336	12,757	1,413
- Non-controlling interests	112	-201	29	180
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15,487	-537	12,786	1,593

Consolidated condensed balance sheet

(€ in thousands)	30 June 2016	31 December 2015
	Unaudited	Audited
Goodwill	400,412	403,437
Other intangible assets	806,271	810,908
Property, plant and equipment	41,369	38,869
Investments in associates	3,609	3,546
Deferred tax assets	35,119	33,493
TOTAL NON-CURRENT ASSETS	1,286,780	1,290,253
Inventories	50,955	48,657
Trade receivables	163,278	138,593
Other receivables and prepayments	67,541	53,533
Other financial assets	2,382	967
Cash and cash equivalents	136,391	147,565
TOTAL CURRENT ASSETS	420,547	389,315
TOTAL ASSETS	1,707,327	1,679,568
Share capital	46,454	46,099
Share premium	1,048,474	1,035,451
Other reserves	234,445	228,216
Accumulated deficit	-338,857	-340,956
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	990,516	968,810
Non-controlling interests	1,752	1,723
TOTAL EQUITY	992,268	970,533
Borrowings	77,420	44,254
Deferred tax liability	137,986	149,806
Provisions	33,328	35,065
Deferred revenue	104,276	83,726
TOTAL NON-CURRENT LIABILITIES	353,010	312,851
Trade payables	93,504	94,951
Income taxes	1,972	4,382
Other taxes and social security	13,687	13,056
Borrowings	0	4,287
Provisions	31,751	32,573
Deferred revenue	83,808	103,147
Accruals and other liabilities	137,327	143,788
TOTAL CURRENT LIABILITIES	362,049	396,184
TOTAL EQUITY AND LIABILITIES	1,707,327	1,679,568

Consolidated condensed statements of cash flows

(€ in thousands)	Q2 '16 Unaudited	Q2 '15 Unaudited	H1 '16 Unaudited	H1 '15 Unaudited
Operating result	12,752	579	8,439	-4,490
Financial (losses) / gains	-553	1,974	401	3,944
Depreciation and amortisation	30,941	27,262	60,811	53,755
Change in provisions	4,805	-1,116	1,588	-4,825
Equity-settled stock compensation expenses	987	1,124	1,934	2,070
Changes in working capital:				
Change in inventories	6,020	-1,547	-2,112	-724
Change in receivables and prepayments	-58,744	-44,668	-47,072	-31,457
Change in liabilities (excluding provisions) ¹	38,499	44,301	-5,547	-2,261
CASH GENERATED FROM OPERATIONS	34,707	27,909	18,442	16,012
Interest received	44	173	86	289
Interest (paid)	-338	-315	-602	-554
Corporate income taxes (paid) / received	-1,151	20	-3,021	-1,189
CASH FLOWS FROM OPERATING ACTIVITIES	33,262	27,787	14,905	14,558
Investments in intangible assets	-25,678	-22,120	-46,982	-40,911
Investments in property, plant and equipment	-4,558	-5,026	-12,293	-10,188
Acquisition of subsidiaries and other businesses	0	-16,961	-2,331	-16,961
Dividends received	80	0	80	0
CASH FLOWS FROM INVESTING ACTIVITIES	-30,156	-44,107	-61,526	-68,060
Change in utilisation of credit facility	13,000	5,000	33,000	-5,000
Repayment of borrowings	0	0	-4,287	0
Change in non-controlling interest	0	-126	0	-126
Dividends paid	-271	0	-127	0
Proceeds on issue of ordinary shares	6,433	15,680	7,668	26,878
CASH FLOWS FROM FINANCING ACTIVITIES	19,162	20,554	36,254	21,752
Net increase / (decrease) in cash and cash equivalents	22,268	4,234	-10,367	-31,750
Cash and cash equivalents at the beginning of period	114,630	117,367	147,565	152,949
Effect of exchange rate changes on cash balances held in foreign currencies	-507	26	-807	428
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	136,391	121,627	136,391	121,627

¹ Includes movements in the non-current portion of deferred revenue presented under Non-Current liabilities

Consolidated condensed statement of changes in equity

(€ in thousands)	Share capital	Share premium	Other ¹ reserves	Accumulated deficit	Total	Non-controlling interests	Total equity
BALANCE AS AT 1 JANUARY 2015	44,714	986,683	202,289	-335,163	898,523	2,073	900,596
COMPREHENSIVE INCOME							
Result for the period	0	0	0	-4,514	-4,514	144	-4,370
OTHER COMPREHENSIVE INCOME							
Currency translation differences	0	0	6,537	0	6,537	36	6,573
Actuarial losses on defined benefit obligations	0	0	0	-610	-610	0	-610
TOTAL OTHER COMPREHENSIVE INCOME	0	0	6,537	-610	5,927	36	5,963
TOTAL COMPREHENSIVE INCOME	0	0	6,537	-5,124	1,413	180	1,593
TRANSACTIONS WITH OWNERS							
Change in non-controlling interest	0	0	0	126	126	-5	121
Stock compensation related movements	1,070	38,213	-10,335	7,185	36,133	0	36,133
OTHER MOVEMENTS							
Transfer to legal reserve	0	0	21,686	-21,686	0	0	0
BALANCE AS AT 30 JUNE 2015 (Unaudited)	45,784	1,024,896	220,177	-354,662	936,195	2,248	938,443
BALANCE AS AT 1 JANUARY 2016	46,099	1,035,451	228,216	-340,956	968,810	1,723	970,533
COMPREHENSIVE INCOME							
Result for the period	0	0	0	16,858	16,858	95	16,953
OTHER COMPREHENSIVE INCOME							
Currency translation differences	0	0	-3,717	0	-3,717	-66	-3,783
Actuarial losses on defined benefit obligations	0	0	0	-384	-384	0	-384
TOTAL OTHER COMPREHENSIVE INCOME	0	0	-3,717	-384	-4,101	-66	-4,167
TOTAL COMPREHENSIVE INCOME	0	0	-3,717	16,474	12,757	29	12,786
TRANSACTIONS WITH OWNERS							
Dividends paid	0	0	0	-127	-127	0	-127
Stock compensation related movements	355	13,023	-3,321	-981	9,076	0	9,076
OTHER MOVEMENTS							
Transfer to legal reserve	0	0	13,267	-13,267	0	0	0
BALANCE AS AT 30 JUNE 2016 (Unaudited)	46,454	1,048,474	234,445	-338,857	990,516	1,752	992,268

¹ Other reserves include Legal reserve and the Stock compensation reserve.

Notes to the consolidated interim financial statements

1. General

TomTom NV ('the company') has its statutory seat and headquarters in Amsterdam, the Netherlands. The consolidated interim financial statements comprise the financial information of the Company and its subsidiaries (together referred to as 'the group') and have been prepared by the Management Board and authorised for issue on 19 July 2016.

The consolidated interim financial statements have neither been reviewed nor audited.

2. Summary of significant accounting policies

The principal accounting policies and method of computations applied in these consolidated interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2015, except as described below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The consolidated interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. As permitted by IAS 34, the consolidated interim financial statements do not include all of the information required for full annual financial statements and the notes to these consolidated interim financial statements are presented in a condensed format. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union. The presentation currency of the group is the euro (€).

Other new accounting standards and developments

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2016, have been adopted by the group from 1 January 2016.

These standards and interpretations had no material impact for the group.

All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2016 have not yet been adopted.

Use of estimates

The preparation of these interim financial statements requires management to make certain assumptions, estimates and judgements that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and the future periods if the revision affects both current and future periods. For areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the (interim) financial statements, reference is made to Note 3 of the Consolidated financial statements in the 2015 Annual Report.

3. Segment reporting

The internal management reporting is structured around four operating segments – Consumer, Automotive, Licensing and Telematics. Consumer generates revenue mainly from the sale of PNDs, sport watches, maps and related navigation products and services. Automotive develops and sells navigation software components, services and content to car manufacturers and Tier 1 suppliers worldwide. Licensing generates revenue by licensing navigation software components, services and content to a wide range of customers, and Telematics provides fleet management services and solutions to fleet owners including sale and/or rental of hardware products associated with the services.

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Management assesses the performance of segments based on the measures of revenue and earnings before interest and taxes (EBIT), whereby the EBIT measure includes allocations of expenses from supporting functions within the group. As the four operating segments serve only external customers, there is no inter-segment revenue. The allocations of expenses have been determined based on relevant measures, which reflect the level of benefits of these functions to each of the operating segments. As Automotive and Licensing to a large extent share the use of common assets and technology platforms, internally management monitors the EBIT of these units on a combined basis. Accordingly, in the table below we also present the total EBIT and EBITDA on a combined basis to align with management's view.

(€ in millions)	H1 '16 Unaudited	H1 '15 Unaudited
Revenue		
Consumer	273.9	286.6
Automotive and Licensing	131.5	117.2
<i>Automotive</i>	64.6	49.6
<i>Licensing</i>	66.9	67.6
Telematics	77.0	66.1
TOTAL	482.4	469.9
EBIT		
Consumer	- 4.4	1.3
Automotive and Licensing	- 6.2	- 19.8
<i>Automotive</i>	- 9.1	- 13.0
<i>Licensing</i>	2.9	- 6.8
Telematics	22.6	17.8
TOTAL	12.0	- 0.7
EBITDA		
Consumer	- 1.2	6.6
Automotive and Licensing	44.5	24.0
<i>Automotive</i>	23.7	6.3
<i>Licensing</i>	20.8	17.7
Telematics	29.6	22.5
TOTAL	72.9	53.1

The effects of non-recurring items, such as goodwill impairments (if any) are excluded from management's measurement basis. Interest income and expenses, and tax are not allocated to segments. A reconciliation of the segments' performance measure (EBIT) to the group's result before tax is presented below.

(€ in millions)	H1 '16 Unaudited	H1 '15 Unaudited
Total Segment EBIT	12.0	- 0.7
Unallocated expenses	- 3.6	- 3.8
Interest result	- 0.7	- 0.4
Other finance result	0.5	- 2.3
Result of associates	0.5	0.2
RESULT BEFORE TAX	8.7	- 7.0

Measures of (non-current) assets and/or liabilities are not provided internally to the chief operating decision maker and hence, no measure of segment assets and/or liabilities is reported.

4. Earnings per share

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

	H1 '16 Unaudited	H1 '15 Unaudited
Earnings (in € thousands)		
Net result attributable to equity holders	16,858	-4,514
Number of shares (in thousands)		
Weighted average number of ordinary shares for basic EPS	230,902	225,843
Effect of dilutive potential ordinary shares (in thousands)		
Share options and restricted stocks	3,785	4,565
Weighted average number of ordinary shares for diluted EPS	234,687	230,407

5. Goodwill

Goodwill is allocated to operating segments identified according to the core business activities as monitored by management. Within TomTom we have identified four operating segments being Consumer, Automotive, Licensing and Telematics. The recoverable amount of an operating segment is based on the higher of "value in use" or "fair value less cost of disposal" calculations. The "fair value less cost to disposal" resulted in a higher recoverable amount.

In H1 '16 no impairment charge has been recorded (H1 '15: nil). We recorded a €2.5 million adjustment on goodwill in H1 '16 as the result of an adjustment to the preliminary purchase price allocation related to the Finder acquisition we did in December 2015.

6. Shareholders' equity

	30 June 2016 (Unaudited)		31 December 2015 (Audited)	
	No.	(in € thousands)	No.	(in € thousands)
Ordinary shares	600,000,000	120,000	600,000,000	120,000
Preferred shares	300,000,000	60,000	300,000,000	60,000
TOTAL	900,000,000	180,000	900,000,000	180,000
ISSUED AND FULLY PAID:				
Ordinary shares	232,271,086	46,454	230,495,981	46,099

All shares have a par value of €0.20 per share.

In H1 '16 1,775,105 shares were issued following the exercise of share options by employees (H1 '15: 5,349,198).

7. Share-based compensation

Share-based compensation expenses amounted to an income of €1.6 million in H1 '16 versus an expense €11.7 million in the same period last year. In H1 '16 a total number of 1,775,105 stock options have been exercised.

In May 2016, the group granted 0.8 million stock options under the stock option plan of which 217,500 stock options were granted to Management Board members. The purpose of the share-based compensation is to attract and retain management and employees and align the interests of management and eligible employees with those of shareholders, by providing additional incentives to improve the group's performance on a long-term basis.

In addition to the stock option grant, the group also granted new phantom shares to certain groups of employees. The phantom share plan is classified as a cash-settled plan. The plan has a three-year service period as the only vesting condition.

For further information on our share-based compensation, reference is made to note 7 and note 33 in our 2015 Annual Report.

8. Related party transactions

Refer to note 7 for stock options granted to the members of the Management Board during H1 '16.

In the normal course of business, the group receives map development and support services from its associate Cyient Ltd. Such transactions take place at the normal market conditions and the total payments made for these services in H1 '16 amounted to €7.8 million (H1 '15: €9.2 million).

Transactions and balances with other associates are not material and hence are not disclosed.

9. Seasonality

In the 12 months ended June 2016, the group had revenue of €1,019 million compared with revenue of €963 million for the 12 months period ending June 2015.

The group's sales within the Consumer segment are traditionally higher in the second half of the year due to the holiday sales in the fourth quarter and traditionally low sales in the first quarter. This trend has become less apparent in recent years. In the 12 months ended 30 June 2016, Consumer had revenue of €611 million compared with €612 million in the same period ended 30 June 2015.

Other operating segments' revenue is generally not materially affected by seasonality.

Besides the normal market seasonality, the group revenue can also be affected by new product launches.

10. Commitments and contingent liabilities

In the first half of 2016, there were no material changes to the group's commitments and contingent liabilities from those disclosed in note 32 of our 2015 Annual Report.

11. Fair value and fair value estimation

The fair values of our monetary assets and liabilities as at 30 June 2016 are estimated to approximate their carrying value. There has been no change in the fair value estimation technique and hierarchy of the input used to measure the financial assets/liabilities carried at fair value through profit or loss compared with the method and hierarchy disclosed in our 2015 Annual Report.

12. Subsequent events

There has been no subsequent event from 30 June 2016 to the date of issue that affect the consolidated interim financial statements.

- END -

Accounting policies - basis of accounting

The condensed consolidated financial information for the three-month and six-month period ended 30 June 2016 with related comparative information has been prepared using accounting policies which are based on International Financial Reporting Standards (IFRS). Accounting policies and methods of computation followed in the condensed consolidated financial information, for the period ended 30 June 2016, are the same as those followed in the Financial Statements for the year ended 31 December 2015. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the condensed consolidated financial information. The quarterly and interim condensed consolidated information in this press release is unaudited.

For more information

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Audio webcast second quarter 2016 results

The information for audio webcast is as follows:

- Date and time: 19 July 2016 at 14.00 CET
- corporate.tomtom.com/presentations.cfm

TomTom is listed at NYSE Euronext Amsterdam in the Netherlands

ISIN: NL0000387058 / Symbol: TOM2

About TomTom

TomTom (TOM2) empowers movement. Every day millions of people around the world depend on TomTom to make smarter decisions. We design and develop innovative products that make it easy for people to keep moving towards their goals. Our map-based components include map content, online map-based services, real-time traffic, and navigation software. Our consumer products include PNDs, navigation apps, sports watches and action camera. Our main business products are custom in-dash navigation systems and a fleet management system, which is offered to fleet owners as an online service with integrated in-vehicle cellular devices. Our business consists of four customer facing business units: Consumer, Automotive, Licensing and Telematics. Founded in 1991 and headquartered in Amsterdam, we have more than 4,600 employees worldwide. For further information, please visit www.tomtom.com.

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 and its subsidiaries (referred to as 'the company' or 'the group') and certain of the plans and objectives of the company with respect to these items. In particular the words 'expect', 'anticipate', 'estimate', 'may', 'should', '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 company and its competitors, raw materials and employee costs, changes in exchange and interest rates (in particular changes in the US dollar and GB pound 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. 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 document.