Second quarter and H1 2017 results

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial summary Q2 '17
- Revenue of €253 million (Q2 '16: €265 million)
- Gross margin of 63% (Q2 '16: 55%)
- EBITDA of €45 million (Q2 '16: €44 million)
- Non-cash impairment charge on the entire goodwill of the Consumer segment of €169 million
- Net result of -€160 million (Q2 '16: €12 million)
- Adjusted EPS[1] of €0.09 (Q2 '16: €0.10)
- Net cash position of €82 million (Q2 '16: €58 million)

Operational summary Q2 '17
- TomTom High Definition (HD) map coverage expanded to all motorways in Western Europe
- TomTom Traffic service expanded to 64 countries from 54 countries
- TomTom and Baidu have joined forces to develop global HD maps
- Collaboration with Bosch announced to create first radar localisation map layer
- Telematics passes milestone of 750,000 subscribed vehicles

New share buy-back program
- TomTom intends to repurchase ordinary TomTom shares for an amount up to €50 million, representing 2.5% of total issued share capital.[2]

Outlook 2017
- Full year revenue outlook updated; we now expect to deliver full year revenue around the lower end of our guidance of between €925 million and €950 million. Outlook for adjusted EPS[1] of around €0.25 is unchanged.

Key figures

(€ in millions, unless stated otherwise)	**Q2 '17**	**Q2 '16**	**y.o.y. change**	**H1 '17**	**H1 '16**	**y.o.y. change**
Automotive & Licensing	87.0	68.1	28%	161.1	131.5	23%
Telematics	40.1	39.9	0%	80.7	77.0	5%
Consumer	126.3	157.2	–20%	224.3	273.9	–18%
REVENUE	253.4	265.2	–4%	466.2	482.4	–3%
GROSS RESULT	160.6	145.3	11%	293.0	268.6	9%
Gross margin	*63%*	*55%*		*63%*	*56%*	
EBITDA	45.2	43.7	4%	73.2	69.3	6%
EBITDA margin	*18%*	*16%*		*16%*	*14%*	
OPERATING RESULT (EBIT)	–159.5	12.8		–164.4	8.4	
EBIT margin	*–63%*	*5%*		*–35%*	*2%*	
NET RESULT	–160.1	12.2		–164.6	17.0	
ADJUSTED NET RESULT	21.0	23.2	–10%	28.0	30.7	–9%
DATA PER SHARE (in €)						
EPS - fully diluted	–0.68	0.05		–0.70	0.07	
Adjusted EPS[1] - fully diluted	0.09	0.10	–11%	0.12	0.13	–10%

Change percentages and totals calculated before rounding.

This report includes the following non-GAAP measures: gross margin, EBIT (margin), EBITDA (margin), adjusted net result, adjusted EPS and net cash, which are further explained on page 21 of this report.

[1] *Earnings per fully diluted share count adjusted for acquisition-related expenses & gains and material restructuring costs on a post-tax basis.*
[2] *Based on the closing price of TomTom (TOM2) share on Euronext Amsterdam on 18 July 2017 of €8.72.*

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"Our strategy is to build on our navigation technologies to provide location-based content, software, and services to business customers, with high margins and recurring income. Combined Automotive, Licensing and Telematics revenue grew by 18% year on year in the quarter, ahead of expectations."

OUTLOOK 2017 UPDATED

Hardware revenues were lower than planned because of disappointing Sports sales. The wearables market has fallen short of expectations. Because of this and because we want to focus on our Automotive, Licensing and Telematics businesses, we are reviewing strategic options for Sports.

As a result, we are updating our revenue outlook. We now expect to deliver full year revenue around the lower end of our guidance of between €925 million and €950 million. Adjusted EPS[3] of around €0.25 remains unchanged.

We expect the combined revenue of the Automotive, Licensing and Telematics businesses to grow around 15% year on year in 2017.

We expect the level of investments (both CAPEX and OPEX) to show a modest increase compared with 2016[4], excluding acquisitions.

GOODWILL IMPAIRMENT

The difficult market circumstances combined with lower sales than planned for the second quarter has resulted in a downward revision in the future profitability projections for Consumer Sports. As a result, TomTom recorded a full impairment charge against the goodwill of the Consumer segment of €169 million in the second quarter 2017. This non-cash impairment charge is included within operating income (loss). The goodwill that was impaired was originally recorded at the time of the acquisition of Tele Atlas in 2008.

NEW SHARE BUY-BACK PROGRAM

TomTom intends to repurchase ordinary TomTom shares on Euronext Amsterdam for an amount up to €50 million. Based on the closing price of the TomTom share on Euronext Amsterdam on 18 July 2017, the repurchase represents approximately 2.5% of TomTom's issued share capital. TomTom aims to start the repurchase in the second half of 2017.

The repurchase will be executed within the limits of relevant laws and regulations and the existing authority granted by the Annual General Meeting on 24 April 2017. TomTom will inform the market about the actual start of the repurchase and the progress made in the execution of this program through a press release and corporate website. The share buy-back will be used to cover TomTom's commitments arising from its stock option and share plans.

FINANCIAL AND BUSINESS REVIEW Q2 2017

Revenue for the second quarter amounted to €253 million, 4% lower compared with the same quarter last year (Q2 '16: €265 million). Automotive, Licensing and Telematics jointly grew by 18% year on year, which was offset by lower Consumer revenue. Our gross margin for the quarter equalled to 63% (Q2 '16: 55%). The net result for the quarter was a loss of €160 million. Excluding the impairment charge, our net result for the quarter was €8.6 million. Adjusted EPS[4] in Q2 '17 was €0.09, compared with €0.10 in the same quarter last year.

[3] *Earnings per fully diluted share count adjusted for acquisition-related expenses & gains and material restructuring costs on a post-tax basis.*
[4] *In 2016, CAPEX was €118 million and OPEX was €557 million. Year to date in 2017 we spent €24.5 million on acquisition related CAPEX.*

Second quarter and H1 2017 results / Continued

Automotive & Licensing

(€ in millions)	Q2 '17	Q2 '16	y.o.y. change	H1 '17	H1 '16	y.o.y. change
Automotive	48.4	34.9	39%	89.5	64.6	39%
Licensing	38.6	33.2	16%	71.6	66.9	7%
Total Automotive & Licensing revenue	87.0	68.1	28%	161.1	131.5	23%

Change percentages and totals calculated before rounding.

Automotive & Licensing combined revenue in the quarter was €87 million (Q2 '16: €68 million). Automotive generated revenue of €48 million in the quarter, representing a 39% increase year on year. This increase mainly came from the ramp-up of a new contract that went live last year. Licensing revenue in Q2 '17 was €39 million compared with €33 million in the same quarter last year. The year on year increase in Licensing included a catch-up of content delivered in earlier quarters for which revenue recognition criteria were not yet met.

In the quarter, we completed the expansion of the TomTom HD Map product to cover all highways in Western Europe. That's 175,000 kilometres of highways across 19 European countries, bringing the total coverage of TomTom's HD Map and RoadDNA to 360,000 kilometres, including the US. The geo-expansion of TomTom Traffic continued with countries in Eastern Europe and the Middle East, bringing the total to 64 countries.

We also announced that weekly global map database updates, delivered by our transactional mapmaking platform, are now available for business customers. The industry norm for global automotive grade maps is quarterly map releases; TomTom moved beyond this in 2016 with monthly updates and has now taken a step further by introducing weekly map updates.

We announced several partnerships, supporting Autonomous Driving and Smarter Mobility, with industry leaders.

We have joined forces with Baidu to develop global HD maps for Autonomous Driving, creating a globally unified HD map service for OEMs and technology companies who are working on the future of driving. The collaboration combines our expertise in HD mapmaking and artificial intelligence (AI). Baidu will use our mapmaking platform to improve HD map-related technologies utilised in China.

Together with Bosch, we will create an HD map with integrated Radar Road Signature layer for the localisation of vehicles in Autonomous Driving. The Radar Road Signature layer will allow automated vehicles to determine their exact location on a road down to a few centimetres, working in conjunction with the TomTom HD Map. This additional localisation layer greatly increases the robustness of localisation under all circumstances.

In addition, we are developing ultra-fast lane-level traffic technology. Research will be done in cooperation with Cisco to use roadside data captured by Cisco's array of sensors, routers and controllers to create the next generation of traffic information technology. With this project, we are connecting road infrastructure, vehicles, drivers and road authorities, enabling them to exchange information in near real time. This cooperation is expected to reduce latency and increase accuracy of real time traffic services, while reducing the costs of traffic monitoring infrastructure.

Second quarter and H1 2017 results / Continued

Telematics

(€ in millions, unless stated otherwise)	Q2 '17	Q2 '16	y.o.y.[1] change	H1 '17	H1 '16	y.o.y.[1] change
Subscriptions	31.3	29.2	7%	62.0	58.1	7%
Hardware and other services[2]	8.8	10.7	−17%	18.7	18.9	−1%
Total Telematics revenue	40.1	39.9	0%	80.7	77.0	5%
Monthly revenue per subscription (€)	14.0	15.0	−7%	14.2	15.4	−8%
Subscriber installed base (# in thousands)	762	652	17%	762	652	17%

[1] Change percentages and totals calculated before rounding.
[2] Other services revenue comprises installation services and separately purchased traffic service and/or map content

Telematics revenue for the quarter was €40 million, flat compared with the same quarter last year. The recurring subscription revenue for the quarter increased by 7% year on year to €31 million (Q2 '16: €29 million). Hardware revenue decreased by 17% year on year in the second quarter, mainly due to high volumes of connected car shipments in Q2 '16. Monthly revenue per subscription decreased by 7% year on year, mainly due to a mix effect caused by growing aftermarket connected car volumes, which are priced at lower levels compared with the traditional fleet management services.

At the end of Q2 '17, Telematics surpassed 762,000 connected car and fleet management subscriptions. This represents a 17% year on year increase, from 652,000 subscriptions at the end of Q2 '16.

In the quarter, Telematics started providing leasing companies in Europe with connected car services, designed to monitor and manage fleets.

Consumer

(€ in millions)	Q2 '17	Q2 '16	y.o.y. change	H1 '17	H1 '16	y.o.y. change
Consumer products	113.1	138.2	−18%	198.4	235.3	−16%
Automotive hardware	13.2	19.0	−31%	25.9	38.5	−33%
Total Consumer revenue	126.3	157.2	−20%	224.3	273.8	−18%

Change percentages and totals calculated before rounding.

Consumer revenue for the quarter decreased by 20% year on year to €126 million (Q2 '16: €157 million), reflecting a decrease in both Consumer products as well as Automotive hardware revenue. The decrease in Consumer products is partly driven by an anticipated decline in the PND market as well as unexpected difficult market circumstances for our Sports products in the second quarter.

Data, software & services and Hardware revenue split

(in € millions)	Q2 '17	Q2 '16	y.o.y. change	H1 '17	H1 '16	y.o.y. change
Data, software & services	141.8	122.0	16%	268.8	237.6	13%
Hardware	111.6	143.2	−22%	197.4	244.8	−19%
Total revenue	253.4	265.2	−4%	466.2	482.4	−3%

Change percentages and totals calculated before rounding.

Data, software & services revenue in the quarter was €142 million, 16% higher compared with €122 million in Q2 '16, mainly due to increase in Automotive & Licensing revenue. Data, software & services accounted for 56% of the revenue in Q2 '17 compared with 46% in Q2 '16. Hardware revenue for the quarter was €112 million, 22% lower compared with €143 million in Q2 '16.

Gross result

Our gross result increased by 11% to €161 million in the quarter compared with €145 million in Q2 '16. The gross margin for the quarter was 63%, which is 8 percentage points higher compared with 55% in Q2 '16, reflecting the shift of revenue mix towards higher margin data, software & services revenue.

Operating expenses

Excluding the impairment charge, total operating expenses for the quarter were €151 million, €18 million higher compared with €133 million in the same quarter last year. Operating expenses in the same quarter last year included a one-off gain from a pending customs case. Excluding this one-off gain, operating expense for the quarter increased by 8% year on year mainly reflecting higher expense on our long-term employee incentive plans and higher amortisation expenses.

FX sensitivity

(€ in millions, unless stated otherwise)	**Q2 '17 actual**	**Q2 '17[1] recalculated at Q2 '16 FX rates**	**H1 '17 actual**	**H1 '17[1] recalculated at H1 '16 FX rates**
Revenue	253.4	253.7	466.2	467.1
Gross result	160.6	162.8	293.0	297.2
Gross margin	*63%*	*64%*	*63%*	*64%*
EBIT (excl. impairment charge)	9.2	11.2	4.3	8.0
EBIT margin (excl. impairment charge)	*4%*	*4%*	*1%*	*2%*
FX RATES IN €	**Q2 '17**	**Q2 '16**	**H1 '17**	**H1 '16**
US dollar	1.09	1.13	1.08	1.11
GB pound	0.85	0.78	0.85	0.77

[1] The Q2 '17 / H1 '17 income and expenses in US dollar and GB pound have been reconverted to euro using Q2 '16 / H1 '16 average exchange rates. All other foreign currencies have not been reconverted.

Depreciation, amortisation and impairment

(€ in millions)	**Q2 '17**	**Q2 '16**	**y.o.y. change**	**H1 '17**	**H1 '16**	**y.o.y. change**
Cost of sales	3.4	2.3	49%	6.0	4.3	39%
Research and development	3.2	3.1	5%	6.2	5.8	8%
Amortisation of technology and databases	24.4	21.1	15%	46.8	41.7	12%
Marketing	0.1	0.1	0%	0.2	0.2	0%
Selling, general and administrative	4.9	4.3	13%	9.7	8.8	9%
Impairment charge	168.7			168.7		
Total	**204.7**	**30.9**		**237.6**	**60.8**	
Of which acquisition-related	*182.6*	*13.7*		*196.5*	*27.4*	

Change percentages and totals calculated before rounding.

Excluding the impairment charge, total depreciation and amortisation costs amounted to €36 million compared with €31 million in Q2 '16. This increase is mainly due to amortisation of several technology platforms that were taken into use in the quarter and earlier this year.

Financial income and expenses

The net interest charge for the quarter was €0.3 million versus a net interest charge of €0.4 million in Q2 '16. The other financial result for the quarter was a gain of €1.5 million (Q2 '16: loss of €1.2 million).

Income tax

The net income tax for the quarter was €1.9 million versus a net income tax gain of €0.9 million in Q2 '16.

Net result and adjusted EPS

(€ in millions, unless stated otherwise)	**Q2 '17**	**Q2 '16**	**y.o.y. change**	**H1 '17**	**H1 '16**	**y.o.y. change**
Net result	**–160.1**	**12.2**		**–164.6**	**17.0**	
Net result attributed to equity holders	–159.9	12.1		–164.5	16.9	
Remeasurement of deferred tax liability					–7.6	
Impairment charge	168.7			168.7		
Acquisition-related amortisation	15.7	13.7	14%	30.5	27.4	11%
Tax effect of adjustments	–3.5	–2.6	34%	–6.7	–6.0	12%
Adjusted net result	**21.0**	**23.2**	–10%	**28.0**	**30.7**	–9%
Adjusted EPS, € fully diluted	0.09	0.10	–11%	0.12	0.13	–10%

Change percentages and totals calculated before rounding.

The net result for the quarter was a loss of €160 million compared with a gain of €12 million in Q2 '16. The adjusted net result for the quarter was €21 million compared with €23 million in Q2 '16.

Adjusted EPS for the quarter was €0.09, compared with €0.10 in the same quarter last year.

Balance sheet

Our goodwill balance decreased sequentially by €169 million to an amount of €255 million following the impairment charge recorded in Consumer. The remaining goodwill is allocated to Automotive, Licensing and Telematics.

At the end of the quarter, trade receivables plus other receivables totalled €216 million compared with €231 million at the end of Q2 '16. The inventory level at the end of the quarter was €54 million, compared with €51 million at the end of the same quarter last year. Cash and cash equivalents at the end of the quarter were €85 million versus €136 million at the end of Q2 '16.

Current liabilities excluding deferred revenue were €248 million compared with €278 million at the end of Q2 '16.

Deferred revenue was €220 million at the end of Q2 '17, compared with €188 million at the end of the same quarter last year. The year on year increase reflects increased Automotive deferred revenue position on contracts with upfront payments for multi-year service offerings.

At 30 June 2017, we reported a net cash position of €82 million (Q2 '16: net cash of €58 million). Net cash is the sum of the cash and cash equivalents at the end of the period (€85 million) minus the nominal amount of the borrowings (€3 million).

Cash flow

The cash flow from operating activities for the quarter was €29 million compared with €33 million in Q2 '16. The year on year decrease in operating cash flow was mainly driven by lower operating results.

The cash flow used in investing activities during the quarter increased by €3 million year on year to €33 million (Q2 '16: €30 million) mainly reflecting increase of our investments in our digital map content.

The cash flow from financing activities was an inflow of €6.3 million, mainly reflecting cash inflow from the exercises of employee stock options offset by repayment of credit facility and borrowings. In the quarter, 1.8 million options (Q2 '16: 1.5 million options) were exercised resulting in a €8.8 million cash inflow (Q2 '16: €6.4 million).

- END -

TOMTOM NV
INTERIM FINANCIAL REPORT
30 JUNE 2017
(Unaudited)

Contents:

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 4,700 employees (FTE) working in its offices across all continents. The commercial activities of the group are carried out through four customer facing business units – Automotive, Licensing, Telematics and Consumer. Automotive and Licensing are engaged in developing and selling similar location-based application components such as maps, online services (e.g. traffic) and navigation software to customers in different market segments. Automotive serves automotive customers (mainly OEMs and Tier1 head unit vendors) while Licensing serves a wide range of non-Automotive customers. Telematics provides a wide range of telematics services and related products to fleet owners including sale and/or rental of hardware products associated with the services. Consumer generates revenue mainly from the sale of consumer electronics devices, such as PNDs and sports watches.

Market and TomTom outlook 2017
Within the Automotive & Licensing business we aim to grow through technology leadership in mapmaking information systems, traffic and navigation software. To achieve leadership we will invest in automation, modularity and industry standard interfaces. We are targeting new growth opportunities in ADAS and Autonomous Driving, investing in our HD map and RoadDNA technologies. Our Telematics business strategy is to continue to profitably grow our fleet management business and to diversify to other Connected Car services such as vehicle leasing.

Hardware revenues were lower than planned because of disappointing Sports sales. The wearables market has fallen short of expectations. Because of this and because we want to focus on our Automotive, Licensing and Telematics businesses, we are reviewing strategic options for Sports.

As a result, we are updating our revenue outlook. We now expect to deliver full year revenue around the lower end of our guidance of between €925 million and €950 million. Adjusted EPS[5] of around €0.25 remains unchanged.

We expect the combined revenue of the Automotive, Licensing and Telematics businesses to grow around 15% year on year in 2017.

We expect the level of investments (both CAPEX and OPEX) to show a modest increase compared with 2016[6], excluding acquisitions.

Financial review for the six-month period ended 30 June 2017
In the first half of 2017, the Group generated revenue of €466 million, which is €16 million less compared with €482 million in the same period of 2016. Our year on year revenue development reflects growth in Automotive, Licensing and Telematics revenue offset by the revenue decline in Consumer. The Group's gross margin for H1 '17 was 63% (H1 '16: 56%) and the operating result for H1 '17 was a loss of €164 million (H1 '16: €8.4 million) as we recorded an impairment charge of €169 million on the goodwill of our Consumer segment.

Revenue
Automotive & Licensing generated revenue of €161 million in H1 '17, an increase of 23% compared with €132 million in H1 '16. Automotive generated revenue of €90 million in H1 '17, an increase of 39% compared with €65 million in H1 '16. This increase is mainly the result of the ramp up of revenue from a contract that went live at the end of H1 '16. Licensing revenue in H1 '17 was €72 million compared with €67 million in H1 '16. This increase is driven by a catch-up of revenue for content delivered in the earlier quarters but the revenue recognition criteria were not yet fulfilled.

Telematics revenue increased by 5% year on year from €77 million in H1 '16 to €81 million in H1 '17. The increase was mainly driven by growing recurring service revenue.

Consumer revenue for H1 '17 declined year on year by 18% to €224 million, driven by difficult market circumstances in Sports, a declining PND market in line with expectations and phasing out of Automotive hardware contracts which are included in the Consumer segment.

[5] Earnings per fully diluted share count adjusted for acquisition-related expenses & gains and material restructuring costs on a post-tax basis.
[6] In 2016, CAPEX was €118 million and OPEX was €557 million. Year to date in 2017 we spent €24.5 million on acquisition related CAPEX.

Gross result

The gross profit for H1 '17 was €293 million, an increase of €24 million compared with the same period last year (H1 '16: €269 million). The gross margin in H1 '17 was 63% compared with 56% in H1 '16, mainly reflecting the shift of our revenue mix towards higher margin data, software & services revenue.

Goodwill impairment

The difficult market circumstances combined with lower sales than planned for the second quarter has resulted in a downward revision in the future profitability projections for Consumer Sports. As a result, TomTom recorded a full impairment charge against the goodwill of the Consumer segment of €169 million in the second quarter 2017. This non-cash impairment charge is included within operating income (loss). The goodwill that was impaired was originally recorded at the time of the acquisition of Tele Atlas in 2008.

Operating expenses

Excluding the impairment charge, operating expenses in H1 '17 were €289 million compared with €260 million in H1 '16. The operating expenses in H1 '16 included a one-off gain relating to a pending customs case. Excluding this one-off gain, the underlying operating expenses increased by €22 million year on year. This increase mainly came from higher expenses on our long-term employee incentive program and amortisation.

Operating result

The operating result for H1 '17 was a loss of €164 million compared with a gain of €8.4 million in H1 '16.

Financial result

The group recorded €0.5 million interest expenses in H1 '17 compared with €0.7 million in the same period of 2016. The other financial result in H1 '17 was a gain of €1.9 million versus a gain of €0.5 million in H1 '16, mainly driven by a gain on foreign exchange revaluation of our monetary balance sheet items.

Income taxes

In H1 '17, the group recorded an income tax expense of €2.0 million versus a gain of €8.3 million in the same period last year. The gain in 2016 was mainly the result of the remeasurement of our deferred tax positions as the result of application of innovation box facility in the Netherlands.

Cash flow

The cash flow from operating activities was €27 million, an increase of €12 million compared with €15 million in the same period last year. The increase is mainly due to lower working capital utilisation in H1 '17.

Excluding acquisition-related cash flows and dividends received, the cash flow used in investing activities during H1 '17 was €62 million, an increase of €3 million compared with €59 million in the same period last year.

The cash flow from financing activities includes a cash inflow of €11 million from the exercise of 2.2 million options related to our long-term employee incentive programmes during H1 '17.

Related party transactions

For related party transactions please refer to note 9 of our interim financial report.

Principal risks and uncertainties H1 2017

The risks associated with building a multi-product Consumer business were acknowledged in TomTom's Group Risk Profile (see 2016 Annual Report). The weaker than expected Sports revenue is a partial realisation of this risk.

Taking the decision to evaluate our strategic options for Consumer Sports gives rise to a change in this risk. The most significant changes are the possible negative impact on our brand name, the unnecessary loss of talented people employed by our organisation and the negative market response to the TomTom Sports business itself.

We have anticipated these risks and prepared appropriate risk responses that include investigating the strategic options for Consumer Sports as well as proactively engaging stakeholders to minimise TomTom organisational and product market disruption.

All other group risks mentioned in the Group Risk Profile section of TomTom's 2016 Annual Report are still relevant and deemed incorporated and repeated in this report by reference.

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 2017

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 '17 Unaudited	Q2 '16 Unaudited	H1 '17 Unaudited	H1 '16 Unaudited
REVENUE	**253,442**	**265,225**	**466,153**	**482,380**
Cost of sales	92,833	119,967	173,174	213,817
GROSS RESULT	**160,609**	**145,258**	**292,979**	**268,563**
Research and development expenses	53,539	45,675	103,765	90,208
Amortisation of technology and databases	24,373	21,107	46,802	41,733
Marketing expenses	21,768	21,545	36,023	36,603
Selling, general and administrative expenses	51,743	44,179	102,056	91,580
Impairment charge	168,687	0	168,687	0
TOTAL OPERATING EXPENSES	**320,110**	**132,506**	**457,333**	**260,124**
OPERATING RESULT	**−159,501**	**12,752**	**−164,354**	**8,439**
Interest result	−318	−377	−493	−682
Other financial result	1,458	−1,233	1,856	478
Result of associates	228	134	353	461
RESULT BEFORE TAX	**−158,133**	**11,276**	**−162,638**	**8,696**
Income tax (expense) / gain	−1,923	911	−1,974	8,257
NET RESULT	**−160,056**	**12,187**	**−164,612**	**16,953**
Attributable to:				
- Equity holders of the parent	−159,902	12,066	−164,512	16,858
- Non-controlling interests	−154	121	−100	95
NET RESULT	**−160,056**	**12,187**	**−164,612**	**16,953**
Basic number of shares (in thousands)	234,417	231,193	233,749	230,902
Diluted number of shares (in thousands)	238,124	234,522	237,520	234,687
EARNINGS PER SHARE (in €)				
Basic	−0.68	0.05	−0.70	0.07
Diluted[1]	−0.68	0.05	−0.70	0.07

[1] In 2017, no additional shares from assumed conversion are taken into account as the effect would be anti-dilutive

Consolidated condensed statement of comprehensive income

(€ in thousands)	Q2 '17 Unaudited	Q2 '16 Unaudited	H1 '17 Unaudited	H1 '16 Unaudited
NET RESULT	**−160,056**	**12,187**	**−164,612**	**16,953**
OTHER COMPREHENSIVE INCOME:				
Items that will not be reclassified to profit or loss:				
Actuarial (losses)/gains on defined benefit obligations	0	−384	0	−384
Items that may be subsequently reclassified to profit or loss:				
Currency translation differences	−6,454	3,684	−4,229	−3,783
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**−6,454**	**3,300**	**−4,229**	**−4,167**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**−166,510**	**15,487**	**−168,841**	**12,786**
Attributable to:				
- Equity holders of the parent	−166,320	15,375	−168,697	12,757
- Non-controlling interests	−190	112	−144	29
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**−166,510**	**15,487**	**−168,841**	**12,786**

Consolidated condensed balance sheet

(€ in thousands)	30 June 2017 Unaudited	31 December 2016 Audited
Goodwill	254,899	400,318
Other intangible assets	795,196	795,771
Property, plant and equipment	37,835	40,398
Deferred tax assets	10,039	12,046
Investments in associates	4,055	3,941
TOTAL NON-CURRENT ASSETS	**1,102,024**	**1,252,474**
Inventories	54,301	54,078
Trade receivables	134,977	132,424
Other receivables and prepayments	80,978	46,115
Other financial assets	114	1,210
Cash and cash equivalents	85,041	142,527
TOTAL CURRENT ASSETS	**355,411**	**376,354**
TOTAL ASSETS	**1,457,435**	**1,628,828**
Share capital	47,027	46,577
Share premium	1,067,277	1,051,890
Other reserves	265,562	234,502
Accumulated deficit	–538,463	–338,138
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**841,403**	**994,831**
Non-controlling interests	1,748	1,906
TOTAL EQUITY	**843,151**	**996,737**
Borrowings	2,752	9,586
Deferred tax liability	95,821	97,282
Provisions	47,441	54,406
Deferred revenue	122,932	107,151
TOTAL NON-CURRENT LIABILITIES	**268,946**	**268,425**
Trade payables	75,288	76,630
Income taxes	1,406	1,289
Other taxes and social security	13,388	9,383
Provisions	33,696	36,410
Deferred revenue	97,186	97,256
Accruals and other liabilities	124,374	142,698
TOTAL CURRENT LIABILITIES	**345,338**	**363,666**
TOTAL EQUITY AND LIABILITIES	**1,457,435**	**1,628,828**

Consolidated condensed statements of cash flows

(€ in thousands)	Q2 '17 Unaudited	Q2 '16 Unaudited	H1 '17 Unaudited	H1 '16 Unaudited
Operating result	−159,501	12,752	−164,354	8,439
Financial (losses) / gains	−1,519	−553	397	401
Depreciation, amortisation and impairment	204,742	30,941	237,550	60,811
Change in provisions	−2,969	4,805	−8,270	1,588
Equity-settled stock compensation expenses	2,635	987	4,402	1,934
Changes in working capital:				
Change in inventories	7,750	6,020	−502	−2,112
Change in receivables and prepayments	−23,694	−58,744	−33,515	−47,072
Change in liabilities (excluding provisions)[1]	4,620	38,499	−3,300	−5,547
CASH GENERATED FROM OPERATIONS	**32,064**	**34,707**	**32,408**	**18,442**
Interest received	44	44	151	86
Interest (paid)	−276	−338	−476	−602
Corporate income taxes (paid)	−3,163	−1,151	−5,231	−3,021
CASH FLOWS FROM OPERATING ACTIVITIES	**28,669**	**33,262**	**26,852**	**14,905**
Investments in intangible assets	−29,159	−25,678	−54,673	−46,982
Investments in property, plant and equipment	−4,255	−4,558	−7,358	−12,293
Acquisition of subsidiaries and other businesses	0	0	−24,493	−2,331
Dividend received	0	80	0	80
CASH FLOWS FROM INVESTING ACTIVITIES	**−33,414**	**−30,156**	**−86,524**	**−61,526**
Change in utilisation of credit facility	−2,000	13,000	−7,000	33,000
Repayment of borrowings	−382	0	−708	−4,287
Change in non-controlling interest	−123	0	−123	0
Dividends paid	0	−271	0	−127
Proceeds on issue of ordinary shares	8,809	6,433	10,980	7,668
CASH FLOWS FROM FINANCING ACTIVITIES	**6,304**	**19,162**	**3,149**	**36,254**
Net increase / (decrease) in cash and cash equivalents	**1,559**	**22,268**	**−56,523**	**−10,367**
Cash and cash equivalents at the beginning of period	84,427	114,630	142,527	147,565
Exchange rate changes on cash balances held in foreign currencies	−945	−507	−963	−807
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**85,041**	**136,391**	**85,041**	**136,391**

[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	Acc. (deficit)	Shareholders ' equity	Non-controlling interests	Total equity
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							
Change in non-controlling interest	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**
BALANCE AS AT 1 JANUARY 2017	**46,577**	**1,051,890**	**234,502**	**−338,138**	**994,831**	**1,906**	**996,737**
COMPREHENSIVE INCOME							
Result for the period	0	0	0	−164,512	−164,512	−100	−164,612
OTHER COMPREHENSIVE INCOME							
Currency translation differences	0	0	−4,185	0	−4,185	−44	−4,229
Actuarial losses on defined benefit obligations	0	0	0	0	0		0
TOTAL OTHER COMPREHENSIVE INCOME	**0**	**0**	**−4,185**	**0**	**−4,185**	**−44**	**−4,229**
TOTAL COMPREHENSIVE INCOME	**0**	**0**	**−4,185**	**−164,512**	**−168,697**	**−144**	**−168,841**
TRANSACTIONS WITH OWNERS							
Dividends paid	0	0	0	−109	−109	−14	−123
Stock compensation related movements	450	15,387	−983	524	15,378	0	15,378
OTHER MOVEMENTS							
Transfer to legal reserve	0	0	36,228	−36,228	0	0	0
BALANCE AS AT 30 JUNE 2017 (Unaudited)	**47,027**	**1,067,277**	**265,562**	**−538,463**	**841,403**	**1,748**	**843,151**

[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 2017.

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 2016, 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 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the EU. 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 2016, 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 2017, have been adopted by the group from 1 January 2017.

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 2017 have not yet been adopted. Standards that are expected to have material impact to the group are IFRS 15 and IFRS 16 as disclosed in the 2016 annual financial statements. We are on track with our transition process, amongst others in setting up policy under the new standard, reviewing individual contracts in order to quantify impact, implementing a new accounting tool and providing internal training to the relevant stakeholders. The Telematics revenue will primarily be impacted in the area of assessing whether the control unit sold to the customer as enabler to receive the fleet management service is a distinct performance obligation, while Automotive and Licensing will primarily be impacted by the specific licensing guidance in the standard and the application of the royalty constraint as well as the general requirement to estimate upfront the total consideration of certain types of contract / performance obligations. Consumer will primarily be impacted by the classification of the cash consideration given to customers and to a lesser extent in the area of multiple element arrangements.

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 2016 Annual Report.

Change in estimates

To better reflect the pace of technological change in the sector, the group has changed the expected useful life of its database content in 2017. All content created from 1 January 2017 onwards will be amortised over 12, 8 or 4 years depending on the type of content, while previously all content is amortised over 20 years.

TomTom historically focused on creating the foundation for maps, which was mainly related to content with a long useful life like road networks, geometry and address points. Customer needs and requirements are changing (e.g. because of Autonomous Driving) and more accurate and detailed map content is required. TomTom is at the forefront of these changes with its new mapmaking platform and the map content we expect to create in the future relates to elements that have a shorter economic life.

The change of this useful life will have limited impact to the group amortisation charge in 2017 as the database that exists on 31 December 2016 will remain at a useful life of 20 years

3. Segment reporting

The operating segments are identified and reported on the basis of internal reports about components of the group that are regularly reviewed by the Management Board to assess the performance of the segments.

The group's internal management reporting is structured primarily on the basis of the market segments in which the four operating segments - Automotive, Licensing, Telematics and Consumer - operate. Automotive and Licensing are engaged in developing and selling similar location-based application components such as maps, online services (e.g. traffic) and navigation software to customers in different market segments. Automotive serves automotive customers (mainly OEMs and Tier1 head unit vendors) while Licensing serves a wide range of non-Automotive customers. Telematics provides a wide range of telematics services and related products to fleet owners including sale and/or rental of hardware products associated with the services. Consumer generates revenue mainly from the sale of consumer electronics devices, such as PNDs and sports watches.

Management assesses the performance of segments based on the measures of revenue and operating result (EBIT), whereby the EBIT measure includes allocations of expenses from supporting functions within the group. Such allocations have been determined based on relevant measures that reflect the level of benefits of these functions to each of the operating segments. As the four operating segments serve only external customers, there is no inter-segment revenue. The effects of non-recurring items such as goodwill impairment are excluded from management's measurement basis. Interest income and expenses and tax are not allocated to the segments. There is no measure of segment (non-current) assets and/or liabilities provided to the Management Board. The non-current assets within the group include a significant portion of the carrying value of the step up resulting from the Tele Atlas acquisition in 2008. As this step up is not geographically allocated to the respective regions for internal management reporting, we believe that disclosure of geographic allocation would be highly judgemental and would not give a true representation of geographical spread of the group's assets.

(€ in millions)	**H1 '17 Unaudited**	**H1 '16 Unaudited**
Revenue		
Automotive & Licensing	161.1	131.5
Automotive	89.5	64.6
Licensing	*71.6*	*66.9*
Telematics	80.7	77.0
Consumer	224.3	273.9
TOTAL	**466.2**	**482.4**
EBIT		
Automotive & Licensing	–9.7	–6.2
Automotive	–10.1	–9.1
Licensing	0.4	2.9
Telematics	20.5	22.6
Consumer	–3.3	–4.4
TOTAL	**7.5**	**12.0**

(€ in millions)	H1 '17 Unaudited	H1 '16 Unaudited
EBITDA		
Automotive & Licensing	48.4	44.5
Automotive	25.7	23.7
Licensing	*22.7*	*20.8*
Telematics	28.3	29.6
Consumer	−0.3	−1.2
TOTAL	**76.4**	**72.9**

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 '17 Unaudited	H1 '16 Unaudited
Total Segment EBIT	**7.5**	**12.0**
Unallocated expenses	−3.2	−3.6
Imapairment charge	−168.7	0.0
Interest result	−0.5	−0.7
Other finance result	1.9	0.5
Result of associates	0.4	0.5
RESULT BEFORE TAX	**−162.6**	**8.7**

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 '17 Unaudited	H1 '16 Unaudited
Earnings (€ in thousands)		
Earnings (net result attributable to equity holders)	−164,512	16,858
Number of shares (in thousands)		
Weighted average number of ordinary shares for basic EPS	233,749	230,902
Effect of dilutive potential ordinary shares (in thousands)		
Share options and restricted stocks	3,771	3,785
Weighted average number of ordinary shares for diluted EPS	237,520	234,687

5. Goodwill

The Group performs its goodwill impairment test at least annually in December and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill is based on fair value less cost of disposal calculations. The key assumptions used to determine the recoverable amount for the different operating segments were disclosed in the annual consolidated financial statements for the year ended 31 December 2016.

Contrary to historical growth trends and the expectations that we had at the end of 2016 based on the information then available, our Consumer Sports business faced difficult market circumstances. In the first quarter revenues were broadly in line with expectations but this significantly deteriorated in the course of the second quarter, resulting in an unanticipated year on year decline in revenue. As a result of these developments we are reviewing strategic options for our Sports business.

These adverse developments triggered us to perform an impairment test on 30 June 2017 for our Consumer operating segment. The other operating segments being Automotive, Licensing and Telematics are performing in line with expectations and hence no triggering event was identified.

Consistent with the approach in our year end impairment testing, the recoverable amount of the Consumer segment was determined based on fair value less costs of disposal method as this resulted in a higher recoverable amount than the value in use. The calculations of fair value less costs of disposal are based on post-tax cash flow projections which amongst others reflect our latest estimates of the declining Sports revenue, and a post-tax discount rate of 9% (31 December 2016: 9%). The financial forecast covers a period of ten years and incorporates assumptions on the expected revenue developments, gross margin and operating margin after allocation of operating expenses from shared units, taking into account management's expectation of further developments and plans. We do not expect material cash flows beyond the forecasted period and hence these have not been forecasted. All other assumptions remained consistent with those disclosed in the annual financial statements for the year ended 31 December 2016.

As a result of this analysis, management recognised an impairment charge of €169 million against goodwill, which results in a full write off of the goodwill of the Consumer operating segment. The impairment charge is recorded as a separate line item within operating expenses.

6. Shareholders' equity

	30 June 2017 (Unaudited)		31 December 2016 (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 authorised	**900,000,000**	**180,000**	**900,000,000**	**180,000**
Issued and fully paid ordinary shares	235,135,716	47,027	232,886,736	46,577

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

In H1 '17 2,248,980 shares were issued following the exercise of share options by employees (H1 '16: 1,775,105).

7. Share-based compensation

Share-based compensation expenses amounted to €8.0 million in H1 '17 versus an income €1.6 million in the same period last year. In H1 '17 a total number of 2.2 million stock options have been exercised.

In May 2017, the group granted 0.7 million stock options under the stock option plan of which 350,000 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 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.

As part of the acquisition of Autonomos GmbH restricted stock units have been granted to certain employees of Autonomos.

For further information on our share-based compensation, reference is made to note 7 and note 33 in our 2016 Annual Report.

8. Business Combination

On 17 January 2017, the group acquired 100% of the shares of Autonomos GmbH for €26.2 million of which €24.8 million is paid in cash and the remainder in TomTom shares. The company is a Berlin-based autonomous driving start-up.

We have acquired a vast amount of technical expertise that will be of value in the further development of our location technologies. Specifically, the acquisition will give us a fuller understanding of the autonomous driving stack and real-time computer vision technology and allow us to improve quality of our products like TomTom HD Map, RoadDNA localisation technology, navigation, traffic and other cloud services.

9. Related party transactions

Reference is made to note 7 for stock options granted to the members of the Management Board during H1 '17.

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 '17 amounted to €7.7 million (H1 '16: €7.8 million).

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

10. Seasonality

In the 12 months ended June 2017, the group had revenue of €971 million compared with revenue of €1,019 million for the 12 months period ending June 2016.

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 2017, Consumer had revenue of €514 million compared with €611 million in the same period ended 30 June 2016.

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.

11. Commitments and contingent liabilities

In the first half of 2017, there were no material changes to the group's commitments and contingent liabilities from those disclosed in note 32 of our 2016 Annual Report.

12. Fair value and fair value estimation

The fair values of our monetary assets and liabilities as at 30 June 2017 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 2016 Annual Report.

13. Subsequent events

There has been no subsequent event from 30 June 2017 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 2017 with related comparative information has been prepared using accounting policies which are based on International Financial Reporting Standards (IFRS) as endorsed by the EU. Accounting policies and methods of computation followed in the condensed consolidated financial information, for the period ended 30 June 2017, are the same as those followed in the Financial Statements for the year ended 31 December 2016. 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.

Non-GAAP measures

The financial information in this report includes measures, which are not defined by generally accepted accounting principles (GAAP) such as IFRS. We believe this information, along with comparable GAAP measurements, gives insight to investors because it provides a basis for evaluating our operational performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures.

Gross margin is calculated as gross result divided by revenue
EBIT is equal to our operating result
EBIT margin is calculated as operating result divided by revenue
EBITDA is equal to our operating result plus depreciation, amortisation and impairment charges
EBITDA margin is calculated as operating result plus depreciation, amortisation and impairment charges divided by revenue
Adjusted net result is calculated as net result attributed to equity holders adjusted for acquisition-related expenses and gains and material restructuring costs on a post-tax basis
Adjusted EPS is calculated as adjusted net result divided by the weighted average number of diluted shares over the period
Net cash is defined as our cash and cash equivalents minus the nominal value of our outstanding borrowings

For more information

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Audio webcast second quarter 2017 results

The information for our audio webcast is as follows:

- Date and time: 19 July 2017 at 14:00 CEST
- 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, traffic, and navigation software. Our consumer products include PNDs, navigation apps, and sports watches. 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: Automotive, Licensing, Telematics and Consumer. Founded in 1991 and headquartered in Amsterdam, we have more than 4,700 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 position and results of TomTom's activities. 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. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements, and you should not place undue reliance on them. Many of these risks and uncertainties relate to factors that are beyond TomTom's ability to control or estimate precisely, such as levels of customer spending in major economies, changes in consumer preferences, the performance of the financial markets, the levels of marketing and promotional expenditures by TomTom and its competitors, costs of raw materials, employee costs, exchange-rate and interest-rate fluctuations, changes in tax rates, changes in law, acquisitions or disposals, the rate of technological changes, political 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.

The forward-looking statements contained herein speak only as of the date they are made. We do not assume any obligation to update any public information or forward-looking statement in this document to reflect events or circumstances after the date of this document, except as may be required by applicable laws.

This document contains inside information as meant in clause 7 of the Market Abuse Regulation.