



## TomTom N.V.

(a public company with limited liability, incorporated under Dutch law, having its corporate seat in Amsterdam, The Netherlands)

### Offering of 85,264,381 Ordinary Shares in a 5 for 8 rights offering at a price of €4.21 per Ordinary Share

We are offering 85,264,381 new Ordinary Shares (as defined below) (the “**Offer Shares**”). The Offer Shares will initially be offered to eligible holders (“**Shareholders**”) of ordinary shares in our capital with a nominal value of €0.20 each (“**Ordinary Shares**”) *pro rata* to their shareholdings at an offer price of €4.21 each (the “**Offer Price**”), subject to applicable securities laws and on the terms set out in this document (the “**Prospectus**”) (the “**Rights Offering**”). For this purpose, and subject to applicable securities laws and the terms set out in this Prospectus, Shareholders as of the Record Date (as defined below) are being granted transferable subscription entitlements (“**SETs**”) that will entitle them to subscribe for Offer Shares at the Offer Price, provided that they are Eligible Persons (as defined below). Shareholders as of the Record Date (as defined below) and subsequent transferees of the SETs, in each case which are able to give the representations and warranties set out in “Selling and Transfer Restrictions”, are “**Eligible Persons**” with respect to the Rights Offering.

Application has been made to admit the SETs to trading on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V., (“**Euronext Amsterdam**”). Trading of the SETs on Euronext Amsterdam is expected to commence at 09:00 (Central European Time; “**CET**”) on 3 July 2009 and will continue until 13:00 (CET) on 13 July 2009, barring unforeseen circumstances. The SETs will be admitted to trading under the symbol “**TOM2S**”.

Each Ordinary Share held immediately after the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 (CET) on 2 July 2009 (the “**Record Date**”) will entitle a Shareholder to one SET, and every 8 SETs will entitle an Eligible Person (whether a Shareholder on the Record Date or a subsequent transferee of SETs) to subscribe for 5 Offer Shares at the Offer Price, subject to applicable securities laws. Eligible Persons holding SETs may, subject to applicable securities laws, subscribe for Offer Shares through the exercise of SETs from 09:00 (CET) 3 July 2009 until 15:00 (CET) on 13 July 2009 (the “**Exercise Period**”). If you are an Eligible Person and you do not validly exercise your SETs by the end of the Exercise Period, you will no longer be able to exercise those rights. Once you have validly exercised your rights, you cannot revoke or modify that exercise, except as otherwise described herein in “The Offering—Rights Offering—Exercise Period”.

Any Offer Shares that were issuable upon the exercise of SETs but have not been subscribed for during the Exercise Period (the “**Rump Shares**”) will be offered for sale by ABN AMRO Bank N.V. (“**ABN**”), Deutsche Bank AG, London Branch (“**Deutsche Bank**”), Goldman Sachs International (“**Goldman Sachs**”), ING Bank N.V. (“**ING**”) and Rabo Securities, the equity (linked) investment bank division of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (“**Rabo Securities**”) (together, the “**Banks**”) in their capacity as either joint global co-ordinators, joint bookrunners or underwriters by way of private placements in the Netherlands and certain other jurisdictions (the “**Rump Offering**”). The Rights Offering and Rump Offering are hereinafter collectively referred to as the “**Offering**”. The Rump Offering will be subject to the terms and conditions of an underwriting agreement between us and the Banks dated 15 June 2009 (the “**Underwriting Agreement**”), a pricing agreement between us and the Banks dated 29 June 2009 (the “**Pricing Agreement**”) and set out in this Prospectus. The Rump Offering is expected to commence on 14 July 2009 and to end no later than 17:30 (CET) on 14 July 2009. The Banks shall, subject to the satisfaction of conditions contained in, and on the terms of, the Underwriting Agreement, procure subscribers for, or themselves subscribe for, any Offer Shares (less any Founder Committed Shares, as defined below, together with the Offer Shares that funds managed by Janivo Holding B.V. (“**Janivo**”), funds managed by Cyrt Investments B.V. (“**Cyrte**”) and Alain De Taeye have committed to subscribe for in the Rights Offering) not subscribed for through the exercise of SETs or sold in the Rump Offering. See “The Offering—Rump Offering” and “Plan of Distribution”.

A Shareholder who does not or is not permitted to exercise SETs under the Rights Offering will suffer a substantial dilution of 38.5% as a result of the Offering. **The latest date for acceptance under the Rights Offering is expected to be 15:00 CET on 13 July 2009, with admission and commencement of dealings in Offer Shares expected to take place at 09:00 CET on 17 July 2009.**

Pieter Geelen, Peter-Frans Pauwels, Harold Goddijn and Corinne Goddijn-Vigreux (the “**Founders**”) indirectly currently hold approximately 51.56% of our outstanding Ordinary Shares and have committed to exercise SETs that will be granted to them in the Rights Offering at the terms of the Rights Offering (the “**Founder Committed Shares**”) resulting in an aggregate subscription price for Offer Shares subscribed for by each of them of €169.3 million. See “Reasons for the Offering” for further details of the commitment of the Founders.

In addition to the Offering, we have agreed to a €71 million private placement (the “**Private Placement**”). In the Private Placement, Cyrt and Janivo have each committed to subscribe for Ordinary Shares for an aggregate subscription price of approximately €35 million, subject to completion of the Offering. Janivo and Cyrt have further committed to exercise SETs that will be granted to them in the Rights Offering on the terms of the Rights Offering, up to a maximum aggregate subscription price for Offer Shares subscribed for by them of approximately €30 million. We have agreed with Janivo and Cyrt to procure that a representative of them be appointed to our supervisory board (*Raad van Commissarissen*) (the “**Supervisory Board**”). Pursuant to this arrangement, Joost Tjaden was nominated for the Supervisory Board, and appointed at our extraordinary general meeting of shareholders held on 30 June 2009 (the “**2009 EGM**”), conditional on the closing of the Offering occurring and will take office immediately thereafter.

In the Private Placement, Alain De Taeye, a member of the Management Board, has committed to subscribe for Ordinary Shares for an aggregate subscription price of approximately €1.05 million. Alain De Taeye has committed to exercise SETs that will be granted to him in the Rights Offering on the terms of the Rights Offering, up to a maximum aggregate subscription

price for Offer Shares subscribed for by him of approximately €450,000. In addition to not underwriting the Founder Committed Shares, the Banks are not underwriting any of the Ordinary Shares issued in the Private Placement or issuable upon exercise of the SETs granted to Janivo, Cyrte and Alain De Taeye and which Janivo, Cyrte and Alain De Taeye have committed to exercise.

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Shareholders have been excluded with respect to the Offering and the Private Placement.

We are not taking any action to permit a public offering of the SETs or the Offer Shares in any jurisdiction outside the Netherlands. The SETs and the Offer Shares are being offered by us only in those jurisdictions in which, and only to those persons whom, offers of the SETs and offers of the Offer Shares (pursuant to the exercise of the SETs or otherwise) may lawfully be made.

**The distribution of this Prospectus, and the transfer of the SETs and the Offer Shares, into jurisdictions other than the Netherlands may be restricted by law. Persons into whose possession this Prospectus comes must therefore inform themselves about, and observe, such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. In particular, subject to certain exceptions, this Prospectus must not be distributed, forwarded to or transmitted in or into the United States.**

Shareholders who have a registered address in, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside the Netherlands should read “**Selling and Transfer Restrictions**”.

The SETs and the Offer Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), or under any securities law of any state or other jurisdiction of the United States. Accordingly, subject to certain exceptions, none of the SETs and the Offer Shares may be offered, issued, sold, pledged, taken up, delivered, renounced, or otherwise transferred in or into the United States, except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of the SETs or the Offer Shares in the United States.

**Except as otherwise set out in this Prospectus, the Rights Offering described in this Prospectus is not being made to Shareholders or investors in the United States, Canada, Australia or Japan.**

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, SETs and Offer Shares or to take up any SETs in any jurisdiction in which such an offer or solicitation is unlawful.

**Potential investors in the SETs or Offer Shares should carefully read “Selling and Transfer Restrictions”. Eligible Persons and any person contemplating the trading in or purchase of SETs or Offer Shares should carefully consider the “Risk Factors” before trading in the SETs or investing in the Offer Shares.**

The Ordinary Shares are admitted to trading on Euronext Amsterdam under the symbol “TOM2”. At midday on the day before the date of this Prospectus, 30 June 2009, the price of the Ordinary Shares on Euronext Amsterdam was €8.63 per Ordinary Share. Application has been made to admit the Offer Shares and Ordinary Shares to be issued in the Private Placement to listing and trading on Euronext Amsterdam. We expect that payment for and delivery of the Offer Shares will be made on or about 17 July 2009 (the “**Closing Date**”) and that trading of the Offer Shares will commence on the Closing Date, barring unforeseen circumstances. We expect that the Ordinary Shares to be issued in the Private Placement will be admitted to listing and trading on Euronext Amsterdam on 2 July 2009. The SETs and the Offer Shares will be delivered through the book-entry facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Nederland**”), as well as through Euroclear Bank S.A./N.V. as operator of the Euroclear system (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream Luxembourg**”).

The closing of the Offering is subject to the satisfaction of a number of conditions. See “Plan of Distribution”. If the closing of the Offering does not take place, the Offering may be withdrawn. In such an event, both the exercised and unexercised SETs will be forfeited without compensation to their holders, and subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any subscription payments received by us will be returned, without interest. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs. There will be no refund in respect of any SETs purchased in the market. All dealings in SETs prior to the closing of the Offering are at sole risk of the parties concerned. Euronext Amsterdam N.V., we, the Banks, the Subscription Agent and the Listing Agent referred to in this Prospectus do not accept any responsibility or liability to any person as result of the withdrawal of the Offering or (the related) annulment of any transactions in SETs on Euronext Amsterdam.

In this Prospectus, “we”, “us”, “our”, “TomTom” or the “Group” and similar terms refer to TomTom N.V., and, as the context requires, any or all or none of its subsidiaries and joint ventures. Capitalised terms used in this Prospectus and not defined in the text are defined in the “Definitions and Glossary of Selected Terms”.

This Prospectus constitutes a prospectus for the purposes of: (i) Article 3 of the Directive 2003/71/EC (“**Prospectus Directive**”) and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*; the “**Dutch Financial Supervision Act**”) and the rules promulgated thereunder; and (ii) admission to trading of the Ordinary Shares to be issued in the Offering and the Private Placement. This Prospectus has been approved by and filed with the Netherlands Authority for Financial Markets (*Stichting Autoriteit Financiële Markten*; the “**AFM**”).

*Joint Global Co-ordinators and Joint Bookrunners*

**ABN AMRO Bank N.V. Deutsche Bank Goldman Sachs International ING Rabo Securities**

Date of this Prospectus: 1 July 2009 (the “**Publication Date**”).

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## SUMMARY

*This section constitutes the summary of the essential characteristics and risks associated with us and the Ordinary Shares, and of the Private Placement, and the Offering (the “Summary”). This Summary should be read as an introduction to this Prospectus and any decision to invest in any Offer Shares or trade in SETs should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference and the risks of investing in the Offer Shares or trading in the SETs as set out in the “Risk Factors” below. This Summary is not complete and does not contain all the information that you should consider in connection with any decision relating to the Offer Shares or SETs.*

*Civil liability will attach to us in any state party to the European Economic Area (an “EEA State”) in respect of this Summary, including any translation hereof, only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in an EEA State under the national legislation of the EEA State where the claim is brought, the plaintiff may, under the national legislation of the state where the claim is brought, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

### **Introduction to the Offering and the Private Placement**

On 15 June 2009, we announced our intention to raise €430 million through the €71 million Private Placement and €359 million through the Rights Offering.

The Private Placement was agreed on 12 June 2009. We agreed with Janivo and Cyrte that in the Private Placement they will subscribe for Ordinary Shares for a subscription price of €6.1234 per Ordinary Share, which represents a 10-day volume weighted average price leading up to 12 June 2009. Of this amount €0.20 per Ordinary Share, being the nominal value per Ordinary Share, will be paid upon issue of the Ordinary Shares. The remainder, or €5.9234 per Ordinary Share, will be placed in an escrow account (the “Escrow Account”) and that amount will be paid to us upon, and subject to, completion of the Offering. We have agreed with Janivo and Cyrte to procure that their representative be appointed to the Supervisory Board. Pursuant to this arrangement, Joost Tjaden was nominated for the Supervisory Board, and appointed at the EGM, conditional on the closing of the Offering occurring and will take office immediately thereafter.

We have agreed with Alain De Taeye that he will pay us the amount of €6.1234 per Ordinary Share issued to him in the Private Placement upon the issue of Ordinary Shares to him.

We have furthermore agreed to repurchase the Ordinary Shares issued to Janivo, Cyrte and Alain De Taeye in the Private Placement for consideration equal to the original issue price of those Ordinary Shares if the Rights Offering does not complete before 31 July 2009 for any reason. If completion does not occur before that date, such repurchase the amounts paid into the Escrow Account will be released to Cyrte and Janivo.

On 2 July 2009, an aggregate of 11,603,031 Ordinary Shares will be issued in connection with the Private Placement. On that day, each of Janivo and Cyrte will receive 5,715,779 Ordinary Shares against payment of an amount of approximately €1.14 million each to us and Alain De Taeye will receive 171,473 Ordinary Shares against payment of an amount of approximately €1.05 million to us. On the same date, from the total private placement proceeds, an amount of approximately €63.21 million (which is net of fees) will be placed in the Escrow Account and we will receive this amount upon and subject to completion of the Rights Offering.

The uncertain duration and severity of the financial market dislocation and economic contraction continue to negatively affect the markets we serve, and it is unlikely that there will be any meaningful improvement in our consolidated EBITDA until financial markets stabilise and economic conditions improve and consumer retail spending increases.

Having assessed the challenges arising from the current trading environment, we have concluded that it is in Shareholders’ best interests to strengthen TomTom’s capital structure substantially through the Offering. We believe that, together with the actions already taken to reduce costs and maximise cash generation, the Offering should:

- strengthen our capital structure and reduce leverage;
- enable us to comply with the financial covenants in our existing credit facilities;

- position the business for organic growth and enhance our ability to selectively pursue new acquisition prospects where appropriate opportunities arise; and
- as a result of lower interest expense, provide us with greater liquidity to sustain working capital needs in the current economic environment.

Although we agreed amendments to the terms of the Facility Agreement in June 2009 by entering into the Amendment Letter, the continuing effectiveness of the Amendment Letter, including the amended covenant levels, is conditional on net cash proceeds of the Offering (or any other equity issuance) of at least €350 million being received on or before 30 September 2009. Under the Facility Agreement and the Amendment Letter, we are obliged to apply the net cash proceeds of the Offering and Private Placement towards reducing our level of total debt. If we do not receive net cash proceeds of the Offering (or any other equity issuance) of at least €350 million on or before 30 September 2009 and the Amendment Letter ceases to be effective then we will be subject to the previous more onerous financial covenants that would require us to maintain a more restrictive ratio of the last twelve months' ("LTM") EBITDA to LTM interest expense and total consolidated net debt to LTM EBITDA, which we could be in breach of, retrospectively, as at 30 June 2009, or any test date thereafter. If we breach our debt covenants, and are unable to obtain a waiver in respect of such breach or find alternative financing to fund repayment of debt due in the event of an acceleration of maturity, we risk becoming insolvent or otherwise ceasing our operations. See "Operating and Financial Review—Liquidity and Capital Resources—Borrowings" for a description of the amendments to our Facility Agreement.

### **Founders' and Significant Shareholders' Commitment**

The Founders have committed to exercise SETs that will be granted to them in the Rights Offering on the terms of the Rights Offering for an aggregate subscription price for Offer Shares subscribed for by them of €169.3 million.

Janivo and Cyrte have committed to exercise SETs that will be granted to them in the Rights Offering at the terms of the Rights Offering up to a maximum aggregate subscription price for Offer Shares subscribed for by them of €30 million.

Alain De Taeye has committed to exercise SETs that will be granted to him in the Rights Offering on the terms of the Rights Offering up to a maximum aggregate subscription price for Offer Shares subscribed for by him of €450,000.

In connection with their commitments, the Founders, Janivo, Cyrte and Alain De Taeye will receive compensation equal, on a *pro rata* basis, to the compensation payable to the Banks.

The Banks are not underwriting the Founder Committed Shares, any of the Ordinary Shares issued in the Private Placement or issuable upon exercise of the SETs granted to Janivo, Cyrte and Alain De Taeye and which Janivo, Cyrte and Alain De Taeye have committed to exercise.

### **Current Trading and Prospects**

Our outlook for 2009 remains challenging, in light of low consumer spending. Visibility of trading is limited at present. We note that we are satisfied with our performance in the second quarter of 2009. As is typical for the second quarter, both PND unit shipments and ASP levels have increased versus the first quarter of 2009, although not to the level of our internal expectations as a result of the weak economic environment and continued retailer destocking. Consistent with the first quarter, the gross margin continues to be strong and we have maintained our disciplined focus on cost control. As a result we remain comfortable that our current performance at the EBIT level is in line with market expectations.

### **No Significant Change**

There has been no significant change in the trading or financial position of the Group since 31 March 2009, the date to which our most recent unaudited condensed consolidated interim financial statements were prepared.

### **Working Capital Statement**

Our current cash resources, together with our existing financing facilities as amended (see "Operating and Financial Review—Liquidity and Capital Resources—Borrowings"), provide us with sufficient working capital for the next 12 months following the date of this Prospectus.

Without qualifying our working capital statement above, we note that the continuing effectiveness of the Amendment Letter, including the amended covenant levels, is conditional on net cash proceeds of the Offering (or any other equity issuance) of at least €350 million being received on or before 30 September 2009. As stated elsewhere in this Prospectus, the Private Placement is fully committed for an amount of €71 million and the Rights Offering is fully underwritten for an amount of €359 million. The commitment to underwrite the Rights Offering is subject to certain conditions that are customary for a rights offering in the Dutch market, including, but not limited to, that no material adverse change has occurred to us or to the Group prior to completion of the Rights Offering (see “Plan of Distribution”).

In the event that the Amendment Letter terminates, scenarios can be envisaged where we could expect to breach the conditions of our existing Facility Agreement within the next 12 months. In the event we are in breach and we are unable to renegotiate the terms of our Facility Agreement, there would be an “Event of Default” entitling the lenders to accelerate our outstanding borrowings. In this respect we also refer to the risk factor in relation to, *inter alia*, our level of indebtedness and financial covenants (see “Risk Factors—Our operating and financial flexibility is restricted by the level of indebtedness and financial covenants, which could materially adversely affect our business, financial position or ability to pay dividends; we risk becoming insolvent or otherwise ceasing our operations if we breach our covenants”).

### **Business Overview**

TomTom is a leading provider of navigation solutions and digital maps. In the five years from the launch of our first PND in early 2004, close to 30 million people around the world have purchased a TomTom PND, and over 45 million navigation devices were powered by Tele Atlas digital maps. In addition to producing PNDs, we develop navigation systems and services for car manufacturers, offer professional navigation solutions for commercial vehicle fleets, and produce and sell digital maps and dynamic content. We believe with this range of products and services we are uniquely positioned to deliver navigational products and services to a wide variety of different customer groups.

### **Key Strengths**

We believe that we have a number of key competitive strengths that position us uniquely in the fast-growing digital navigation market. They include:

- leadership in the navigation market;
- technology leadership and unique positioning in the navigation value chain through superior technology practice;
- superior products, content and services;
- connected technology;
- broad marketing and distribution networks with a powerful brand;
- a scalable business model; and
- experienced management.

### **Mission and Strategy**

It is our mission to improve the quality of people’s lives by using our combined knowledge and expertise in the fields of routing, digital mapping and guidance services. We tailor our activities towards multiple audiences and intend to play a leading role on all platforms where our products and services can be of use. Across our four business units, our main strategic goals include:

- consolidating our Consumer business unit’s leading market share in Europe and increasing its market share in the US and other markets;
- delivering the most up-to-date and accurate maps from our Tele Atlas business unit, with the goal of producing a real-time map;
- using our AUTO business unit to increase the adoption of in-dash navigation across the volume automotive market; and
- aiming, through our WORK business unit, to become a leading player in the field of connected navigation and fleet management solutions for small and medium sized commercial fleets in Europe and by gaining market share in the United States.

## **Risk Factors**

You should consider carefully the risks and uncertainties listed below, which are described under the heading “Risk Factors”, and the other information in this Prospectus, before making any investment decision in respect of the SETs, the Offer Shares or us. If any of these risks and uncertainties were to occur, they could have an adverse effect on the market price of Ordinary Shares.

### **Risks Relating to our Business and Industry**

- Our operating and financial flexibility is restricted by the level of indebtedness and financial covenants, which could materially adversely affect our business, financial position or ability to pay dividends; we risk becoming insolvent or otherwise ceasing our operations if we breach our covenants.
- The global economic downturn and dislocation in the financial markets may expose us to liquidity risk in the longer term.
- We are likely to continue to be negatively affected by the impact that the recent rapid economic downturn has had, and may continue to have, on consumer spending; this combined with the seasonality of our business limits visibility on our results of operations.
- We are dependent on cyclical trends in the consumer electronics and automotive industries, which are themselves significantly dependent on global economic conditions.
- Our restructuring and cash management initiatives in response to the recent economic downturn may prove unsuccessful or harmful to our future operations and results, or may not be implemented on time or at all, any of which could lead us to need to take further initiatives and could have a materially adverse effect on our financial condition or results of operations.
- Our compliance with financial covenants and the results of our operations could be adversely affected by material fluctuations in currency exchange rates.
- Deteriorating markets could result in the further impairment of goodwill and other acquired intangibles, which may adversely affect our financial condition or results of operations.
- Suppliers may not continue to supply products to us on commercially acceptable terms, or at all.
- We operate in a highly dynamic and competitive industry, which features substantial pricing pressure. If we are unable to compete effectively with our existing or any new competitors, our business, results of operations or financial condition could be materially adversely affected.
- We rely on the sale of PNDs for the substantial majority of our revenues.
- We continually introduce a significant number of new and upgraded products and services and there can be no assurance that we will effectively manage product transitions or that such products or services will be successful.
- The ASP of a given product tends to decline over the life of the product or in the face of competition.
- We have experienced rapid growth in revenues and unit sales in the past few years, and it is unlikely that such growth will resume at the same rate.
- We may be unable to manage risks associated with our international operations and with our potential future expansion into new international markets.
- Our business depends on our ability to attract, integrate and retain key personnel.
- Inaccurate demand forecasting could lead to missed market opportunities or unnecessary investment in working capital.
- Our infrastructure systems could face serious disruptions which could adversely affect our business.
- Our inability to maintain or update our map database or control errors could harm our reputation, increase our costs or adversely affect our ability to sell our products and services.
- To create and update our map database, we compile large amounts of data from a wide variety of governmental and other sources, and process that data using third-party outsourcing partners. If this data were not made available to us at the requisite level of quality, it would adversely affect the cost and timeliness of the construction, maintenance and updating of our database.



- We are subject to risks resulting from defects in our products as well as returns and warranty expenses.
- We depend on a number of contract manufacturers for the production of our integrated products. Any disruption to, or termination of, our relationship with these contract manufacturers or disruption in their ability to manufacture our products could have a material adverse effect on our business, results of operations or financial condition.
- We rely on distributors and key retailers to sell the bulk of our products, and disruption or termination of these distributor or retailer relationships, or operational problems on the part of the distributors or retailers themselves could have a material adverse effect on our business, results of operations or financial condition.
- We may not be able to sustain or improve the strength of our brand, and we may consequently experience difficulty in maintaining our market acceptance.
- We may not be able to protect our intellectual property.
- Intellectual property infringement claims against us may result in protracted litigation, monetary damages or other costs. If we lose any such litigation, the development, manufacture and/or sale of the products in question could be severely restricted or prohibited. Further, such disputes divert management's attention from operating our business, which may adversely affect our business, results of operations or financial condition.
- Product liability claims against us may result in protracted litigation, monetary damages or other costs, and divert management's attention from operating our business, which may adversely affect our business, results of operations or financial condition.
- We may fail to effectively identify or execute strategic acquisitions, joint ventures or investments, and if we do pursue such transactions we may fail to successfully integrate them into or realise anticipated benefits to our business in a timely manner.
- The continued integration of Tele Atlas into our Group is a complex process and we may not realise anticipated benefits from the acquisition in a timely manner, or at all.
- We may require additional capital in the future, which may not be available to us. Future financings to provide this capital may dilute investors' ownership in us.
- We are exposed to credit risk on accounts receivable from certain of our customers.
- We are exposed to risks associated with operations in multiple currencies.
- We are exposed to fluctuations in Euribor interest rates on our loan facilities and investments.
- Our products depend on the reliable operation of GPS satellites which may become inoperable, unavailable or not replaced.
- We are dependent on the availability of certain bands allocated within the radio frequency spectrum, and any reallocation of these bands could cause interference with the reception of GPS signals.
- Increased governmental regulation may place additional burdens on our business.
- Personal privacy concerns may limit the growth of consumer GPS products or deter current and potential users from using all of the features of our products and services.

***Risks Relating to the Offering and the Ordinary Shares***

- The market price of Ordinary Shares will fluctuate, and may decline below the Offer Price.
- The Founders are beneficially interested in, and will collectively remain owners of, a substantial percentage of Ordinary Shares after the Offering, and they and any other investors acquiring Ordinary Shares in the Offering or the Private Placement could significantly influence matters requiring Shareholder approval.
- We cannot assure you that an active trading market will develop for the SETs and, if a market does develop, the market price of the SETs will be affected by, and may be subject to greater volatility than, the market price of Ordinary Shares.

- You will experience significant dilution as a result of the Offering if you do not exercise your SETs in full.
- If you do not properly exercise your SETs, or exercise them on a timely basis, or are an Ineligible Person, you may not be able to subscribe for Offer Shares at the Offer Price and you may not receive any compensation for your unexercised SETs.
- Because we do not currently intend to pay dividends, Shareholders will benefit from investments in Ordinary Shares only if Ordinary Shares appreciate in value, and if we were to decide to pay dividends in the future our ability to do so may be limited.
- Future sales, or the possibility of future sales, of a substantial number of Ordinary Shares could have a material adverse effect on the price of the Offer Shares and dilute the interests of Shareholders.
- Subject to certain exceptions, Shareholders in certain jurisdictions may not be able to participate in the Offering or elect to receive share dividends, and such Shareholders' ownership and voting interests in our share capital will accordingly be diluted.
- Dutch law and the Articles of Association contain protection provisions that may prevent or discourage takeover attempts that may be favourable to Shareholders.
- Shareholders may be subject to exchange rate risk.
- If the Offering is withdrawn, both the exercised and unexercised SETs will be forfeited without compensation to their holders and the subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs.
- If securities or industry analysts cease to publish research reports on our business, or adversely change or make negative recommendations regarding Ordinary Shares, the market price and trading volume of Ordinary Shares could decline.

#### **Available Information**

Copies of this Prospectus may be obtained free of charge until completion of the Offering, which is expected to be on 17 July 2009, by sending a request in writing or by fax or by email to us at our business address: Oosterdoksstraat 114, 1011 DK Amsterdam, The Netherlands, fax: + 31 (0) 208501099; email: [ir@tomtom.com](mailto:ir@tomtom.com). Alternatively, this Prospectus may be obtained through the website of Euronext Amsterdam at [www.euronext.com](http://www.euronext.com) exclusively by Dutch residents; residents in certain other jurisdictions may access this Prospectus on our website ([www.tomtom.com](http://www.tomtom.com)).

#### **Corporate Information**

TomTom is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands and registered with the Trade Register of the Chamber of Commerce of Amsterdam, The Netherlands, under number 34224566. Our statutory seat is in Amsterdam, The Netherlands, and our registered address is Oosterdoksstraat 114, 1011 DK Amsterdam, The Netherlands. The telephone number of the registered office is +31 (0)20 757 5000.

## Summary of Terms of the Offering and Private Placement

<b>Issuer</b> .....	TomTom N.V.
<b>Number of Ordinary Shares outstanding as of the Publication</b>	
<b>Date</b> .....	124,819,979
<b>Number of Ordinary Shares to be issued in the Private Placement</b> ...	
11,603,031	
<b>Number of Offer Shares to be issued</b> .....	
85,264,381	
<b>Number of Ordinary Shares outstanding after the issue of the Ordinary Shares to be issued in the Private Placement and the Offering</b> .....	
221,687,391	
<b>Use of Proceeds</b> .....	Under the Facility Agreement and the Amendment Letter, we are obliged to apply the net cash proceeds of the Offering and Private Placement towards reducing our level of total debt, which is in line with our strategy to strengthen our capital structure and position us for growth in the medium to long term. The continuing effectiveness of the amendments to the Facility Agreement is conditional on net cash proceeds of the Offering (or any other equity issuance) of at least €350 million being received on or before 30 September 2009.
<b>Private Placement</b> .....	The issue of an aggregate of 11,603,031 Ordinary Shares to Cyrte, Janivo and Alain De Taeye for an aggregate consideration of €71.05 million.
<b>Offering</b> .....	The Offering, initially through the Rights Offering and subsequently through the Rump Offering (if any), comprises 85,264,381 new Ordinary Shares, which are being offered as described in this Prospectus on the basis of 5 new Ordinary Shares for every 8 existing Ordinary Shares.
<b>Offer Price</b> .....	€4.21 per Offer Share.
<b>Ranking and Dividends</b> .....	The Offer Shares will, upon issue, rank equally in all respects with our currently outstanding Ordinary Shares and will be eligible for any future dividends. We do not, however, anticipate paying any dividends for the foreseeable future. See “Dividends and Dividend Policy”.
<b>Pre-emptive Rights</b> .....	The statutory pre-emptive rights ( <i>wettelijke voorkeursrechten</i> ) of Shareholders have been excluded with respect to the Offering and the Private Placement.
<b>SETs</b> .....	Subject to applicable securities laws, Shareholders are being granted one SET for every Ordinary Share held by them immediately after the close of trading on Euronext Amsterdam on the Record Date. Every 8 SETs will entitle an Eligible Person (whether a Shareholder on the Record Date or a subsequent transferee of SETs) to subscribe for 5 Offer Shares, subject to applicable securities laws. SETs can only be exercised in multiples of 8. No fractions of Ordinary Shares will be issued.  Holders of SETs (whether a Shareholder on the Record Date or a subsequent transferee of SETs) who are not Eligible Persons (each, an “Ineligible Person”) shall not be issued, offered or sold Offer Shares. Subject to certain exceptions, SETs that are credited to the

securities account of an Ineligible Person shall not constitute an offer of Offer Shares to such person.

A financial institution may not acknowledge the receipt of any SETs, and we reserve the right to treat as invalid any subscription or purported subscription, which appears to us or our agents to have been executed, effected or dispatched from any jurisdiction outside the Netherlands, including the United States, Canada, Australia or Japan, unless we are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. See “The Offering” and “Selling and Transfer Restrictions”.

**Exercise Period** ..... Subject to applicable security laws, an Eligible Person holding SETs may subscribe for Offer Shares by exercising SETs during the period commencing at 09:00 (CET) on 3 July 2009 and ending on 13 July 2009 at 15:00 (CET). The last date and/or time before which notification of exercise instructions may be validly given may be earlier, depending on the financial institution through which the SETs are held.

Once an Eligible Person holding SETs has exercised his SETs, he may not revoke or modify that exercise, except as otherwise described in “The Offering—Rights Offering—Exercise Period”.

If you have not validly exercised your SETs by the end of the Exercise Period, you will no longer be able to exercise your SETs and your SETs will expire. At that time, any unexercised SETs will continue to be reflected in your securities account solely for the purpose of the distribution of any Excess Amount (as defined below). See “The Offering—Rump Offering—Excess Amount”.

**Method of exercise of SETs and payment of Offer Shares** ..... The financial institution through which a Shareholder holds its existing Ordinary Shares will customarily inform such Shareholder of the number of SETs to which it is entitled. If you are an Eligible Person holding SETs and you wish to exercise your SETs, you should instruct your financial intermediary in accordance with the instructions that you receive from it. Your financial intermediary will be responsible for collecting exercise instructions from you and for informing the Subscription Agent of your exercise instructions. You should contact your financial intermediary if you are a Shareholder entitled to receive SETs but have not received any information with respect to the Rights Offering. Subject to applicable securities laws, only Shareholders as of the Record Date are entitled to receive SETs.

You should pay the Offer Price for the Offer Shares that you subscribe for in accordance with the instructions you receive from the financial intermediary through which you exercise your SETs. The financial intermediary will pay the Offer Price to the Subscription Agent, who will in turn pay it to us, after deduction of applicable fees and expenses. Payment for the Offer Shares to the Subscription Agent must be made no later than the Closing Date, which is expected to be 17 July 2009. If you hold your SETs through a financial intermediary, such financial intermediary may require payment by you to be provided to it prior to the Closing Date.

**Rump Offering** ..... After the Exercise Period has ended, the Rump Shares will be offered for sale by the Banks by way of private placements with institutional and professional investors in the Netherlands and

certain other jurisdictions at a price at least equal to the Offer Price and any expenses related to procuring such subscribers (including any value added tax). The Rump Offering will be subject to the terms and conditions of the Underwriting Agreement and the Pricing Agreement. References herein to the Offer Shares include the Rump Shares. The Rump Offering, if any, is expected to commence on 14 July 2009 and to end no later than 17:30 (CET) on 14 July 2009.

The Banks shall, subject to the satisfaction of conditions contained in, and on the terms of, the Underwriting Agreement, procure subscribers for or themselves subscribe for any Offer Shares (less any Founder Committed Shares and the Ordinary Shares issued in the Private Placement or issuable upon exercise of the SETs granted to Janivo, Cyrte and Alain De Taeye which they have committed to exercise) not subscribed and paid for through the exercise of SETs in the Offering or sold in the Rump Offering. See “The Offering—Plan of Distribution”.

**Excess Amount** ..... Upon the completion of the Rump Offering, if the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, after deduction of selling expenses related to procuring such subscribers (including any value added tax) exceed the aggregate Offer Price for such Rump Shares (such amount, the “Excess Amount”), this Excess Amount will be paid in the following manner:

Each holder of a SET that was not exercised at the end of the Exercise Period will be entitled to receive a part of the Excess Amount in cash proportional to the number of unexercised SETs reflected in such holder’s securities account, but only if that amount exceeds €0.01 per unexercised SET.

If we have announced that an Excess Amount is available for distribution to holders of unexercised SETs and you have not received payment thereof within a reasonable time following the closing of the Rump Offering, you should contact the financial intermediary through which you hold unexercised SETs.

We cannot guarantee that the Rump Offering will be successfully completed. Should the Rump Offering take place, neither we, the Banks, the Subscription Agent, the Listing Agent, nor any purchaser of Rump Shares will be responsible for any lack of Excess Amount arising from any placement of the Rump Shares in the Rump Offering.

**Allotment of the Offer Shares** ..... Allotment of the Offer Shares is expected to take place on 14 July 2009.

**Issue of Ordinary Shares in the Private Placement** ..... Issue of the Ordinary Shares in the Private Placement is expected to take place on 2 July 2009.

**Closing Date** ..... Payment for and delivery of the Offer Shares is expected to take place on 17 July 2009 and delivery will take place through the book entry systems of Euroclear Nederland, Euroclear and Clearstream.

**Listing and Trading** ..... Ordinary Shares are traded on Euronext Amsterdam under the symbol “TOM2”. Application has been made to admit the SETs to trading and the Ordinary Shares to be issued in the Offering and Private Placement to listing and trading on Euronext Amsterdam.

Barring unforeseen circumstances, we expect trading of the SETs on Euronext Amsterdam to commence at 09:00 (CET) on 3 July 2009 and continue until 13:00 (CET) on 13 July 2009. The SETs will be admitted to trading under the symbol “TOM2S”. The transfer of SETs will take place through the book-entry systems of Euroclear Nederland, Euroclear and Clearstream Luxembourg.

If you are a holder of SETs and want to sell some or all of your SETs, you should instruct your financial intermediary to do so in accordance with the instructions received from such intermediary. You may also instruct your financial intermediary to purchase SETs on your behalf.

Persons interested in selling or purchasing SETs should be aware that the sale, purchase or exercise of SETs by persons who are located in countries other than the Netherlands are subject to restrictions as described in “Selling and Transfer Restrictions”.

We expect that the Offer Shares will be listed, and that trading in the Offer Shares on Euronext Amsterdam will commence on 17 July 2009.

We expect that the Ordinary Shares in the Private Placement will be listed, and that trading in such Ordinary Shares on Euronext Amsterdam will commence, on 2 July 2009.

**Conditions to the Offering . . . . .** The closing of the Offering is conditional upon the fulfilment of a number of conditions precedent. See “Plan of Distribution—Conditions to the Offering”. If any of these conditions are not met or are not waived by the Banks or if certain circumstances occur prior to payment for and delivery of the Offer Shares, the Banks may terminate the Underwriting Agreement.

In such event, the Offering will be withdrawn, the obligations of the Banks to procure subscribers for or themselves subscribe and pay for any Offer Shares will lapse and both the exercised and unexercised SETs will be forfeited without compensation to their holders and the Offer Shares will not be offered or allocated. Any subscription payments received by us will be returned without interest. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs, but non-settled trades will be deemed null and void. There will be no refund in respect of any SETs purchased in the market.

All dealings in SETs prior to the closing of the Offering are at sole risk of the parties concerned. Euronext Amsterdam N.V., we, the Banks, the Subscription Agent and the Listing Agent do not accept any responsibility or liability to any person as result of the withdrawal of the Offering or (the related) annulment of any transactions in SETs on Euronext Amsterdam.

**Voting Rights . . . . .** An Ordinary Share entitles its holder to cast one vote at each general meeting of shareholders. See “Description of Share Capital and Corporate Governance”.

**Ordinary Share trading information** ISIN: NL0000387058  
Common Code: 021984272  
Euronext Amsterdam symbol: “TOM2”

<b>SET trading information</b> .....	ISIN: NL0009198969 Common Code: 043699946 Euronext Amsterdam symbol: "TOM2S"
<b>Banks</b> .....	ABN, Deutsche Bank, Goldman Sachs, ING and Rabo Securities.
<b>Subscription Agent</b> .....	ABN
<b>Listing Agent for the Offer Shares</b> ..	ABN
<b>Selling and Transfer Restrictions</b> ..	We are not taking any action to permit a public offering of the SETs or the Offer Shares in any jurisdiction outside the Netherlands. The SETs and the Offer Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, issued, sold, pledged, taken up, delivered, renounced, or transferred in or into the United States, except in certain transactions that are exempt from registration under the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. See "Selling and Transfer Restrictions".
<b>Lock-up</b> .....	In connection with the Offering, we have agreed to certain restrictions on the direct or indirect issue, offer, lease, sale, grant of rights, warrants or options in respect of, or other disposition of any Ordinary Shares or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares during a period from the date of the Underwriting Agreement to 180 days from the Closing Date (subject to certain customary exceptions), except with the prior written consent of the Banks. In addition, Cyrte, Janivo (subject to certain customary exceptions) and Alain De Taeye have agreed not to sell or otherwise dispose of the Ordinary Shares acquired by them in the Private Placement and the subsequent Rights Offering within 180 days from the date of completion of the Private Placement.

## Summary Consolidated Financial Data

The tables below set forth our summary consolidated financial data as at the dates and for the periods indicated. The summary consolidated financial data should be read in conjunction with the remainder of this Prospectus including (i) our audited consolidated financial statements as at and for the year ended 31 December 2008 and the related notes, our audited consolidated financial statements as at and for the year ended 31 December 2007 and the related notes, our audited consolidated financial statements as at and for the year ended 31 December 2006 and the related notes, and our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009 and 31 March 2008, in each case incorporated by reference into this Prospectus, (ii) the “Selected Consolidated Financial Data” in this Prospectus, (iii) the “Unaudited Pro Forma Consolidated Financial Information” in this Prospectus, and (iv) the “Operating and Financial Review” in this Prospectus.

Our audited consolidated financial statements as at and for the years ended 31 December 2008, 2007 and 2006 incorporated by reference herein have been prepared in accordance with IFRS and have been audited by Deloitte Accountants B.V., independent auditors. The summary consolidated financial data set forth below is extracted without material adjustment from our audited consolidated financial statements as at and for the years ended 31 December 2008, 2007 and 2006 and our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2008 and 2009 incorporated by reference herein. The summary consolidated financial data set forth below may not contain all of the information that is important to prospective investors.

(€ in millions)	Year ended 31 December			Three months ended 31 March	Three months ended 31 March
	Audited			Unaudited	
	2006	2007	2008 <sup>(1)</sup>	Q1 2008	Q1 2009 <sup>(1)</sup>
Revenue . . . . .	1,364	1,737	1,674	264	213
Cost of sales. . . . .	785	973	893	168	106
<b>Gross result.</b> . . . . .	<b>579</b>	<b>764</b>	<b>781</b>	<b>96</b>	<b>107</b>
<b>Operating expenses</b>					
Amortisation of technology and databases . . . . .	12	16	48	6	17
Research & development expenses . . . . .	24	44	123	19	37
Marketing expenses . . . . .	101	137	143	20	17
Selling, general and administrative expenses. . . . .	80	108	215	37	52
Impairment charge. . . . .	0	0	1,048	0	0
Stock compensation. . . . .	21	31	6	6	0
<b>Total operating expenses.</b> . . . . .	<b>238</b>	<b>336</b>	<b>1,581</b>	<b>87</b>	<b>123</b>
<b>Operating result.</b> . . . . .	<b>340</b>	<b>428</b>	<b>-801</b>	<b>9</b>	<b>-16</b>
Interest result . . . . .	8	19	-52	4	-17
Other financial result . . . . .	-32	-16	72	11	-16
Result associates . . . . .	0	1	-13	-5	0
<b>Result before tax</b> . . . . .	<b>316</b>	<b>431</b>	<b>-794</b>	<b>19</b>	<b>-50</b>
Income tax . . . . .	93	114	78	11	-13
<b>Net result</b> . . . . .	<b>222</b>	<b>317</b>	<b>-872</b>	<b>7</b>	<b>-37</b>



(€ in millions)	Year ended 31 December			Three months ended	Three months ended
	Audited			31 March	31 March
	2006	2007	2008 <sup>(1)</sup>	Unaudited Q1 2008	Unaudited Q1 2009 <sup>(1)</sup>
Minorities . . . . .	0	0	1	0	0
<b>Net result attributable to the group . .</b>	<b>222</b>	<b>317</b>	<b>-873</b>	<b>7</b>	<b>-37</b>
<b>Average number of shares outstanding</b>					
Basic (in 000s) . . . . .	110,280	113,759	122,467	121,799	123,316
<b>Diluted (in 000s) . . . . .</b>	<b>117,156</b>	<b>119,236</b>	<b>123,465</b>	<b>125,870</b>	<b>124,599</b>
Earnings Per Share, basic (in €) . . . . .	2.01	2.79	-7.13	0.06	-0.30
<b>Earnings Per Share, diluted (in €) . . .</b>	<b>1.90</b>	<b>2.66</b>	<b>-7.13</b>	<b>0.06</b>	<b>-0.30</b>
<b>EBITDA<sup>(2)</sup> – As reconciled to operating result:</b>					
Operating result . . . . .	340	428	-801	9	-16
Add back:					
Impairment charge . . . . .	0	0	1,048	0	0
Amortisation and depreciation . . . . .	18	23	73	8	26
<b>EBITDA . . . . .</b>	<b>358</b>	<b>451</b>	<b>320</b>	<b>16</b>	<b>10</b>
<b>Selected balance sheet data:</b>					
Cash . . . . .	438	463	321	476	270
Current assets (excluding cash) . . . . .	406	591	488	374	286
Current liabilities . . . . .	341	575	722	351	512
Share holders' equity . . . . .	551	1,352	513	1,363	481
<b>Selected cash flow data:</b>					
Cash generated from operations . . . . .	392	535	463	52	13
Cash used in investing activities . . . . .	-29	-867	-1,903	-8	-32
Cash from financing activities . . . . .	1	453	1,408	0	0

(1) Due to the acquisition of Tele Atlas in June 2008, our audited results for the year ended 31 December 2008 and our unaudited results for the three months ended 31 March 2009 are not directly comparable with the corresponding prior periods.

(2) We define EBITDA as operating result excluding amortisation, depreciation and impairment charges. EBITDA is presented because we believe it is a measure frequently used by security analysts, investors and other interested parties in evaluating companies in our industry and because we monitor a form of EBITDA for compliance with our debt covenants. For the purposes of the interest coverage ratio under our Facility Agreement, we calculate EBITDA on a different basis than we do for purposes of presentation in this Prospectus. EBITDA for purposes of our Facility Agreement adds back any restructuring expenses which we may have incurred in the period for which the covenant is being tested. See "Operating and Financial Review—Liquidity and Capital Resources—Borrowings". EBITDA is not a measure of financial performance under IFRS, should not be considered an alternative to cash flow from operating activities or operating profit, and may not be comparable to similarly titled measures of other companies, because EBITDA is not uniformly defined and other companies may calculate it in a different manner than we do. EBITDA is not an audited measure and is calculated using financial information extracted from the financial statements incorporated by reference to this Prospectus.

## RISK FACTORS

*Before investing in the Offer Shares or trading in the SETs, prospective investors should consider carefully the following risks and uncertainties in addition to the other information presented in this Prospectus. If any of the following risks actually occurs, our business, results of operations, financial condition or prospects could be materially adversely affected. In that event, the value of the SETs or the Offer Shares could decline, and you may lose part or all of your investment. The risks and uncertainties described below are those that we believe are material, but these risks and uncertainties are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have a material adverse effect on our business, results of operations, financial condition or prospects and could negatively affect the price of the SETs or the Offer Shares.*

*Prospective investors should carefully review the entire Prospectus and should reach their own views and decisions on the merits and risks of investing in the Offer Shares or trading in the SETs in light of their own personal circumstances. Furthermore, investors should consult their financial, legal and tax advisors to carefully review the risks associated with an investment in the Offer Shares or trading in the SETs.*

### **Risks Relating to Our Business and Industry**

***Our operating and financial flexibility is restricted by the level of indebtedness and financial covenants, which could materially adversely affect our business, financial position or ability to pay dividends; we risk becoming insolvent or otherwise ceasing our operations if we breach our covenants.***

We agreed amendments to the terms of the Facility Agreement in June 2009 and as a result of these amendments, our financial covenants require us to (a) maintain a ratio of the last twelve months' ("LTM") EBITDA to LTM interest expense no lower than 4.5x at 31 December 2009 and 30 June 2010 and 5.0x thereafter and (b) ensure that the ratio of our total consolidated net debt to LTM EBITDA is no greater than 3.5x at 31 December 2009 and 30 June 2010, is no greater than 3.0x at 31 December 2010, is no greater than 2.5x at 30 June 2011 and no greater than 2.0x thereafter. Notwithstanding this renegotiation, we remain a highly leveraged company, and without receiving the proceeds of the Offering and Private Placement and the consequential continued effectiveness of the Amendment Letter, scenarios can be envisaged where we could expect to breach the conditions of our existing Facility Agreement within the next 12 months. A breach of either our debt covenants or other terms of the amended Facility Agreement may result in our outstanding borrowings becoming repayable immediately. The continuing effectiveness of the amendments to the Facility Agreement, including the above amended covenant levels, is conditional on net cash proceeds of the Offering (or any other equity issuance) of at least €350 million being received on or before 30 September 2009. Under the Facility Agreement and the Amendment Letter, we are obliged to apply the net cash proceeds of the Offering and Private Placement towards reducing our level of total debt. If the amendments cease to be effective then we will be subject to the previous more onerous financial covenants that would require us to maintain a more restrictive ratio of LTM EBITDA to LTM interest expense and total consolidated net debt to LTM EBITDA, which we could be in breach of, retrospectively, as at 30 June 2009 or any test date thereafter. In addition, if we breach our debt covenants, and are unable to obtain a waiver in respect of such breach or find alternative financing to fund repayment of debt due in the event of an acceleration of maturity, we risk becoming insolvent or otherwise ceasing our operations.

Our existing high level of indebtedness and the covenants which currently apply to us may have important consequences, including:

- causing us to implement further cost cutting and restructuring measures which require us to reprioritise the uses to which our capital is put to the potential detriment of our business needs, which, depending on the level of our borrowings, prevailing interest rates and exchange rate fluctuations, could result in reduced funds being available for the operation of our business, including marketing activities, capital expenditures, acquisitions, dividend payments and other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in technology, customer demand and competitive pressures in the industries in which we operate;
- making it necessary to dispose of core operations at unattractive prices to raise additional cash proceeds to service or reduce debt;
- requiring us to reduce inventory to the point where we are unable to meet customer demand, thus harming our relationships with distributors and retailers and diminishing our brand;

- our suppliers requiring us to pay them in advance, thus negatively impacting our cash flow from operations;
- placing us at a competitive disadvantage compared to our competitors who may be less leveraged and restricted by financial covenants than we are;
- increasing our vulnerability to both general and industry-specific adverse economic conditions;
- increasing the cost of servicing our borrowings in the event such covenants are renegotiated in the future;
- requiring us to seek additional or renegotiated debt financing, if available, beyond our June 2009 renegotiation of the Facility Agreement, which may impose additional restrictions, such as higher interest rates, increased security over our assets, or other restrictions on our financing or operating activities; and
- in the case of breach of the Facility Agreement and our failure to renegotiate it or find alternative financing, becoming insolvent or otherwise ceasing our operations.

The above factors could limit our financial and operational flexibility and this could have a material adverse effect on our business, results of operations or financial condition.

In addition, we are subject to annual repayment requirements under our amended Facility Agreement. Our ability to generate sufficient cash flow to make scheduled payments on our indebtedness, and our ability to refinance our indebtedness when due, will depend on our future financial performance, which will be affected by a range of economic, competitive and business factors, many of which are outside our control. See “The global economic downturn and dislocation in the financial markets may expose us to liquidity risk in the longer term”.

For details of our debt financing arrangements, see “Operating and Financial Review—Liquidity and Capital Resources”.

***The global economic downturn and dislocation in the financial markets may expose us to liquidity risk in the longer term.***

The rapid global economic downturn and serious dislocation of financial markets around the world have caused a number of the world’s largest financial and other institutions significant operational and financial difficulties, and also have caused some lenders to take advantage of opportunities to negotiate a reduction in their exposures. Given the significant deterioration in the credit markets, there can be no assurance that over the longer term we will be able to refinance our existing debt as it becomes due between 2009 and 2012 or obtain additional debt financing on commercially acceptable terms or to access our current debt facilities. Moreover, if general economic conditions or other factors lead our lenders to perceive an increased relative risk of default, such lenders may seek to hedge against such risk in a manner which could have a negative impact on our share price and restrict our ability to obtain further financing in the capital markets.

We regularly monitor actual and forecasted future cash flow requirements to ensure we have sufficient cash available on demand to meet expected operational expenses, including the servicing of financial obligations.

If the amendments to our Facility Agreement do not remain effective, the free cash flows we have forecasted for 2009 and 2010 could be insufficient to meet our cash requirements for interest payments and the redemption of our facilities. Furthermore, the amendments to our Facility Agreement have also brought forward payments under our facilities. In addition, the potential impact of unforeseeable circumstances, such as a further significant deterioration of economic conditions, natural disasters or the insolvency of large customers or suppliers, cannot be effectively factored into these calculations. Any inability to maintain sufficient cash flow to fund operations could result in us having to draw down on our revolving credit facility thus increasing our indebtedness further and putting additional pressure on covenant compliance under our Facility Agreement and could seriously disrupt our business operations, reputation and ability to raise further capital and financing.

Continuing global economic turmoil could inhibit our ability to meet our financial obligations when they fall due. Actions by counterparties who fail to fulfil their obligations to us as well as our inability to access new funding may impact our cash flow and liquidity, which could have a material adverse effect on our business, results of operations and financial condition. For a further discussion of our Facility

Agreement, including our amended financial covenants, the maturity of our existing credit facilities and our cash flow from our operations, see “Operating and Financial Review—Liquidity and Capital Resources”.

***We are likely to continue to be negatively affected by the impact that the recent rapid economic downturn has had, and may continue to have, on consumer spending; this combined with the seasonality of our business limits visibility on our results of operations.***

We are significantly exposed to factors that affect the retail environment generally. Retail sales, particularly of discretionary electronic goods such as our PNDs, are affected by, among other things, general economic conditions and the resulting level of consumer spending, levels of consumer confidence and employment, the availability of consumer credit, the solvency of retailers, the level of gross consumer indebtedness, gross domestic product growth, interest rates and overall savings rates. Furthermore, our revenues are subject to seasonal fluctuations. We generally expect our revenues to be higher in the second and fourth quarters of each year due to higher travel and holiday spending, respectively. We have limited visibility as to the results of each quarter because our revenues are back-ended. Our visibility is limited even further when there has been a decline in discretionary consumer spending as a result of deteriorating economic conditions. The significant decline in consumer confidence and discretionary consumer spending in Europe and North America that has characterised the market from the last quarter of 2008 to the present has had, and is likely to continue to have a material adverse effect on our financial performance. Total revenues excluding Tele Atlas were €1,553 million in 2008, an 11% decline from our total revenues of €1,737 million in 2007. In addition, due to the rapidly weakening economic environment, we impaired the goodwill from the Tele Atlas acquisition in an amount of €1,048 million in the year ended 31 December 2008. We expect that consumer confidence, and subsequent discretionary consumer spending, will remain at a low level for the foreseeable future, and could decline further. If there is a longer and deeper recession than we currently forecast, this could significantly impact our revenue, profitability and cash position in 2009 and 2010. A continued low level, or further decline in, consumer confidence and discretionary spending would also have a material adverse effect on our business, results of operations and financial condition.

***We are dependent on cyclical trends in the consumer electronics and automotive industries, which are themselves significantly dependent on global economic conditions.***

We have a particular exposure to cyclical trends in the consumer electronics and automotive industries. Our revenue has been significantly affected by a decline in discretionary spending in the consumer electronic industry which has resulted in a general decrease in carrying stock levels by retailers. For the first quarter of 2009, for example, the number of our PNDs sold declined by 29% from the first quarter of 2008. Unless and until consumer spending grows, our operating results will remain under pressure as consumer sentiment is further negatively affected by the downturn in global macroeconomic conditions. See the risk factor “We are likely to continue to be negatively affected by the impact that the recent economic downturn has had, and may continue to have, on consumer spending; this combined with the seasonality of our business limits visibility on our results of operations” above.

We are also dependent on the automotive industry for sales of digital maps and dynamic content by our Tele Atlas business unit to car manufacturers and suppliers and, increasingly, for sales of embedded navigation systems and services by our AUTO business unit to large global car manufacturers, such as Renault. As a result of the recent financial crisis, motor vehicle manufacturers have experienced a very challenging demand environment for vehicle production and sales, and have experienced large cutbacks in their order books and, in some cases, are threatened with or have entered into insolvency. A continued significant decline in the sale of new vehicles manufactured by these manufacturers, or the loss or deterioration of our relationships with one or more of these manufacturers could result in decreased sales of digital maps by Tele Atlas, or failure of our strategy to grow our AUTO business unit.

The outlook for the industries in which we operate, particularly the automotive industry, depends to some extent on the nature and extent of government initiatives to counteract the macroeconomic downturn and stimulate economic activity. To the extent such initiatives may not involve investment in such industries, or other initiatives that would create demand for our products and services, or to the extent such initiatives do not prove successful, our business may continue to exhibit detrimental effects of the macroeconomic downturn. To the extent recovery from these distressed economic conditions does not materialise or otherwise takes place over an extended period of time, our business, results of operations or financial condition will continue to be materially adversely affected. Because of these factors, there may be significant

fluctuations in our operating results, and the results for any period may not be indicative of results for any future period.

***Our restructuring and cash management initiatives in response to the recent economic downturn may prove unsuccessful or harmful to our future operations and results, or may not be implemented on time or at all, any of which could lead us to need to take further initiatives and could have a materially adverse effect on our financial condition or results of operations.***

In response to the rapid deterioration of the markets in which we operate, we have engaged in a programme of restructuring with the aim of preserving cash and reducing costs of the business. As part of this restructuring, in the first quarter of 2009, we effected a headcount reduction of our FTEs and have planned further reductions in operating costs in 2009. In addition, we have reduced discretionary expenditure, materially decreased marketing spending to reflect current revenue expectations, tightening inventory and identified cost synergies to be gained by merging offices and departments. These measures are important to our remaining comfortable with our performance at the EBIT level in view of the pressure on our revenues.

Our expectations of the financial benefits of this restructuring are based upon certain assumptions and variables regarding, among other things, future market conditions, changes in exchange rates and interest rates, and our trading performance. There can be no assurance that such assumptions will prove correct, or that the expected annualised savings will materialise as a result of such restructurings or will be sufficient to meet our needs. It has proven particularly difficult to anticipate the pace of economic deterioration in the consumer electronics and automotive industries. Certain aspects of the restructuring, in particular those affecting investments such as reduction in planned capital expenditures, and consequential effects such as the delay of certain business improvement initiatives in order to reduce cash outflow, may prove detrimental and make us less competitive in the future and unable to grow in line with our strategy. Even if the restructuring is implemented on time and as planned, there is a risk that the measures taken are not adequate to preserve our cash, reduce our costs, and support our business to the extent required to withstand the economic downturn.

***Our compliance with financial covenants and the results of our operations could be adversely affected by material fluctuations in currency exchange rates.***

The cost of manufacturing our PNDs is denominated in US dollars, while our operating expenses are generally denominated in euros. Fluctuations in currency exchange rates, particularly of these currencies, can affect the extent to which we are in compliance with the financial covenants of our existing credit facilities, in particular the covenant requiring that our net debt does not exceed a certain multiple of LTM EBITDA.

Fluctuations in the value of the US dollar and, to a lesser extent, the pound sterling, to the euro have had, and may continue to have, a significant affect on our results of operations and financial condition. A strengthening of the US dollar against the euro, for instance, has the effect of increasing our cost of sales in euro terms.

***Deteriorating markets could result in the further impairment of goodwill and other acquired intangibles, which may adversely affect our financial condition or results of operations.***

Under IFRS, goodwill and intangible assets without a definite lifespan are not amortised but are subject to annual impairment tests or more frequent tests if there are indications of impairment. Other intangible assets deemed separable from goodwill arising from acquisitions are amortised.

Shortly after the acquisition of Tele Atlas was completed, in the face of a rapidly weakening global economic climate, the Group's management significantly revised its expectations for future revenue for its navigation products and services. Following this revision, the Group's annual impairment review resulted in the recognition that the initial valuation of Tele Atlas could no longer be maintained, and therefore the Group took an impairment charge of €1,048 million in the year ended 31 December 2008 leaving us with approximately €855 million worth of goodwill.

To the extent the current economic downturn worsens or the economic environment in which we operate does not recover, we may need to record additional impairment charges relating to our businesses, and such charges, whilst not directly affecting our cash flows, could have a material adverse effect on our business, results of operations or financial condition.

***Suppliers may not continue to supply products to us on commercially acceptable terms, or at all.***

Our ability to distribute, supply and assemble products for our customers depends on our ability to procure the products and product components from suppliers. For certain components, we rely on a single supplier and our business is substantially dependent on two ODMs. We may experience product shortages as a result of unexpected demand or, production difficulties or financial distress of a key ODM or sole supplier, and any of these shortages may take time to rectify, particularly if a replacement supplier needs to be located. We seek to control costs in challenging economic conditions by keeping low levels of inventory, which can negatively affect our revenues should there be unexpected increases in demand which we cannot fulfil. If we are unable to obtain sufficient products and/or product components from manufacturers and suppliers, at all or on commercially acceptable terms, our business would likely be materially adversely affected. Also due to the economic downturn, there is a risk that suppliers will offer us less favourable terms, including with respect to volume rebates, and that the number of available suppliers in the industry may be also reduced due to operational difficulties or insolvencies, which could thereby limit our ability to obtain or negotiate favourable terms with suppliers. Furthermore, our existing suppliers may decide to supply products to our competitors or directly to end users that are our existing or potential customers, which would have a detrimental effect on our ability to keep and procure customers, and maintain and win business, thereby having a material adverse effect on our business, results of operations or financial condition.

***We operate in a highly dynamic and competitive industry, which features substantial pricing pressure. If we are unable to compete effectively with our existing or any new competitors, our business, results of operations or financial condition could be materially adversely affected.***

The market for satellite navigation products in each of the geographic markets in which we operate is highly dynamic and competitive, and subject to substantial pressure on the ASP of PNDs. We expect competition to increase as new companies target this market in response to the perceived potential for growth in this market. Many of the current and potential future competitors for our products are large, well-known companies with greater financial, technical and human resources than our own and with stronger brand names. Companies with more resources and larger research and development expenditures also have a greater ability to fund product research and development and capitalise on potential market opportunities and greater distribution capability.

Our products will likely also face competition in key markets from low-priced GPS-based personal navigation products offered by our existing competitors or potential new market entrants, some of whom use low-cost third-party manufacturers in Asia and elsewhere to produce their products. Our competitors may also enter markets where we do not yet have a significant presence. In addition, it is an assumption of our strategy that the increased use of mobile phones for personal navigation products will increase market penetration for navigation solutions. However, the shift from fit for purpose devices, such as our PNDs, towards alternative navigation solutions on mobile phones would negatively affect our market share and/or profitability.

We see the automotive industry as an integral part of our long term business strategy and are focusing on collaborating with vehicle manufacturers to produce embedded in-dash navigation devices. However, vehicle manufacturers, dealers, garages, car services stations and professional installers currently market and install navigation products produced by other third-parties. We expect the proportion of vehicles with factory-installed or dealer-fitted navigation systems to increase in the future, and this may significantly reduce demand for personal navigation products such as our own. In particular, if vehicle manufacturers are able to develop or acquire new navigation technology while reducing costs, lowering prices, decreasing time-to-market for new satellite navigation products or entering into significant relationships with our competitors, we could face significantly increased competition for our products.

All of our products also face competition from navigation products that use “off-board” technology, a competing technology which makes use of navigation data stored on a network and can consequently be used by mobile phones with installed java capability or web browsers. Certain of our competitors offer off-board personal navigation products to consumers. We could face additional competition for all our products from this technology, especially if the cost of data transmission over mobile networks declines significantly.

We need to continually innovate in order to develop the best content and hardware in the personal navigation industry so as to avoid competing solely on the basis of price which would be detrimental to our business due to continuously declining ASPs. This necessity, as well as evolving technological conditions, require us to continuously modify our products and develop new products to remain competitive, attract new

customers and maintain our time-to-market advantage and market reputation. We also must continue to assess the projected development of the market for navigation technologies and to accordingly develop and manufacture our product offerings as our markets are characterised by rapid technological change, which could render our products obsolete and could cause us to make substantial expenditures to replace our products. There is no assurance that we will have the financial or other resources required to successfully modify our existing products or produce new products in a timely manner, or that any products we do introduce will gain market acceptance.

In addition, the digital map market is changing with regard to the availability of map information and the technologies used for the creation and maintenance of map databases. The information required to create digital map databases is now more readily available through public sources and technological developments allow for methods of data collection that enable existing competitors or potential entrants to enter the market faster with reasonably reliable map databases.

Our directors believe that demand for digital maps is expected to grow significantly in the next decade and that therefore our Tele Atlas business unit will most likely face more competition from both existing competitors as well as potential new entrants to the market, potentially decreasing its market share. This competitive environment requires continuous investment in new technology for creating and updating map databases.

***We rely on the sale of PNDs for the substantial majority of our revenues.***

At present, the substantial majority of our revenue is derived from a single type of product, PNDs. In the twelve months ended 31 December 2008, we derived 84% of our consolidated revenue from PNDs, and in the first quarter of 2009 we derived 66% of our consolidated revenue from PNDs. We have continually sought to introduce updated and innovative PND products to the marketplace and we must continue to do so in the future in order to remain competitive in an industry characterised by strong competition and frequent technological advances. The successful introduction of new PND products requires, among other things, careful management of existing stock levels and understanding of consumer demand trends. If such new product implementations do not achieve required levels of market acceptance, if the speed of development and time-to-market of these products compares unfavourably with directly competing products, or if we fail to effectively manage our inventory and stock levels, our sales of PNDs would suffer, and we would experience a material adverse effect on our business, results of operations or financial condition. There is also a risk that mobile phones will increasingly be used for personal navigation rather than our PNDs.

***We continually introduce a significant number of new and upgraded products and services and there can be no assurance that we will effectively manage product transitions or that such products or services will be successful.***

We continually introduce a significant number of new and upgraded products and services, including products and services outside our PND range, and we must continue to do so in the future in order to remain competitive in an industry characterised by frequent technological advances.

The transition to new products requires careful management of existing stock levels and the introduction of new products and services significantly increases working capital requirements. Our success depends on a number of factors, including our ability to develop and commercialise new and upgraded products and services, the timing of their release, the quality and availability of our content, our product mix relative to that of our competitors, and our ability to meet changing consumer preferences and cultivate market demand and acceptance.

We may fail to effectively manage the introduction of these new and upgraded products and services, including as a result of ineffective or incomplete marketing efforts, while concurrently phasing our older products out of production. If there is significant delay in the availability and shipment of our new and upgraded products, we could face unfulfilled consumer demand and the resulting loss of revenues, as well as damage to our reputation and our relationships with distributors and retailers.

Any of the above factors could cause our business, results of operations or financial condition to be materially adversely affected.

***The ASP of a given product tends to decline over the life of the product or in the face of competition.***

The ASPs of our products are primarily affected by the decrease of component costs, competition we face in various markets, our pricing compared to alternative products, our ability to provide enhanced

services, levels of discretionary consumer spending, and the strength of our brand in terms of innovation, quality and user-friendliness. The ASPs of our products declined on average from €270 in 2006 to €118 in 2008. We expect the prices we charge for our products to decrease over time, as component prices are expected to decline further, as supply and range of personal navigation products increase, as levels of discretionary consumer spending remain low, and market competition intensifies. In particular, due to intense price competition in the United States, we have experienced, and will continue to experience, decreases in ASP for our products in this market. Our strategy of growing our market share in United States may fail to contribute gross profit if we are unable to slow the decline in ASPs, or improve unit sales volume sufficiently to offset, in whole or in part, such decline to ASPs. In addition, our ASPs decrease due to the implementation of planned price reductions ahead of the introduction of new products, promotions to clear channel inventory, geographical shifts in product mixes and rebates that we are obligated to provide to certain of our distributors when ASPs or their margins decrease by a certain amount. In addition, factors beyond our control, such as a key competitor further dropping the price of its products significantly, could lead to further erosion of our ASP. In addition, if we are unable to innovate and develop new products in a manner which keeps pace with technological change, we could be required to compete solely on price, which we do not believe is sustainable in our business.

The continuing decrease in the ASP of any of our products could cause a decline in our revenues, gross margins or results of operations that we may be unable to offset with cost reductions, increased volumes, upgrades or new product innovations.

***We have experienced rapid growth in revenues and unit sales in the past few years, and it is unlikely that such growth will resume at the same rate.***

Our revenues grew from €720 million in 2005, to €1,364 million in 2006, to €1,737 million in 2007 before declining slightly in 2008 to €1,674 million. Our revenue for the first quarter of 2009, excluding the contribution made by Tele Atlas, was €172 million, which is a decrease of 35% compared to €264 million revenue in the first quarter of 2008, due primarily to a decline in the number of PND units sold and decreases in ASPs. The future development and success of our business depends in large part on the future general level of demand for personal navigation products and, in particular, on demand for our products and services. The market for personal navigation products is still developing, and it is difficult to predict both the future growth of the market and the size of our future customer base. Consumer demand for personal navigation products generally, or for our products and services specifically, may decline or fail to grow in line with forecasts. In the present economic environment, we expect consumer demand for personal navigation products to remain low, and as a result we believe we are unlikely to achieve significant revenue growth for the foreseeable future or our PND revenues may diminish. If consumer demand for our products and services either does not grow or decreases further, if we lose market share in Europe, the United States or elsewhere for any reason or if our non-PND revenues do not increase as expected, our business, results of operations or financial condition would be materially adversely affected.

***We may be unable to manage risks associated with our international operations and with our potential future expansion into new international markets.***

TomTom branded navigation products are sold to consumers in over 30 countries around the world, and Tele Atlas map data covers 80 countries across six continents. We maintain corporate offices and staff in a number of countries including the Netherlands, the United States, Belgium, the United Kingdom, Taiwan and Germany. In addition, we rely on third party manufacturers and on other third-party suppliers located in these and other jurisdictions.

Accordingly, we face economic, regulatory, legal and political risks inherent in having relationships, operations and sales in other jurisdictions, including:

- logistical, management and operational challenges of operating across several jurisdictions having different business cultures, laws and languages;
- difficulty in sourcing products, across various jurisdictions, that meet the quality standards and specifications of the Group and changing local regulatory requirements;
- limited intellectual property protection in some countries;
- fluctuations in currency exchange rates, in particular between the US dollar and the pound sterling against the euro;



- unanticipated changes in laws or regulatory requirements, including tariffs or other barriers to trade, including export controls or other regulatory restrictions relating to sourcing and shipping of products across jurisdictions;
- general economic conditions, particularly as they impact consumer spending patterns;
- foreign tax consequences;
- potential for longer collection periods and for difficulty in collecting accounts receivable;
- enforcing contractual obligations;
- price controls;
- protectionist laws and business practices that favour local businesses in certain countries;
- potential for political, legal and economic instability, particularly in South Korea and China where our third-party manufacturers maintain operations;
- challenges caused by distance and linguistic and cultural differences; and
- war, acts of terrorism and other man-made or natural disasters.

Any of these or other factors could have an adverse effect on our sales or costs, on the market acceptance of our products or on our ability to compete in one or more jurisdictions, which could have a material adverse effect on our business, results of operations or financial condition. We expect to further develop our international operations, which could expose us to new or additional risks and uncertainties, including differing laws and business dynamics.

The growth of our digital map data revenues will depend in part on adding new geographic areas to our map database, which generally require significant expenditures in advance of revenues. We may in the future seek to expand our coverage in Eastern Europe, Africa, South America and Asia, which would heighten our exposure to the risks of expansion into new markets, as noted above. Expanding coverage for new territories is labour intensive, involves high fixed costs and requires us to compile data from governmental and other third party sources, and collect map data information in the field.

We also may not be able to process and make available to consumers enriched map data for a new geographic market in a timely or commercially feasible manner, in the native language or without substantial errors. Moreover, our ability to expand successfully depends in part on our establishing sufficient operational resources and infrastructure. Our sales and marketing efforts for personal navigation products in a new geographic market may fail to establish a viable distribution network, or our products may not gain market acceptance or brand recognition sufficient to offset the costs of geographic expansion. If we fail to properly manage these risks, we may incur higher expenses and lower revenues, and any geographic expansion we undertake could have a material adverse effect on our business, results of operations or financial condition.

***Our business depends on our ability to attract, integrate and retain key personnel.***

The success of our business depends upon attracting, integrating and retaining qualified personnel in senior management, IT, finance, sales, marketing, research and development, product management, supply chain management and other key areas. Our restructuring programme, which includes headcount reductions and a salary freeze, may also impair our ability to attract, integrate and retain qualified personnel. Competition for qualified personnel in these fields is intense, and there may be a limited number of persons with the requisite skills to serve in those positions. The loss of key members of management could have a material adverse effect on our business. If we are unable to retain or increase our pool of talented personnel to keep pace with our overall rate of growth, our business could suffer.

***Inaccurate demand forecasting could lead to missed market opportunities or unnecessary investment in working capital.***

Accurate forecasting of the market demand for our products, in particular PNDs, is important to our financial performance and to maintaining good customer relationships with distributors and retailers. In order to perform sales forecasting we monitor sell-out rates and expectations of future demand at our major distributors and retailers. To further improve the accuracy of forecasting, we develop local forecasts, based on regional information that is consolidated into our sales forecasting process.

If demand is over-forecast and we over-stock the distribution and retail channel, we are more susceptible to downward pricing pressure or rebates to our distributors and retailers, resulting in loss of revenues, as well as an increase in finished goods inventory and net working capital. If demand is under-forecast, resulting in a shortage of products in the distribution and retail channel, we could face unfulfilled consumer demand and resulting loss of revenues, as well as damage to our reputation and relationships with distributors and retailers. This risk is enhanced in times of economic downturn, such as at present, as we seek to keep inventory levels low.

We order component parts from our suppliers for delivery to our PND contract manufacturers up to six months in advance, and have a right to cancel such orders only up to a certain date. If we inaccurately forecast market demand, we may be liable to our suppliers for component parts which are not required and for which we will not benefit from revenues which offset our cost of sales for those parts.

***Our infrastructure systems could face serious disruptions which could adversely affect our business.***

Our information technology, telecommunications and other infrastructure, such as supply chain systems, our map database and our location server which provides traffic and other information to our customers, face the risk of failure or penetration and exploitation by outside parties, which could seriously disrupt our operations. In particular, our services which provide real time information such as HD Traffic are sensitive to service interruptions. A significant disruption to the availability of our systems, or the failure of those third party providers to whom we outsource certain infrastructure functions, could cause interruptions in our service to customers, loss of or delays in our research and development work and/or product shipments, access to our proprietary data or affect our distributor and consumer relationships.

We are also currently developing and implementing new computer systems and applications for implementation in various parts of our business across the world. Delays and implementation problems could adversely affect our day-to-day business activities and our ability to expand our business.

Although we have security and back-up procedures in place, closely monitor our outsource partners and have disaster recovery plans in place for our most important client facing systems, damage to our information technology, telecommunications and other infrastructure systems could result in a material adverse effect on our business, results of operations or financial condition.

***Our inability to maintain or update our map database or control errors could harm our reputation, increase our costs or adversely affect our ability to sell our products and services.***

The database from which we derive our map products requires constant maintenance and updating. We have procedures in place and training programmes for our staff to maintain and update our database and to ensure our data continues to meet the requirements of application developers, hardware manufacturers and ultimate end users.

There is, however, no assurance that our procedures and programmes for maintaining and updating our digital map database are sufficient to maintain the standard of quality expected by application developers, hardware manufacturers and end users.

***To create and update our map database, we compile large amounts of data from a wide variety of governmental and other sources, and process that data using third-party outsourcing partners. If this data were not made available to us at the requisite level of quality, it would adversely affect the cost and timeliness of the construction, maintenance and updating of our database.***

We depend upon third-party suppliers, such as the United States Geological Survey, the United Kingdom Ordnance Survey and the United States Postal Service, for access to some of the data we use to build, maintain, update and enhance our map database. We also rely, particularly since the acquisition of Tele Atlas in June 2008, on community feedback from existing users of our products to update and refresh our map databases. The quality of our products and the success of our business are dependent upon the availability and accuracy of the data that we acquire from these sources. If certain of our third-party suppliers were to significantly increase the prices they charge us for access to their map data, or if our community users stopped giving us accurate and timely updates in significant quantities, we would have to develop more traditional methods of updating the information for our map databases, which may be more costly and lengthen the time needed to update the map.

While we generally own our underlying map data within the United States and Europe, we currently license such data in some countries in the Asia-Pacific region from suppliers and use the licensed data in our

database. There is no assurance that our suppliers, or any replacement suppliers, will continue to provide the underlying data in these countries which is of sufficient quality and on license terms that are favourable to us, or at all.

We outsource a substantial part of the manual input and digitisation of our acquired data to third-party partners, including Infotech Enterprises, Ltd, which is based in India. Any failure of our outsourcing partners or their employees to ensure data quality or consistency could harm our business or reputation and result in us incurring additional costs. The suspension of data input by us or our outsourcing partners for any reason, including political instability, natural disaster or labour disputes, or a deterioration in our relationship with our outsourcing partners, could cause our map database to become outdated and develop a backlog of manual data inputs, which could require us to expend significant costs and manpower, or could prevent us from updating our maps for a period of time.

***We are subject to risks resulting from defects in our products as well as returns and warranty expenses.***

We develop complex hardware and software products which may contain defects in design or manufacturing or other errors or failures. This is particularly a risk with new or upgraded products or services where our quality control procedures or those of our third-party manufacturers may fail to test for all possible conditions of use, or to identify all defects in the design, engineering or specifications of our products.

Since all of our personal navigation products rely on our NavCore software platform, any software defect in NavCore would affect all of our products. As a result of any such software defect, our customers could be supplied with faulty or inaccurate navigation instructions or incomplete map data, or could be relying on a malfunctioning or non-functioning product. In addition, quality control and procedures for testing and manufacturing to our specifications are largely in the hands of our third-party manufacturers, and we retain liability for failure in production caused by defective product design or error.

Defects in any of our products due to these or other factors, or a high level of returns due to general customer dissatisfaction not related to defects, could result in diminished market acceptance for our products, a weakening of our brand, product recalls in one or more of our markets or claims for monetary damages. Recalls, in particular, may be costly, harm our reputation with current and future customers, and divert management's attention from the operation of our business. Generic or specific defects could require us to incur substantial expenses relating to product returns, replacements and repairs under our warranty programme. We forecast a certain product failure rate for our products and record a provision for the costs related to such forecasted failure, which may not be sufficient, if the failure rate of our products is substantially above such forecasts, thereby resulting in increased cost of sales. Material defects in any of our products could thus result in decreasing revenues, increased operating costs and the possibility of significant consumer products liability, which could result in a material adverse effect on our business, results of operations or financial condition.

We cannot be certain that all these measures and our quality control procedures will prevent defects in our products, limit customer returns or reduce warranty costs to reasonable levels. If we are unable to detect and correct defects in our products on a timely basis our business, results of operations or financial condition would be materially adversely affected.

***We depend on a number of contract manufacturers for the production of our integrated products. Any disruption to, or termination of, our relationship with these contract manufacturers or disruption in their ability to manufacture our products could have a material adverse effect on our business, results of operations or financial condition.***

We do not own or operate a facility to manufacture our products. Instead, we currently rely on a number of third parties, particularly Quanta Computers Inc. and Inventec Appliance Corporation, to manufacture our integrated products and to enable us to maintain appropriate levels of inventory. In addition, certain component parts are manufactured by other third-party manufacturers, and in certain instances sole suppliers.

This arrangement reduces our direct control over production. Such diminished control may reduce the quality of products manufactured or our flexibility to respond to changing market conditions and customer demand. Any disruption in our relationship with our third-party manufacturers, including due to their insolvency or other financial difficulties, the inability of a third-party manufacturer to fulfil its agreed obligations on a timely basis, or the interruption of product delivery from a third-party manufacturer's manufacturing facilities to our markets, could, among other things, increase our operating expenses, reduce

our profitability, disrupt our inventory levels, increase our time-to-market for new products, harm our distributor or other key customer relationships, reduce our sales or decrease the value of our brand. Any material change in our contractual arrangements with a third-party manufacturer, including a significant increase in recurring and non-recurring engineering costs, or any unplanned business interruption, could materially increase our operating expenses, reduce sales of our products and reduce our profitability. If our relationship with a third-party manufacturer is significantly disrupted, or if the terms of our contract with a third-party manufacturer are subject to material changes, we may need to seek an alternate third-party manufacturer. There is no assurance that we would be able to enter into a relationship with an alternate third-party manufacturer in a timely manner or on terms commercially acceptable to us or at all.

In addition, while our third-party manufacturers of integrated products place orders directly for component parts from several third-party suppliers, we bear the risk of any material disruption in the sources, quantity or quality of component parts available. While these component parts are generally available from a number of suppliers, for a small number of component parts we rely on a single supplier. Should any of the suppliers of components to our third-party manufacturers prove unable to meet our needs, it could take several months to modify our hardware to accommodate comparable substitute components.

Our third-party manufacturers' manufacturing facilities are primarily located in China, which is subject to regional, economic, environmental, medical, geopolitical risks and natural catastrophes. We may also experience quality control issues, delays in shipping or other problems generally associated with doing business in China.

Any disruption to or termination of our relationship with our third-party manufacturers or their relationships with their suppliers or in their ability to manufacture our products would have a material adverse effect on our business, results of operations or financial condition.

Although we have limited insurance coverage in the case of a natural disaster that significantly impairs our manufacturing capability, there can be no guarantee that this insurance coverage would be adequate to mitigate our losses.

***We rely on distributors and key retailers to sell the bulk of our products, and disruption or termination of these distributor or retailer relationships, or operational problems on the part of the distributors or retailers themselves could have a material adverse effect on our business, results of operations or financial condition.***

We are highly dependent on non-exclusive relationships with a limited number of distributors, such as Ingram Micro in Europe, to distribute our products for resale to retailers. In 2008, our top three distributors each accounted for between 5 to 12% of our revenues. Our dependence on these distributors could adversely affect our sales in a given market if, for example, these distributors reduce levels of inventory of our products, decline to continue carrying our products, fail to cultivate relationships with retailers, fail to carry sufficient levels of our products to meet consumer demand, or suffer from operational problems themselves that prevent them from distributing our products on a timely basis. If we are unable to maintain successful relationships with our existing distributors, if our distributors fail to promote our products, or if we fail to develop relationships with new distributors, our business, results of operations or financial condition could be materially adversely affected.

In the United States, our two largest retailer customers, Best Buy and Wal-Mart, together accounted for 38% of our North American PND revenue in 2008, or approximately 11% of our total PND revenue. If we are unable to maintain good relationships with these or other key retailers this could have a material adverse effect on our business in North America and on our operations as a whole.

We recognise revenue on the sale of PNDs when a PND leaves the fulfilment centres and the risks and rewards of ownership are transferred to our retailers and distributors. Under the standard terms with our retailer or distributor, if the ASP of our products decline while the stock is held by the retailer or distributor, the retailer or distributor is eligible for compensation if certain criteria are met. To reflect the costs related to such compensation in connection with known price reductions in our consolidated income statement, we create an accrual against our revenue. If our estimation of the accrual in a given period is too low or if compensation amounts significantly increase, we may recognise a significant negative charge to our income statement in that subsequent period.

***We may not be able to sustain or improve the strength of our brand, and we may consequently experience difficulty in maintaining our market acceptance.***

An important part of our strategy is to continue to establish a clear and consistent brand across all of our personal navigation products and in all of our markets. We are constantly striving to increase awareness of our brand and strengthen our reputation for providing smart, easy-to-use, high-quality personal navigation products and services. Maintaining and strengthening our brand will depend on the level of our marketing expenditures, which have in part decreased this year due to our restructuring programme, and our success in providing high-quality products and services that are favourably received by our customers, and therefore relies in part on our third-party hardware lacking significant defects, errors or failures. The strength of our brand is also dependent in part on our being a technology leader in the field of personal navigation products, and we cannot be certain that our research and development efforts will continue to be successful in this regard.

In addition, further geographical expansion of our brand presents other challenges, such as greater brand recognition enjoyed by our competitors outside of Western Europe and the United States, and the unavailability of consistent trademarks to represent our brand in all of our markets.

If we fail to increase awareness of our brand and to strengthen our reputation, or if any other factor negatively affects our reputation or our brand image, such as adverse consumer publicity, our business, results of operations or financial condition could be materially adversely affected.

***We may not be able to protect our intellectual property.***

We rely on a combination of trademarks, trade names, patents, confidentiality and non-disclosure clauses and agreements, copyrights and registered and unregistered design rights to define and protect our trade secrets and rights to the intellectual property in our products. We have implemented protection mechanisms, however we cannot assure investors that any of our registered or unregistered intellectual property rights, or claims to such rights, will now or in the future successfully protect what we consider to be our intellectual property from third-party use in any or all of the jurisdictions in which we do business, or that our registered or unregistered rights subsequently will not be successfully challenged.

To the extent that our innovations and products are not protected by patents, copyrights or other intellectual property rights in any of our key markets, third parties (including competitors) may be able to commercialise our innovations or products or use our know-how. In addition, to the extent we do not register, have not registered or have not been granted trademarks or other intellectual property rights in certain jurisdictions it may be possible for third parties to obtain conflicting trademarks or other intellectual property rights that would otherwise be limited or blocked by our applications and registrations. There are also numerous patents covering various aspects of GPS technology, including a number held by competitors or potential competitors. Such patents or other intellectual property rights could be necessary for, or useful to, the marketing, manufacture or use of our products and the lack of such rights could limit our ability to continue to sell or develop our products, force us to create a new brand image, or prevent us from marketing our products.

We may also be forced to pay damages or royalties for our past use of such intellectual property rights, as well as royalties for any continued usage.

In addition, legal protection of our intellectual property rights in one country will not provide protection in certain other countries where we operate. We need to secure patents or other registrable intellectual property rights in all countries in which we intend to operate in order to have such protection. The laws of many countries do not protect intellectual property rights to as great an extent as those of Western Europe or the United States. Effective protection of our intellectual property rights may be unavailable or limited in certain foreign countries. For example, many countries, particularly certain developing countries, do not favour the aggressive enforcement of trademarks, patents and other measures to protect intellectual property. Limited intellectual property rights (whether because we do not have a registration or because the laws of some countries are limited) make piracy and misappropriation, which we have already experienced on occasion, more difficult to prevent. Moreover, even when we do have adequate intellectual property rights to stop an infringer, we may lack the resources to detect all infringements or to trace the source of the infringement.

### *Trademarks*

We have a strong brand image which is protected primarily under trademark law. We hold registered trademarks, which currently comprise a significant portion of our intellectual property protection, or have trademark applications pending in all the key countries in which we operate for our company logo and several other distinctive names and images. We cannot assure investors that we will be able to use our trademarks and logos in any countries in which they are not registered. In addition, we may be subject to challenges to our ability to use our trademarks and logos or may be unable to prevent others from using similar trademarks or logos, even if we have registrations. If a party has a right to similar trademarks or logos which is superior to ours, we may not be able to use our trademarks or logos at all, or without paying a royalty or altering such trademarks or logos to eliminate the similarity.

### *Trade Secrets*

Much of our technology and many of our processes depend upon the knowledge, experience and skills of our personnel. To protect rights to our proprietary know-how and technology, we generally require all employees, contractors, consultants and advisors to enter into confidentiality agreements that prohibit the disclosure of confidential information. The agreements with employees and consultants also require disclosure and assignment to us of ideas, developments, discoveries and inventions. These agreements may not effectively prevent disclosure of our confidential information, provide meaningful protection for our confidential information or assign to us all such intellectual property rights. The enforceability of these agreements also varies from jurisdiction to jurisdiction. In addition, our remedies may be limited against any disclosures in breach of these agreements and it is difficult to police disclosures by employees who leave our employment. In some jurisdictions, such as the United States, failure to take action to protect our trade secrets could cause us to lose protection for some of our core innovations.

### *Patents and Patent Applications*

Our patent programme seeks to protect various aspects of our core navigation technologies and more recent innovations. We face the risk that any of our granted patents or our patent applications, once granted, may be challenged or circumvented or may otherwise not provide protection for any products we develop. Moreover, patent rights are only recognised in the jurisdiction in which they were issued and do not provide any assurance that we can prevent any activities elsewhere by third parties which we perceive to be infringements. All of our granted patents and current and future patent applications may be subject to interference, re-examination, opposition, revocation or other comparable proceedings in the relevant patent offices or national courts, which proceedings could result in, among other things, revocation, loss of the patent or refusal of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, defending any such interference, re-examination, revocation opposition or other comparable proceedings may be costly. In the event that we seek to enforce any of our future patent rights against third parties, it is likely that they will seek to revoke the patents we assert, which, if successful, would result in the loss of such patents or the relevant portion thereof. Any litigation to enforce or defend our patent rights, even if we were to prevail, could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations.

### *Copyright*

In principle, the software code we use in our products, which is the bulk of our technology, should be protected by copyright law. In the EU a computer programme will normally be given copyright protection to the extent the source or object code is ‘original’, in that it is the author’s own intellectual creation. This protection does not, however, extend to the ideas or principles underlying the programme. Outside the EU, copyright protection for the software may be more limited, such as in the United States, where we cannot collect damages for copyright infringement without first registering our copyrights in the relevant computer programmes. In some jurisdictions copyright protection may not be available at all. We may also face difficulties in any attempt to block the production, sale and distribution of pirated copies of our products or software.

***Intellectual property infringement claims against us may result in protracted litigation, monetary damages or other costs. If we lose any such litigation, the development, manufacture and/or sale of the products in question could be severely restricted or prohibited. Further, such disputes divert management's attention from operating our business, which may adversely affect our business, results of operations or financial condition.***

We have faced in the past, now face and may in the future face claims that we are infringing the intellectual property rights of others. It is likely that in the future we will encounter situations and allegations which will require us to determine whether we need to license a technology or patent or face the risk of defending an infringement claim. If any of our products are found to infringe the patents or other intellectual property rights of others, our development, manufacture and sale of such products could be severely restricted or prohibited.

Patent and other intellectual property litigation can involve complex factual and legal questions and its outcome is uncertain. Any claim relating to infringement of patents that is successfully asserted against us may require us to pay substantial damages. Even if we were to prevail, any litigation could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations. Furthermore, as a result of an intellectual property infringement suit brought against us or our licensees, we or our licensees may be forced to stop or delay developing, manufacturing or selling products that are claimed to infringe a third party's intellectual property rights unless that party grants us or our licensees rights of use. In such cases, we may be required to obtain licenses to patents or proprietary rights of others, which may not be available on favourable or acceptable terms or at all, or to modify our products to avoid incorporating such patents or proprietary rights, which may not be possible, in order to continue to sell our products.

Even if our licensees or ourselves were able to obtain rights to the third party's intellectual property, these rights may be non-exclusive, thereby giving our competitors access to the same intellectual property. Ultimately, we may incur significant additional costs or be unable to develop and market some of our products or may have to cease some of our business operations as a result of patent or other intellectual property rights infringement claims, which could severely harm our business.

***Product liability claims against us may result in protracted litigation, monetary damages or other costs, and divert management's attention from operating our business, which may adversely affect our business, results of operations, or financial condition.***

Product liability claims present a risk of protracted litigation, substantial monetary damages, attorneys' fees, costs and expenses and diversion of management's attention from the operation of our business. The use of map data by and provision of route instructions to vehicle drivers carries an inherent risk of product liability claims and associated adverse publicity. Claims could be made by users of our products if errors or defects in map data, route instructions or other information are alleged to cause loss or harm. Although we have not had any product liability claims brought against us to date, we cannot assure you that such claims will not be brought in the future. We are required to indemnify our principal map data providers against third-party claims for losses, damage or personal injury arising from the use of such map data in our products. We attempt to mitigate the risks of product liability claims through the use of disclaimers, limitations of liability and similar provisions in our other licence agreements. However, we cannot be certain that any of these provisions will prove to be effective barriers to product liability claims. In addition, although we carry insurance in relation to product liability claims, such claims may not be covered under our insurance contract or may exceed our policy limits.

***We may fail effectively to identify or execute strategic acquisitions, joint ventures or investments, and if we do pursue such transactions we may fail to successfully integrate them into or realise anticipated benefits to our business in a timely manner.***

We may selectively pursue opportunities to acquire, form joint ventures with or make investments in businesses, products, technologies or innovations which complement our business and growth strategy. We may not be able to identify suitable candidates for such acquisitions, joint ventures or investments, or if we do identify suitable candidates, we may not be able to complete any transaction on acceptable terms, or at all. Any acquisitions, joint ventures or investments we have pursued or may pursue in the future could entail risks including, but not limited to:

- difficulties in realising cost, revenue or other anticipated benefits from the acquired entity or investment, including diversion of management’s attention, the loss of key employees or intellectual property from the acquired entity, joint venture or investment;
- costs of executing the acquisition, joint venture or investment, both in terms of capital expenditure and increased management attention;
- potential for undermining our growth strategy, our customer relationships or other elements critical to the success of our business;
- liabilities or losses resulting from our control of the acquired entity, joint venture or investment; and
- adaptation of acquired hardware or software to our own branded products.

From prior acquisitions, or if we pursue further acquisitions, partnerships or investments in the future and fail to profitably manage additional businesses or to successfully integrate them and realise synergies from any acquired businesses into the Group without substantial costs, delays or other operational or financial problems, our business, results of operations or financial condition could be materially adversely affected.

***The continued integration of Tele Atlas into our Group is a complex process and we may not realise anticipated benefits from the acquisition in a timely manner, or at all.***

We completed the purchase of Tele Atlas in June 2008. The process of integrating Tele Atlas into our existing business and operations is complex and involves substantial reorganisation, including the creation of a new business unit, a shift from a regional to a global platform for Tele Atlas and integration of strategic systems. The realisation of the operational synergies and cost savings we seek to achieve from the restructuring programme we have implemented in relation to this acquisition within the desired timeframe continues to be a challenge and the integration is not expected to be completed for another 12 to 18 months. Execution of this programme also requires management resources previously devoted to our businesses and the retention of appropriately skilled Tele Atlas staff. There is a risk that the restructuring measures taken in response to the acquisition and integration of Tele Atlas will not be adequate to preserve our cash position, reduce our costs and support our business to the extent currently anticipated. We may not also realise the benefits of the acquisition or the restructuring programme when expected or to the extent projected. Such risks are particularly important in view of the significance of Tele Atlas’s content to our future business.

***We may require additional capital in the future, which may not be available to us. Future financings to provide this capital may dilute investors’ ownership in us.***

We may raise additional capital in the future through public or private debt or equity financings by issuing additional Ordinary Shares or other preferred financing shares, debt or equity securities convertible into Ordinary Shares, or rights to acquire these securities, and exclude the pre-emption rights pertaining to the then outstanding shares. We may need to raise this additional capital in order to (amongst other things):

- take advantage of expansion opportunities;
- acquire, form joint ventures with or make investments in complementary businesses or technologies;
- develop new products or services;
- respond to competitive pressures;
- repay debt; or
- respond to a difficult market climate.

Any additional capital for these or other purposes raised through the sale of additional shares may dilute Shareholders’ percentage ownership interest in us and may have an effect on the market price of the Ordinary Shares. Furthermore, any additional financing we may need may not be available on terms favourable to us or at all, which could adversely affect our future plans.

***We are exposed to credit risk on accounts receivable from certain of our customers.***

We sell the bulk of our PND products through distributors and major retailers. Certain of our customers have built up considerable trade receivable accounts with us for the delivery of our products. Our trade receivable accounts with our customers, including retailers and distributors, are not typically covered by collateral, and we therefore bear the risk that these customers will be unable to pay against their trade



receivable accounts. In the event any of our large customers are unable to pay against their trade receivable accounts, we could suffer a decline in revenues and profitability.

Although we have procedures in place to limit our exposure to credit risk from our distributors, there is no assurance that we will be able to limit our potential loss of revenues from customers who are unable to pay us in a timely manner.

As at 31 March 2009, the total bad debts provision on our consolidated balance sheet was €15 million, representing approximately 0.7% of the Group's consolidated revenue for the year from 1 April 2008 to 31 March 2009, as compared to €14 million as at 31 December 2008, representing approximately 0.7% of the Group's consolidated revenue for the year from 1 January 2008 to 31 December 2008. We believe that the level of bad debt provision on our consolidated balance sheet may increase due to the current macroeconomic climate as we assess our trade receivables for impairment and current provisions for bad debt may not be sufficient.

***We are exposed to risks associated with operations in multiple currencies.***

We conduct our business in multiple currencies, including the euro, the pound sterling and the US dollar. We currently sell our products in Europe, North America, South America, Africa, Asia, Australia and New Zealand. Our Asian manufacturing partners invoice us in US dollars for the production of our TomTom GO, XL and ONE product ranges.

We are exposed to currency risk on our estimated purchases and sales transactions that are denominated in a currency other than our reporting currency—the euro. Because our agreements with our third-party manufacturers and certain other suppliers are in US dollars, a substantial portion of our cost of sales is in US dollars. Our principal currency transaction risk arises from the consequence of our revenues being nearly entirely in euros, US dollars and pounds sterling and our cost of sales being significantly in US dollars. Our UK sales are supported from the Netherlands and incur expenses almost entirely in euros while generating revenue in pounds sterling. Foreign currency exposures are based on invoices, orders and the outcome of monthly forecast meetings.

Currently, the majority of our revenues are in euros, although we also have a growing proportion of our revenues in US dollars. This may change over time as we continue to expand our international operations.

Our principal currency translation risk, which is not subject to hedging, arises from the fact that the financial records of our subsidiaries in the United Kingdom and the United States are maintained in pounds sterling and US dollars, respectively. Upon preparing consolidated financial statements, our euro-denominated consolidated reported financial results can be affected by changes in the relative value of the pound sterling and the US dollar against the euro. Moreover, fluctuations in currency values distort period-to-period comparisons of financial performance.

In the event of a significant and sustained change in the relative value of any of the currencies in which we do business, our suppliers may request or our customers may experience price increases in their national markets. Such increases could result in decreased margins and decreased sales. Given the high volatility of currency exchange rates, there can be no assurance that we will be able to effectively manage our currency risk to minimise its impact on our business.

These exposures to currency transaction risk and currency translation risk could have a material adverse effect on our business, results of operations or financial condition.

***We are exposed to fluctuations in Euribor interest rates on our loan facilities and investments.***

We have a significant amount of exposure to interest rate risk, arising from the Facility Agreement. The Facility Agreement has a floating interest coupon linked to Euribor developments.

Changes in interest rates may increase our cost of borrowing, increasing interest expense and reducing operating cash flows. Interest rates are highly sensitive to many factors beyond our control, including international and domestic economic and political conditions. There is uncertainty over the level of interest rates due to inflationary pressures, disruption to financial markets and the current restricted availability of bank credit. If interest rates rise, we will be required to pay a greater proportion of our revenue to meet interest expenses on our floating interest coupon.

***Our products depend on the reliable operation of GPS satellites which may become inoperable, unavailable or not replaced.***

In many of our product lines, we depend on GPS satellite transmissions to provide position data to our customers. GPS satellites are funded and maintained by the United States government, and we have no control over their maintenance, support or repair. The free use and availability of GPS signals to the level of accuracy required for commercial use remains at the sole discretion of the US government, which may terminate or restrict GPS signals for any reason, such as national security, and at any time, without providing notice or compensation to users.

We cannot assure you that GPS signals will be available for the use of our products or that the US government will not begin charging a fee for use of these signals. Restrictions on the use of GPS transmissions or an end to the free use of GPS signals could significantly disrupt our business and/or increase our costs.

In addition, should a significant number of the existing GPS satellites become obsolete, unusable or not be upgraded as planned, there could be a significant deterioration in the reliability, accuracy or utility of the entire GPS network. Interruptions or disruptions in GPS signal transmission or reception, including those caused by heat-reflective windscreens used in certain vehicles which may disrupt GPS signal reception, could materially degrade the position accuracy that our products provide. If the use, reliability or accuracy of GPS satellite positioning data is degraded or terminated for these or other reasons, our business, results of operations or financial condition would be materially adversely affected.

The planned European Galileo positioning system is an alternative system and complementary to the United States government owned GPS. In 2007, the EU transportation ministers concerned reached an agreement on the timetable for Galileo's completion. They will aim to have Galileo operational by 2013 although there may be unforeseen delays due to technical, financial or other challenges related to the space industry.

***We are dependent on the availability of certain bands allocated within the radio frequency spectrum, and any reallocation of these bands could cause interference with the reception of GPS signals.***

Our GPS technology depends on GPS signals that are carried on radio frequency bands specifically allocated on a global basis to carry satellite navigation information. The assignment of the spectrum is controlled by an international organisation known as the International Telecommunications Union ("ITU"). The Federal Communications Commission ("FCC") is responsible for the assignment of spectrum for non-government use in the United States in accordance with ITU regulations. Any ITU or FCC reallocation of radio frequency spectrum, including frequency band spectrum or sharing of spectrum, could cause interference with the reception of GPS signals and consequently make it more difficult for our products to provide effective and accurate position information to our customers. In addition, signals from other satellites or ground equipment that are transmitted in adjacent frequency bands could materially degrade the quality of the GPS signals carried in the assigned radio frequency bands, thereby undermining the effectiveness of our products.

Any degradation in the reliability, strength or accuracy of GPS signals could have the effect of reducing our sales and have a material adverse effect on our business, results of operations or financial condition.

***Increased governmental regulation may place additional burdens on our business.***

Although we do not believe governmental regulation has had a material adverse effect on our business and operations to date, it is possible that we will experience the effects of increased regulation in the future. In Europe, the United States or other jurisdictions, the combination of heightened security concerns and the increase in the breadth and accuracy of the map databases we license could result in more restrictive laws and regulations, such as export control laws, being applied to such databases.

In addition, automobile safety initiatives may result in restrictions being placed on our products. Policies favouring local companies and other regulatory initiatives may result in export control laws, increased customs duties and other restrictions placed on our ability to conduct operations in various countries throughout the world. Any of these occurrences could materially adversely affect our ability to complete, improve, license or distribute our products, which could result in a competitive disadvantage for us and the possible loss of customers and revenue.

***Personal privacy concerns may limit the growth of consumer GPS products or deter current and potential users from using all of the features of our products and services.***

Concerns have been raised by the possibility that GPS-based satellite navigation products could be used to violate personal privacy by potentially making available a record of a person's geographical location to others. The technological potential of our current or future products may create similar concerns in the general public. Concerns about privacy may also result in users choosing not to utilise all of the features of our products, such as using our internet portal, TomTom HOME, as well as HD Traffic and Map Share, to share corrections they make to our maps with other TomTom users. If these or other public opinion issues arise in connection with our products or across the industry, our business, our brand, results of operations or financial condition could be materially adversely affected.

**Risks Relating to the Offering and the Ordinary Shares**

***The market price of Ordinary Shares will fluctuate, and may decline below the Offer Price.***

The market price of Ordinary Shares at the time of the Rights Offering may not be indicative of the market price for Ordinary Shares after the Rights Offering is completed. The market price of the Ordinary Shares which Eligible Persons will receive upon exercise of the SETs may fluctuate significantly due to a variety of factors, including a change in sentiment in the market regarding our business, results of operations and financial condition. Such fluctuations may be influenced by the market's perception of the likelihood that the Offering will complete and the extent to which SETs will be exercised for Ordinary Shares, which may vary with speculation in the media or the investment community, or the expectations and recommendations of analysts who cover our business and industry. In turn, these may be affected by a number of factors, some of which are beyond our control, including actual or anticipated changes in our performance, the performance of our competitors and other companies in the markets in which we operate, strategic actions by our competitors (including acquisitions and restructurings), regulatory changes, large sales or purchases of Ordinary Shares (or the perception that such transactions may occur) and general market and economic conditions.

Stock markets around the world have recently experienced significant price and volume fluctuations in connection with the global financial crisis and economic contraction. Securities quoted on Euronext Amsterdam have experienced significant volatility which has had an adverse impact on the market prices for securities and which may be unrelated to the actual performance or prospects of individual companies, such as ourselves. We cannot assure you that as a result of these and other factors the market prices of the Ordinary Shares will not decline below the Offer Price. Should this occur after you have exercised your SETs, the exercise of which cannot be revoked or modified except as described in "The Offering—Rights Offering—Exercise Period", you will suffer an immediate unrealised loss as a result. Moreover, we cannot assure you that, following the exercise of SETs, you will be able to sell the Ordinary Shares at a price equal to or greater than the Offer Price.

***The Founders are beneficially interested in, and will collectively remain owners of, a substantial percentage of Ordinary Shares after the Offering, and they and any other investors acquiring Ordinary Shares in the Offering or the Private Placement could significantly influence matters requiring Shareholder approval.***

Following completion of the Offering, assuming only the Founder Committed Shares are taken up by Founders in connection with the Offering, the Founders will beneficially own an aggregate of approximately 47.2% of our outstanding Ordinary Shares. Other investors may also acquire a significant part of our outstanding Ordinary Shares pursuant to the Offering (whether as sub-underwriters or otherwise) and Janivo and Cyrtre have already committed to subscribe for approximately 8% of our issued share capital. As a result, the Founders and any such other Shareholders may exercise significant influence over all corporate matters requiring Shareholder approval after the Offering, including the election of members of the Management Board and the Supervisory Board and the determination of significant corporate actions. The significant interests of the Founders and any others may, in certain cases, differ from your interests and conflicts of interest may not be resolved in a manner favourable to us or other Shareholders. In addition, the Founders' and any others' significant shareholdings in us may have the effect of making certain transactions more difficult without the support of those shareholders and may have the effect of delaying or preventing our acquisition or other change in control.

***We cannot assure you that an active trading market will develop for the SETs and, if a market does develop, the market price of the SETs will be affected by, and may be subject to greater volatility than, the market price of Ordinary Shares.***

We intend to set a trading period for the SETs on Euronext Amsterdam from 3 July 2009 until 13:00 (CET) on 13 July 2009. Prior to the Offering there has been no market for the SETs. We cannot assure you that an active trading market in the SETs will develop or be sustained on Euronext Amsterdam during that period. The SETs are expected to have an initial value that is lower than that of Ordinary Shares and will have a limited trading life, which may impair the development or sustainability of an active trading market. If such a market fails to develop or be sustained, this could negatively affect the liquidity and price of the SETs, as well as increase their price volatility. Accordingly, we cannot assure investors of the liquidity of any such market, any ability to sell the SETs or the prices that may be obtained for the SETs. In addition, the price at which SETs may trade on Euronext Amsterdam will be subject to the same risks which affect the market price of Ordinary Shares as described in these “Risk Factors”. Accordingly, the market price of the SETs may be highly volatile.

***You will experience significant dilution as a result of the Offering if you do not exercise your SETs in full.***

If you are an Eligible Person and you fail to exercise your SETs by the end of the Exercise Period at 15:00 (CET) on 13 July 2009 as part of the Offering, your proportionate ownership and voting interests in us will be significantly reduced, and the percentage of our enlarged share capital your existing Ordinary Shares will represent will accordingly be significantly reduced. If you elect to sell rather than exercise your SETs, the consideration you receive may not be sufficient to compensate you fully for the dilution of your percentage ownership of our share capital which will result from the Offering.

***If you do not properly exercise your SETs, or exercise them on a timely basis, or are an Ineligible Person, you may not be able to subscribe for Offer Shares at the Offer Price and you may not receive any compensation for your unexercised SETs.***

The Exercise Period for the SETs commences on 3 July 2009 and expires at 15:00 (CET) on 13 July 2009. Eligible Persons and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that all required exercise instructions are actually received by the Subscription Agent before the expiration of the Exercise Period. If you are an Eligible Person and you or your financial intermediary fail to correctly follow the procedures that apply to the exercise of your SETs, we may reject your exercise of SETs, depending on the circumstances. If you are an Eligible Person and you fail to validly exercise your SETs, such SETs will continue to be reflected in your securities account only for the purpose of the payment of the Excess Amount, if any. We cannot assure you, however, that there will be an Excess Amount for distribution to holders of unexercised SETs.

In addition, if you neither exercise your SETs nor sell your unexercised SETs, the Banks have agreed with us to use reasonable endeavours to procure subscribers for the Ordinary Shares underlying the SETs. There is no assurance that the Banks will be able to procure subscribers at a price per Ordinary Share that exceeds the sum of the Offer Price per Ordinary Share and the Offering expenses. The Banks may also cease their endeavour to procure subscribers at any time. Even if the Banks are able to procure subscribers for Ordinary Shares underlying the SETs, the consideration a Shareholder who neither exercises SETs nor sells unexercised SETs will receive may not be sufficient to compensate him fully for the dilution of his percentage ownership of our share capital which will result from the Offering. See “The Offering”.

***Because we do not currently intend to pay dividends, Shareholders will benefit from investments in Ordinary Shares only if Ordinary Shares appreciate in value, and if we were to decide to pay dividends in the future our ability to do so may be limited.***

We currently intend to retain our future earnings to finance our business and do not expect to pay any cash dividends in the foreseeable future. As a result, the success of a Shareholder’s investment in Ordinary Shares will depend entirely upon any future appreciation in their value. There is no guarantee that Ordinary Shares will appreciate in value or even maintain the price at which they were purchased.

In addition, as a holding company, our ability to pay dividends in the future would, if we were to decide to pay them at some point, be affected by a number of factors, principally our ability to receive sufficient upstream distributions from our subsidiaries. Our subsidiaries’ ability to pay upstream distributions to us, in turn, may be subject to restrictions, including the existence of sufficient distributable reserves, which will be

influenced by our ability to realise cost reduction and cash generation measures throughout our organisation. Furthermore, as we operate an international business, our subsidiaries' ability to pay upstream distributions to us is also subject to applicable local laws and regulatory requirements, including tax laws, in the jurisdictions in which they are organised. These laws and regulations may vary significantly, particularly in respect of our subsidiaries which are organised outside of the European Commission, and in the future may restrict our ability to pay dividends to shareholders. Moreover, under Dutch law our ability to pay dividends is subject to certain conditions. See "Dividends and Dividend Policy".

***Future sales, or the possibility of future sales, of a substantial number of Ordinary Shares could have a material adverse effect on the price of the Offer Shares and dilute the interests of Shareholders.***

We face a challenging trading environment as a result of an unprecedented confluence of factors that has driven down consumer spending and demand for our products across all sectors of the industry and geographic regions in which we operate. If these conditions persist, our liquidity position may be significantly affected and we may be compelled to seek additional financing. The European credit markets remain constrained despite the efforts of the European Central Bank and certain national governments to provide liquidity support. In the future, we may seek to raise funds through additional equity offerings. Additional equity offerings could cause dilution for our Shareholders if they do not participate, or are not invited or eligible to participate. Moreover, future sales of a substantial number of Ordinary Shares, by the Founders (who are not subject to a lock-up under the Underwriting Agreement) or otherwise, or the perception by the market that such sales will or could occur, could have a negative impact on the market price of Ordinary Shares and could increase the volatility in the market price of Ordinary Shares.

***Subject to certain exceptions, Shareholders in certain jurisdictions may not be able to participate in the Offering or elect to receive share dividends, and such Shareholders' ownership and voting interests in our share capital will accordingly be diluted.***

In the event of an increase in our share capital, Shareholders are generally entitled to certain pre-emption rights, unless these rights are excluded by a resolution of the General Meeting of Shareholders or of the Management Board, if so designated by a resolution of the General Meeting of Shareholders or pursuant to the Articles of Association. However, the securities laws of certain jurisdictions may restrict our ability to allow Shareholders to participate in offerings of our securities and to exercise pre-emption rights. Accordingly, Shareholders with registered addresses in certain jurisdictions, including the United States, will not be eligible to exercise SETs as part of the Offering, and such Shareholders may not receive the full economic benefit of the SETs if the Banks are unable to procure subscribers for the Ordinary Shares underlying the SETs at a price that exceeds the sum of the Offer Price per Ordinary Share and the Offering expenses, in which case the SETs will lapse without compensation. As a result, Shareholders with registered addresses in such jurisdictions, including the United States, may experience dilution of their ownership and voting interests in our share capital.

In addition, we may in the future offer, from time to time, a share dividend election to Shareholders, subject to applicable securities laws, in respect of future dividends. However, subject to certain exceptions, we may not permit Shareholders in certain restricted jurisdictions, including the United States, to exercise this election. Accordingly, Shareholders in these restricted jurisdictions may be unable to receive dividends in the form of shares rather than cash and, as a result, may experience further dilution. See "Selling and Transfer Restrictions" for the restrictions that apply to the Offering.

***Dutch law and the Articles of Association contain protection provisions that may prevent or discourage takeover attempts that may be favourable to Shareholders.***

Like other companies in the Netherlands, the Articles of Association have protection provisions that may have the effect of preventing, discouraging or delaying a change of control. For instance, Stichting Continuïteit TomTom (the "Foundation") is entitled to acquire from us preference shares in our capital, with a nominal value of €0.20 each, up to a maximum of 50% of our total issued and outstanding share capital, excluding issued and outstanding preference shares. The issuance of preference shares in this manner would cause substantial dilution to the voting power of any Shareholder, including a Shareholder attempting to gain control of us, and could therefore have the effect of preventing, discouraging or delaying a change of control that might otherwise be in your best interest or have otherwise resulted in an opportunity for Shareholders to sell the Ordinary Shares at a premium to the then-prevailing market price. See "Description of Share Capital and Corporate Governance". This anti-takeover measure may have an adverse effect on the market price of Ordinary Shares.

***Shareholders may be subject to exchange rate risk.***

The SETs and the Offer Shares are priced in euros, and will be quoted and traded in euros. In addition, although we do not currently plan to do so, any dividends that we may pay will be declared and paid in euros. Accordingly, Shareholders resident in non-euro jurisdictions may be subject to risks arising from adverse movements in the value of their local currencies against the euro, which may reduce the value of the SETs and Offer Shares, as well as that of any dividends paid.

***If the Offering is withdrawn, both the exercised and unexercised SETs will be forfeited without compensation to their holders and the subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs.***

The grant of the SETs and the offer of the Offer Shares (pursuant to the exercise of SETs or otherwise) are conditional upon the fulfilment of certain conditions precedent.

If any of these conditions are not met or are not waived by the Banks or if certain circumstances occur prior to payment for and delivery of the Offer Shares, the Offering will be withdrawn, the obligations of the Banks to procure subscribers for or themselves subscribe and pay for any Offer Shares will lapse and both the exercised and unexercised SETs will be forfeited without compensation to their holders, subscriptions for an allotments of Offer Shares that have been made will be disregarded, and all transactions in the SETs on Euronext Amsterdam that have not yet been settled, will be annulled. Any forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs, and no compensation or refund will be awarded for any settled trades in SETs. All dealings in SETs prior to the closing of the Offering are at sole risk of the parties concerned. Euronext Amsterdam N.V., we, the Banks, the Subscription Agent and the Listing Agent referred to in this Prospectus do not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in SETs on Euronext Amsterdam.

***If securities or industry analysts cease to publish research reports on our business, or adversely change or make negative recommendations regarding Ordinary Shares, the market price and trading volume of Ordinary Shares could decline.***

Whether there is an active trading market for Ordinary Shares will be influenced by the continued availability and recommendations of research reports covering our business. If one or more research analysts ceases to cover our business or fails to regularly publish reports on our business, we could lose visibility in the financial markets, which could cause the market price or trading volume of Ordinary Shares to decline. In addition, if research analysts do not make positive recommendations regarding Ordinary Shares, or if negative research is published on the industry or geographic markets we serve, the price and trading volume of Ordinary Shares could decline.

## IMPORTANT INFORMATION AND RESTRICTIONS

**You are expressly advised that an investment in the Offer Shares or trading in the SETs entail certain risks and that you should therefore carefully review the entire contents of this Prospectus.**

### General

This Prospectus is being made available by us. You should rely only on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of Article 5:23 of the Dutch Financial Supervision Act, should such supplement be published. No person is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Offering. You must not rely upon any information or representation as having been authorised by us or on our behalf or on behalf of the Banks, the Subscription Agent and Listing Agent or their affiliates, if such information or representation is not contained in this Prospectus in connection with the Offering.

TomTom N.V. accepts responsibility for the information contained in this Prospectus. To the best of the TomTom N.V.'s knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

TomTom N.V. does not undertake to update this Prospectus unless pursuant to Article 5:23 of the Dutch Financial Supervision Act, therefore potential investors should not assume that the information in this Prospectus is accurate as of any other later date than as of 1 July 2009.

None of the Banks, in any of their respective capacities in connection with the Offering, accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statements made or purported to be made by either itself or on its behalf in connection with us, the Offering, the SETs or the Offer Shares. Accordingly, each of the Banks disclaims any and all liability whether arising in tort or contract or otherwise in respect of this Prospectus or any such statement.

Although the Banks are party to various agreements pertaining to the Offering and each of the Banks has or might enter into a financing arrangement with us, this should not be considered as a recommendation by any of them to invest in the SETs or the Offer Shares. Shareholders must consider for themselves, with or without the assistance of an advisor, whether an investment in the SETs or the Offer Shares is appropriate in light of their particular investment profile, objectives and financial circumstances.

### Notice to Investors

**EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS OR INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

This Prospectus does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire, SETs and Offer Shares, or to take up any SETs in any jurisdiction in which such an offer or solicitation is unlawful.

The distribution of this Prospectus, the exercise of SETs, and the offer or sale of SETs or Offer Shares is restricted by law in certain jurisdictions. This Prospectus may only be used where it is legal to exercise SETs and offer, solicit offers to purchase or sell SETs or Offer Shares. We require persons who obtain this Prospectus to inform themselves about and to observe all such restrictions.

No action has been or will be taken to permit the exercise of SETs or the offer or sale of SETs or Offer Shares (pursuant to the exercise of SETs or otherwise), or the possession or distribution of this Prospectus or any other material in relation to the Rights Offering or the Rump Offering in any jurisdiction outside the Netherlands where action may be required for such purpose. Accordingly, neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

The SETs and the Offer Shares have not been and will not be registered under the Securities Act or with the regulatory authority of any state or jurisdiction in the United States, and may not be offered, exercised, sold, pledged, taken up, delivered, renounced, or otherwise transferred in or into the United States. There will be no public offering of the SETs or the Offer Shares in the United States.

The SETs and Offer Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority of or in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the SETs and Offer Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The SETs and Offer Shares offered outside the United States are being offered in reliance on Regulation S under the Securities Act. In addition, until 40 days after the Publication Date, an offer, sale or transfer of the SETs and Offer Shares within the United States by a broker/dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Shareholders who have a registered address in, or who are resident or located in, jurisdictions other than the Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside the Netherlands should read “Selling and Transfer Restrictions”.

In the United Kingdom, this Prospectus is being distributed only to, and is directed only at, persons (a) who have professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), or (b) who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2) of the Order; or (c) who we believe on reasonable grounds to be persons to whom Article 43(2) of the Order applies for these purposes, or (d) other persons to whom it may lawfully be communicated (all such persons being referred to in (a), (b), (c) and (d) are defined as “**Relevant Persons**”). In the United Kingdom, any investment or investment activity to which this Prospectus relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this Prospectus should not rely on or act upon it.

Subject to certain exceptions, this Prospectus should not be forwarded or transmitted in or into the United States, Canada, Australia or Japan.

Once you have exercised your SETs, you cannot revoke or modify that exercise, except as otherwise described in “The Offering—Rights Offering—Exercise Period”. You cannot exercise your SETs after 15:00 (CET) on 13 July 2009. At that time, any unexercised SETs will continue to be reflected in your securities account for the purpose of the distribution of the Excess Amount, if any. See “The Offering”.

This Prospectus will be published in English only. Terms used in the Prospectus are defined in “Definitions and Glossary of Selected Terms”.

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“**RSA 421-B**”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

#### **Information not Contained in this Prospectus**

Investors should rely only on the information contained in, or incorporated by reference into, this Prospectus. No person has been authorised to give any information or make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been so authorised by us, the members of the Management Board and the Banks. Without prejudice to any obligation of us to publish a supplementary prospectus pursuant to Article 5:23 of the Dutch Financial Supervision Act, neither the delivery of this Prospectus any subscription or sale made



hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the Publication Date or that the information in this Prospectus is correct as of any time subsequent to the date hereof.

### **Documents Incorporated by Reference**

The documents listed below, which have been previously published and are available for inspection in accordance with “General Information—Available Information”, contain information which is relevant to this Prospectus:

- the Articles of Association, as they read on the Publication Date;
- the audited Consolidated Financial Statements of the Group in accordance with IFRS and audited Financial Statements of TomTom N.V. as of 31 December 2006 consisting of:
  - Consolidated Income Statement (page 42 of the Annual Report 2006);
  - Consolidated Balance Sheet (page 43 of the Annual Report 2006);
  - Consolidated Statement of Cash Flow (page 44 of the Annual Report 2006);
  - Consolidated Statement of Changes in Shareholders’ Equity (page 45 of the Annual Report 2006);
  - Notes to the Financial Statements (pages 46 to 62 of the Annual Report 2006);
  - Company Income Statement (page 63 of the Annual Report 2006);
  - Company Balance Sheet (page 64 of the Annual Report 2006);
  - Notes to the Financial Statements of TomTom N.V. (pages 65 to 66 of the Annual Report 2006); and
  - Auditor’s Report (page 67 of the Annual Report 2006);
- the audited Consolidated Financial Statements of the Group in accordance with IFRS and audited Financial Statements of TomTom N.V. as of 31 December 2007 consisting of:
  - Consolidated Income Statement (page 45 of the Annual Report 2007);
  - Consolidated Balance Sheet (page 46 of the Annual Report 2007);
  - Consolidated Statement of Cash Flow (page 47 of the Annual Report 2007);
  - Consolidated Statement of Changes in Stockholders’ Equity (page 48 of the Annual Report 2007);
  - Notes to the Consolidated Financial Statements (pages 49 to 72 of the Annual Report 2007);
  - Company Income Statement (page 73 of the Annual Report 2007);
  - Company Balance Sheet (page 74 of the Annual Report 2007);
  - Notes to the Financial Statements (pages 75 to 76 of the Annual Report 2007); and
  - Auditor’s Report to the Financial Statements (page 77 of the Annual Report 2007);
- the audited Consolidated Financial Statements of the Group in accordance with IFRS and audited Financial Statements of TomTom N.V. as of 31 December 2008 consisting of:
  - Consolidated Income Statement (page 44 of the Annual Report 2008);
  - Consolidated Balance Sheet (page 45 of the Annual Report 2008);
  - Consolidated Statement of Cash Flow (page 46 of the Annual Report 2008);
  - Consolidated Statement of Changes in Stockholders’ Equity (page 47 of the Annual Report 2008);
  - Notes to the Consolidated Financial Statements (pages 48 to 74 of the Annual Report 2008);
  - Company Income Statement (page 75 of the Annual Report 2008);
  - Company Balance Sheet (page 76 of the Annual Report 2008);

- Notes to the Financial Statements (pages 77 to 78 of the Annual Report 2008); and
- Auditor’s Report to the Financial Statements (page 79 of the Annual Report 2008);
- the unaudited condensed consolidated interim financial statements of TomTom N.V. in accordance with IFRS as of 31 March 2008 consisting of:
  - Consolidated income statements (page 8 of the First Quarter 2008 Results Report);
  - Consolidated pro forma income statements—excluding restructuring charges (page 8 of the First Quarter 2008 Results Report);
  - Consolidated balance sheet (page 9 of the First Quarter 2008 Results Report);
  - Consolidated statements of cash flows (page 10 of the First Quarter 2008 Results Report); and
  - Consolidated statement of changes in stockholders’ equity (page 11 of the First Quarter 2008 Results Report); and
- the unaudited condensed consolidated interim financial statements of TomTom N.V. in accordance with IFRS as of 31 March 2009 consisting of:
  - Consolidated income statements (page 7 of the First Quarter 2009 Results Report);
  - Consolidated pro forma income statements—excluding restructuring charges (page 8 of the First Quarter 2009 Results Report);
  - Consolidated balance sheet (page 9 of the First Quarter 2009 Results Report);
  - Consolidated statements of cash flows (page 10 of the First Quarter 2009 Results Report);
  - Consolidated statement of changes in stockholders’ equity (page 11 of the First Quarter 2009 Results Report).

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

In each case, unless stated otherwise, the entire document is incorporated by reference into this Prospectus. Notwithstanding the foregoing, where the documents incorporated by reference themselves incorporate information by reference, such information does not form part of this Prospectus.

Prospective investors should rely only on the information that we incorporate by reference or provide in this Prospectus. No other documents or information, including the content of our website ([www.tomtom.com](http://www.tomtom.com)) or of websites accessible from hyperlinks on our website, form part of, or are incorporated by reference into, this Prospectus.

### **Presentation of Financial and Other Information**

As required by the European Commission IAS Regulation (EC) 1126/2008 and Title 9 of Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*), our consolidated financial statements have been prepared in accordance with IFRS.

Unless stated otherwise, all financial information in this Prospectus is presented on a consolidated basis. Certain financial and statistical information in this Prospectus has been subject to rounding adjustments and to currency conversion adjustments, if any. Accordingly, the sum of certain data may not conform to the total.

Unless otherwise indicated, our historical financial information presented in this Prospectus is extracted without material adjustment from the audited consolidated financial statements of TomTom N.V. as at and for each of the years ended 31 December 2008, 2007 and 2006, including the accounting policies and related notes, incorporated by reference herein as set out in “Important Information and Restrictions—Documents Incorporated by Reference”. All financial information included in this Prospectus for the three month period ended 31 March 2009 and the three month period ended 31 March 2008 are based on unaudited condensed consolidated interim financial statements.

The financial information included in this Prospectus is not intended to comply with SEC reporting requirements. Compliance with such requirements would require the modification or exclusion of certain financial measures, such as EBITDA. We define EBITDA as operating result excluding amortisation, depreciation and impairment charges. EBITDA is presented because we believe it is a measure frequently used by security analysts, investors and other interested parties in evaluating companies in our industry and because we monitor a form of EBITDA for compliance with our debt covenants. For the purposes of the interest coverage ratio under our Facility Agreement, we calculate EBITDA on a different basis than we do for purposes of presentation in this Prospectus. EBITDA for purposes of our Facility Agreement adds back any restructuring expenses which we may have incurred in the period for which the covenant is being tested. See “Operating and Financial Review—Liquidity and Capital Resources—Borrowings”. EBITDA is not a measure of financial performance under IFRS, should not be considered an alternative to cash flow from operating activities or operating profit, and may not be comparable to similarly titled measures of other companies, because EBITDA is not uniformly defined and other companies may calculate it in a different manner than we do. EBITDA is not an audited measure and is calculated using financial information extracted from the financial statements incorporated by reference to this Prospectus.

The audits of our historical financial information for the years ended and as at 31 December 2008, 2007 and 2006 and the related notes thereto which have been prepared in accordance with IFRS and are incorporated by reference in this Prospectus were performed in accordance with Dutch law. The interim review of our financial information for the three month periods ended and as at 31 March 2009 and 31 March 2008, which have been prepared in accordance with IFRS and are incorporated by reference in this Prospectus, are based on unaudited interim financial statements which were reviewed in accordance with Dutch law.

None of the financial information used or incorporated by reference in this Prospectus has been audited in accordance with auditing standards of the United States Public Company Accounting Oversight Board. The financial information included or incorporated by reference in this Prospectus is not intended to comply with the reporting requirements of the SEC. Compliance with such requirements would require the modification or exclusion of certain financial measures and the presentation of certain other information not included herein.

### **Rounding**

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

### **Currency**

All references in this Prospectus to “euros” or “€” are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the EU. All references to “pounds sterling”, “GBP” or “£” are to the lawful currency of the UK. All references to “US dollars”, “US\$” or “\$” are to the lawful currency of the United States. See “Exchange Rates”.

### **Market and Industry Data**

This Prospectus contains information about the markets in which we compete, including market growth, market sizes, market share information and information on our competitive position and the competitive position of third parties. We are not aware of any exhaustive industry or market reports that cover or address our specific markets. We have assembled information about our markets through formal and informal contacts with industry professionals, organisations, analysts, publicly available information and our own experiences.

We believe that market information contained in this Prospectus provides fair and adequate estimates of the volume of our markets and fairly reflects our market position within these markets. However, our management estimates have not been verified by an independent expert, and we cannot guarantee that a third party using different methods to assemble, analyse or compute market data would obtain or generate the same results. In addition, our competitors may define their markets and their own relative positions in these markets differently than we do.

We have used data source from third parties in relation to certain matters noted herein. Such publications generally state that their information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of assumptions. Although the information in this Prospectus that has been sourced from third parties has been accurately reproduced, we have not independently verified this data or determined the reasonableness of such assumptions. So far as we are aware and are able to ascertain from information sourced from third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Enforceability of Judgments**

We are a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands. All of the members of the Supervisory Board and the Management Board and most of our employees are citizens or residents of countries other than the United States. A substantial portion of the assets of such persons and a substantial portion of our assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or upon us, or to enforce judgments obtained in US courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. In addition, there is substantial doubt as to the enforceability, in the Netherlands, of original actions or actions for enforcement based on the federal securities laws of the United States or judgments of US courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States.

## FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of our business strategies, cost reduction and cash generation initiatives, product offerings, market position, competition, acquisition strategy, financial prospects, performance, liquidity and capital resources, compliance with financial covenants, intention and ability to pay dividends, as well as statements regarding trends in the navigation industry, the European markets in which we operate, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on our management’s present expectations about future events. Our management’s present expectations reflect numerous assumptions regarding our strategy, operations, industry, developments in the credit and other financial markets and our trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause our actual results and future events to differ materially from those implied or expressed by forward-looking statements. These risks and uncertainties include, without limitation:

- risks related to our debt covenants;
- risks related to our competitive position, in particular, pricing pressure;
- potential cost savings as a result of our restructuring and cash management initiative;
- our level of capital expenditure going forward;
- expansion of our services into new markets;
- the rate of technological changes;
- continued free use and availability of GPS satellites;
- risks related to business development in our key business areas and markets, to our strategy, and to our business operations, including the levels of marketing and promotional expenditures by us and our competitors;
- levels of customer spending in major economies;
- anticipated growth rates of the navigation industry;
- our financial condition and results of operations;
- our ability to attract and retain employees;
- our ability to protect our intellectual property;
- future business combinations, acquisitions or disposals, particularly any failure to realise the expected return from investments and acquisitions;
- our leverage and ability to generate sufficient cash to service our debt;
- changes in tax, exchange and interest rates (in particular, changes in the US dollar and pound sterling versus the euro can materially affect our results);
- the performance of the financial markets and the risk of a downturn in the market;
- disruptions of our business operations due to suppliers who are unable or unwilling to perform their obligations;
- risks associated with our organisational structure, the Offer Shares and our other indebtedness; and
- other factors discussed in this Prospectus.

Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, our actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to us or that we do not currently consider material could also cause the events and trends discussed in this Prospectus not to occur,

and the estimates, illustrations and projections of financial performance not to be realised. Prospective investors should read “Risk Factors” and “Operating and Financial Review” for a discussion of additional risks.

Prospective investors are cautioned that forward-looking statements speak only as at the Publication Date. Except as required by applicable law, we do not undertake, and we expressly disclaim, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

## REASONS FOR THE OFFERING

### Introduction to the Offering and Private Placement

On 15 June 2009, we announced our intention to raise €430 million through the €71 million Private Placement and €359 million through the Rights Offering.

The Private Placement was agreed on 12 June 2009. We agreed with Janivo and Cyrte that in the Private Placement they will subscribe for Ordinary Shares for a subscription price of €6.1234 per Ordinary Share, which represents a 10-day volume weighted average price leading up to 12 June 2009. Of this amount €0.20 per Ordinary Share, being the nominal value per Ordinary Share, will be paid upon issue of the Ordinary Shares. The remainder, or €5.9234 per Ordinary Share, will be placed in the Escrow Account and that amount will be paid to us upon, and subject to, completion of the Offering. We have agreed with Janivo and Cyrte to procure that their representative be appointed to the Supervisory Board. Pursuant to this arrangement, Joost Tjaden was nominated for the Supervisory Board, and appointed at the EGM, conditional on the closing of the Offering occurring and will take office immediately thereafter.

We have agreed with Alain De Taeye that he will pay us the amount of €6.1234 per Ordinary Share issued to him in the Private Placement upon the issue of Ordinary Shares to him.

We have furthermore agreed to repurchase the Ordinary Shares issued to Janivo, Cyrte and Alain De Taeye in the Private Placement for consideration equal to the original issue price of those Ordinary Shares if the Rights Offering does not complete before 31 July 2009 for any reason. If completion does not occur before that date such repurchase the amounts paid into the Escrow Account will be released to Cyrte and Janivo.

On 2 July 2009, an aggregate of 11,603,031 Ordinary Shares will be issued in connection with the Private Placement. On that day, each of Janivo and Cyrte will receive 5,715,779 Ordinary Shares against payment of an amount of approximately €1.14 million each to us and Alain De Taeye will receive 171,473 Ordinary Shares against payment of an amount of approximately €1.05 million to us. On the same date, from the total private placement proceeds, an amount of approximately €63.21 million (which is net of fees) will be placed in the Escrow Account and we will receive this amount upon and subject to completion of the Rights Offering.

### Background to the Offering

In 2008, global financial markets experienced significant stress, as devaluation of real estate and related assets, beginning in the US sub-prime residential market, led financial institutions to curtail lending and increase the cost of capital as they sought to limit their exposure to default risk. Illiquidity took hold in the European credit markets, and construction activity declined across the region as economic conditions deteriorated. The financial crisis has affected consumer confidence and led to a severe contraction in all the sectors that we serve. In response to this challenging environment, management resolved to prioritise cost reduction and cash generation, and has taken the following actions:

- reduced the number of FTEs by 375 by the end of March 2009;
- aligned marketing spend with lower revenue expectations;
- minimised discretionary spend and the number of contractors;
- accelerated the restructuring and integration of Tele Atlas; and
- identification and realisation of cost synergies to be gained by merging offices and departments.

### Reasons for the Offering

The uncertain duration and severity of the financial market dislocation and economic contraction continue to negatively affect the markets we serve, and it is unlikely that there will be any meaningful improvement in our consolidated EBITDA until financial markets stabilise and economic conditions improve and consumer retail spending increases.

Although we agreed amendments to the terms of the Facility Agreement in June 2009 by entering into the Amendment Letter, the continuing effectiveness of the Amendment Letter, including the amended covenant levels, is conditional on net cash proceeds of the Offering (or any other equity issuance) of at least €350 million being received on or before 30 September 2009. Under the Facility Agreement and the

Amendment Letter, we are obliged to apply the net cash proceeds of the Offering and Private Placement towards reducing our level of total debt. If we do not receive net cash proceeds of the Offering (or any other equity issuance) of at least €350 million on or before 30 September 2009 and the Amendment Letter ceases to be effective then we will be subject to the previous more onerous financial covenants that would require us to maintain a more restrictive ratio of LTM EBITDA to LTM interest expense and total consolidated net debt to LTM EBITDA, which we could be in breach of, retrospectively, as at 30 June 2009, or any test date thereafter. If we breach our debt covenants, and are unable to obtain a waiver in respect of such breach or find alternative financing to fund repayment of debt due in the event of an acceleration of maturity, we risk becoming insolvent or otherwise ceasing our operations. See “Operating and Financial Review—Liquidity and Capital Resources—Borrowings” for a description of the amendments to our Facility Agreement.

Having assessed the challenges arising from the current trading environment, we have concluded that it is in our Shareholders’ best interests to strengthen our capital structure substantially through the Offering. We believe that, together with the actions already taken to reduce costs and maximise cash generation the Offering should:

- strengthen our capital structure and reduce leverage;
- enable us to comply with the financial covenants in our existing credit facilities;
- position the business for organic growth and enhance our ability to selectively pursue new acquisition prospects where appropriate opportunities arise; and
- as a result of lower interest expense, provide us with greater liquidity to sustain working capital needs in the current economic environment.

#### **Founders’ and Significant Shareholders’ Commitment**

The Founders have committed to exercise SETs that will be granted to them in the Rights Offering on the terms of the Rights Offering for an aggregate subscription price for Offer Shares subscribed for by them of €169.3 million.

Janivo and Cyrte have committed to exercise SETs that will be granted to them in the Rights Offering at the terms of the Rights Offering up to a maximum aggregate subscription price for Offer Shares subscribed for by them of €30 million.

Alain De Taeye has committed to exercise SETs that will be granted to him in the Rights Offering on the terms of the Rights Offering up to a maximum aggregate subscription price for Offer Shares subscribed for by him of €450,000.

In connection with their commitments, the Founders, Janivo, Cyrte and Alain De Taeye will receive compensation equal, on a *pro rata* basis, to the compensation payable to the Banks.

The Banks are not underwriting the Founder Committed Shares, any of the Ordinary Shares issued in the Private Placement, or issuable upon exercise of the SETs granted to Janivo, Cyrte and Alain De Taeye and which Janivo, Cyrte and Alain De Taeye have committed to exercise.

#### **Use of Proceeds**

Under the Facility Agreement and the Amendment Letter, we are obliged to apply the net cash proceeds of the Offering and Private Placement towards reducing our level of total debt, which is in line with our strategy to strengthen our capital structure and position us for growth in the medium to long term. We expect the net cash proceeds of the Offering to be approximately €400 million.



## **DIVIDENDS AND DIVIDEND POLICY**

### **General**

We currently intend to retain future earnings, if any, to finance the growth and development of the business. As a result, we do not anticipate paying any dividends for the foreseeable future.

### **Dividend Policy**

Our dividend policy will, however, be reviewed from time to time and payment of future dividends to Shareholders will effectively be at the discretion of the Management Board, which may determine which part of our profits shall be reserved. The Management Board takes into account various factors including our business prospects, cash requirements, financial performance, new product development, plans for international expansion and the requirements of Dutch law. In addition, payment of future dividends may be made only if shareholders' equity exceeds the sum of our called up and paid-in share capital plus the reserve required to be maintained by law and by the Articles of Association.

### **Dividend History**

We have not paid any dividends during the last three financial years.

### **Dividend Ranking of Offer Shares**

All shares issued and outstanding on the day following the Closing Date, including the Offer Shares, rank equally in all respects and will be eligible for any future dividend which we may declare on the Ordinary Shares.

### **Manner of Dividend Payments**

Payment of any dividend on Ordinary Shares in cash will be made in euro. Any dividends will be paid to Shareholders through Euroclear Nederland, the Dutch centralised securities custody and administration system. Dividends will be credited automatically to Shareholders' accounts without the need for Shareholders to present documentation proving their ownership of the Ordinary Shares.

### **Uncollected Dividends**

A claim for any dividend declared lapses five years after the start of the second day on which it becomes due and payable. Any dividend that is not collected within this period reverts to us and is allocated to our general reserves.

### **Taxation on Dividends**

In principle, dividend payments are subject to withholding tax in the Netherlands. For a discussion of certain aspects of Dutch taxation of dividends and refund procedures, see "Taxation".

## EXCHANGE RATES

We publish our historical consolidated financial statements in euros. The exchange rates below are provided solely for information and convenience. No representation is made that the euro could have been, or could be, converted into US dollars or pounds sterling at these rates.

### US Dollars

The table below shows the high, low, average and end period exchange rates expressed in US dollars per €1.00 for the years given as computed using the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the “Noon Buying Rate”) during the period indicated.

Year ended 31 December,	<u>High</u>	<u>Low</u>	<u>Average<sup>(1)</sup></u>	<u>End of period</u>
	US dollars per euro			
2004 .....	1.3625	1.1801	1.2478	1.3538
2005 .....	1.3476	1.1667	1.2400	1.1842
2006 .....	1.3327	1.1860	1.2661	1.3197
2007 .....	1.4862	1.2904	1.3797	1.4603
2008 .....	1.6010	1.2446	1.4695	1.3919

(1) The average of the Noon Buying Rates on the last business day of each month during the relevant period.

The table below shows the high and low Noon Buying Rates expressed in US dollars per €1.00 for each month during the six months prior to the Publication Date.

	<u>High</u>	<u>Low</u>
	US dollars per euro	
October 2008 .....	1.4058	1.2446
November 2008 .....	1.3039	1.2525
December 2008 .....	1.4358	1.2634
January 2009 .....	1.3946	1.2804
February 2009 .....	1.3064	1.2547
March 2009 .....	1.3740	1.2456
April 2009 .....	1.3583	1.2886
May 2009 .....	1.4098	1.3211
June 2009 <sup>(1)</sup> .....	1.4334	1.3747

(1) The figure for June 2009 is for the period 1 June 2009 through to 30 June 2009.

On 30 June 2009, the Noon Buying Rate for the euro was €1.00 = \$1.4122.

### Pounds Sterling

The table below shows the high, low, average and end period exchange rates expressed in pounds sterling per €1.00 for the years given as computed using the Bank of England spot exchange rate (“**Spot Rate**”) for the periods indicated.

Year ended 31 December,	<u>High</u>	<u>Low</u>	<u>Average<sup>(1)</sup></u>	<u>End of period</u>
	Pounds sterling per euro			
2004 .....	0.7094	0.6565	0.6796	0.7078
2005 .....	0.7057	0.6624	0.6831	0.6872
2006 .....	0.7014	0.6684	0.6820	0.6738
2007 .....	0.7378	0.6557	0.6871	0.7343
2008 .....	0.9804	0.7411	0.8026	0.9670

(1) The average of the Spot Rates on the last business day of each month during the relevant period.

The table below shows the high and low Spot Rates expressed in pounds sterling per €1.00 for each month during the six months prior to the Publication Date.

<b>Pounds sterling per euro</b>	<b>High</b>	<b>Low</b>
	<b>Pounds sterling per euro</b>	
October 2008 .....	0.8046	0.7749
November 2008 .....	0.8552	0.8044
December 2008 .....	0.9804	0.8489
January 2009 .....	0.9609	0.8870
February 2009 .....	0.9042	0.8721
March 2009 .....	0.9505	0.8812
April 2009 .....	0.9321	0.8787
May 2009 .....	0.8998	0.8676
June 2009 <sup>(1)</sup> .....	0.8867	0.8399

(1) The figure for June 2009 is for the period 1 June 2009 through to 30 June 2009.

On 30 June 2009, the Noon Buying Rate for the euro was €1.00 = £0.8508.

## CAPITALISATION AND INDEBTEDNESS

The table below sets forth our consolidated capitalisation and indebtedness as at 31 March 2009, and as adjusted to reflect the Offering and the Private Placement, as described herein. In the table an adjustment is made for gross proceeds of the Offering and the Private Placement of €430 million and estimated fees of €30 million which results in reduced indebtedness of €400 million. This table should be read in conjunction with the section “Operating and Financial Review” below and our audited consolidated financial statements, including the notes thereto, incorporated by reference in this Prospectus.

(€ in millions)	As of 31 March 2009 (unaudited)	Adjustment for the Offering (unaudited)	Estimated balances after the Offering (unaudited)
<i>Total Current Debt</i>			
Guaranteed/Secured . . . . .	147		147
Unguaranteed/Unsecured . . . . .	0		0
<i>Total Non-Current Debt</i>			
Guaranteed/Secured . . . . .	1,245	-400	845
Unguaranteed/Unsecured . . . . .	0	0	0
<b>Total indebtedness . . . . .</b>	<b>1,391<sup>(1)</sup></b>	<b>-400</b>	<b>991</b>
Issued and paid-in capital . . . . .	25	19	44
Share premium . . . . .	576	381	957
Other reserves . . . . .	105		105
Retained earnings . . . . .	-229		-229
Equity attributable to equity holders of the parent . . . . .	476	400	876
Minority interest . . . . .	5		5
<b>Total shareholders' equity . . . . .</b>	<b>481</b>	<b>400</b>	<b>881</b>
<b>Total capitalisation . . . . .</b>	<b>1,873</b>	<b>0</b>	<b>1,873</b>

(1) Our total bank borrowings amount to €1,426.5 million, transaction costs are netted against the borrowings and amortised over the duration of the borrowings (of which €158 million is the current portion). The reported borrowings are net of €35 million transaction costs. We agreed amendments to the terms of the Facility Agreement in June 2009 and our current portion of the debt was revised from €158 million to €210 million.

On 31 March 2009 our total financial indebtedness (excluding transaction costs of €35 million, which were netted against the borrowings) was €1,427 million; taking into account our total cash balance of €270 million we have a net financial indebtedness of €1,157 million. For our total liabilities we refer to our consolidated balance sheet which is incorporated into this document by reference. We do not have any indirect and contingent liabilities.

Except for the amendments to the Facility Agreement (see “Operating and Financial Review – Liquidity and Capital Resources – Borrowings”) there have been no material changes since 31 March 2009 (being the date of our most recent unaudited condensed consolidated interim financial statements) up to the Publication Date in respect of the information set forth in the table above.

## SELECTED CONSOLIDATED FINANCIAL DATA

The tables below set forth our selected consolidated financial data as at the dates and for the periods indicated. The selected consolidated financial data should be read in conjunction with the remainder of this Prospectus including (i) our audited consolidated financial statements as at and for the year ended 31 December 2008 and the related notes, our audited condensed consolidated financial statements as at and for the year ended 31 December 2007 and the related notes, our audited consolidated financial statements as at and for the year ended 31 December 2006 and the related notes, and our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009 and 31 March 2008, in each case incorporated by reference into this Prospectus, (ii) the “Unaudited Pro Forma Consolidated Financial Information” in this Prospectus, and (iii) the “Operating and Financial Review” in this Prospectus.

Our audited consolidated financial statements as at and for the years ended 31 December 2008, 2007 and 2006 incorporated by reference herein have been prepared in accordance with IFRS and have been audited by Deloitte Accountants B.V., independent auditors. The selected consolidated financial data set forth below is extracted without material adjustment from our audited consolidated financial statements as at and for the years ended 31 December 2008, 2007 and 2006 and our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2008 and 2009 incorporated by reference herein. The selected consolidated financial data set forth below may not contain all of the information that is important to prospective investors.

(€ in millions)	Year ended 31 December			Three months ended 31 March	Three months ended 31 March
	Audited			Unaudited	
	2006	2007	2008 <sup>(1)</sup>	Q1 2008	Q1 2009 <sup>(1)</sup>
Revenue . . . . .	1,364	1,737	1,674	264	213
Cost of sales. . . . .	785	973	893	168	106
<b>Gross result. . . . .</b>	<b>579</b>	<b>764</b>	<b>781</b>	<b>96</b>	<b>107</b>
<b>Operating expenses</b>					
Amortisation of technology and databases . . . . .	12	16	48	6	17
Research & development expenses . . . .	24	44	123	19	37
Marketing expenses . . . . .	101	137	143	20	17
Selling, general and administrative expenses. . . . .	80	108	215	37	52
Impairment charge. . . . .	0	0	1,048	0	0
Stock compensation. . . . .	21	31	6	6	0
<b>Total operating expenses . . . . .</b>	<b>238</b>	<b>336</b>	<b>1,581</b>	<b>87</b>	<b>123</b>
<b>Operating result. . . . .</b>	<b>340</b>	<b>428</b>	<b>-801</b>	<b>9</b>	<b>-16</b>
Interest result . . . . .	8	19	-52	4	-17
Other financial result . . . . .	-32	-16	72	11	-16
Result associates . . . . .	0	1	-13	-5	0
<b>Result before tax . . . . .</b>	<b>316</b>	<b>431</b>	<b>-794</b>	<b>19</b>	<b>-50</b>
Income tax . . . . .	93	114	78	11	-13
<b>Net result . . . . .</b>	<b>222</b>	<b>317</b>	<b>-872</b>	<b>7</b>	<b>-37</b>
Minorities. . . . .	0	0	1	0	0
<b>Net result attributable to the group. .</b>	<b>222</b>	<b>317</b>	<b>-873</b>	<b>7</b>	<b>-37</b>
<b>Average number of shares outstanding</b>					
Basic (in 000s). . . . .	110,280	113,759	122,467	121,799	123,316
<b>Diluted (in 000s). . . . .</b>	<b>117,156</b>	<b>119,236</b>	<b>123,465</b>	<b>125,870</b>	<b>124,599</b>

(€ in millions)	Year ended 31 December			Three months ended 31 March	Three months ended 31 March
	Audited			Unaudited	
	2006	2007	2008 <sup>(1)</sup>	Q1 2008	Q1 2009 <sup>(1)</sup>
Earnings Per Share, basic (in €) . . . . .	2.01	2.79	-7.13	0.06	-0.30
<b>Earnings Per Share, diluted (in €) . . .</b>	<b>1.90</b>	<b>2.66</b>	<b>-7.13</b>	<b>0.06</b>	<b>-0.30</b>
<b>EBITDA<sup>(2)</sup> – As reconciled to operating result:</b>					
Operating result . . . . .	340	428	-801	9	-16
Add back:					
Impairment charge . . . . .	0	0	1,048	0	0
Amortisation and depreciation . . . . .	18	23	73	8	26
<b>EBITDA . . . . .</b>	<b>358</b>	<b>451</b>	<b>320</b>	<b>16</b>	<b>10</b>
<b>Selected balance sheet data:</b>					
Cash . . . . .	438	463	321	476	270
Current assets (excluding cash) . . . . .	406	591	488	374	286
Current liabilities . . . . .	341	575	722	351	512
Share holders' equity . . . . .	551	1,352	513	1,363	481
<b>Selected cash flow data:</b>					
Cash generated from operations . . . . .	392	535	463	52	13
Cash used in investing activities . . . . .	-29	-867	-1,903	-8	-32
Cash from financing activities . . . . .	1	453	1,408	0	0

(1) Due to the acquisition of Tele Atlas in June 2008, our audited results for the year ended 31 December 2008 and our unaudited results for the three months ended 31 March 2009 are not directly comparable with the corresponding prior periods.

(2) We define EBITDA as operating result excluding amortisation, depreciation and impairment charges. EBITDA is presented because we believe it is a measure frequently used by security analysts, investors and other interested parties in evaluating companies in our industry and because we monitor a form of EBITDA for compliance with our debt covenants. For the purposes of the interest coverage ratio under our Facility Agreement, we calculate EBITDA on a different basis than we do for purposes of presentation in this Prospectus. EBITDA for purposes of our Facility Agreement adds back any restructuring expenses which we may have incurred in the period for which the covenant is being tested. See “Operating and Financial Review—Liquidity and Capital Resources—Borrowings”. EBITDA is not a measure of financial performance under IFRS, should not be considered an alternative to cash flow from operating activities or operating profit, and may not be comparable to similarly titled measures of other companies, because EBITDA is not uniformly defined and other companies may calculate it in a different manner than we do. EBITDA is not an audited measure and is calculated using financial information extracted from the financial statements incorporated by reference to this Prospectus.

## Consolidated Balance Sheet as of 31 December 2008

(€ in millions)	Audited			Unaudited	
	2006	2007	2008	Q1 2008 <sup>(1)</sup>	Q1 2009
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill . . . . .	0	0	855	0	855
Other intangible assets . . . . .	39	56	1,011	55	1,000
Property, plant and equipment . . . . .	8	18	53	20	55
Investments in associates . . . . .	0	817	6	812	6
Deferred tax assets . . . . .	12	24	33	18	45
<b>Total non-current assets . . . . .</b>	<b>59</b>	<b>915</b>	<b>1,958</b>	<b>905</b>	<b>1,960</b>
<b>Current assets</b>					
Inventories . . . . .	123	131	145	136	97
Trade receivables . . . . .	266	403	290	164	134
Other receivables and prepayments . . . . .	16	31	16	33	13
Other financial assets . . . . .	1	27	37	41	42
Cash and cash equivalents . . . . .	438	463	321	476	270
<b>Total current assets . . . . .</b>	<b>844</b>	<b>1,054</b>	<b>809</b>	<b>850</b>	<b>556</b>
<b>Total assets . . . . .</b>	<b>903</b>	<b>1,970</b>	<b>2,767</b>	<b>1,755</b>	<b>2,517</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital . . . . .	23	24	25	24	25
Share premium . . . . .	115	567	576	567	576
Legal reserves . . . . .	3	6	33	4	35
Stock compensation reserve . . . . .	32	59	69	65	71
Retained earnings/(deficit) . . . . .	378	697	-194	703	-229
Equity attributable to equity holders of the parent . . . . .	551	1,352	508	1,363	476
Minority interests . . . . .	0	0	5	0	5
<b>Total equity . . . . .</b>	<b>551</b>	<b>1,352</b>	<b>513</b>	<b>1,363</b>	<b>481</b>
<b>Non-current liabilities</b>					
Borrowings . . . . .	0	0	1,242	0	1,245
Deferred tax liability . . . . .	1	0	229	0	223
Long term liability . . . . .	0	0	5	0	4
Provisions . . . . .	10	42	56	40	52
<b>Total non-current liabilities . . . . .</b>	<b>11</b>	<b>42</b>	<b>1,531</b>	<b>41</b>	<b>1,524</b>
<b>Current liabilities</b>					
Trade payables . . . . .	67	152	152	101	70
Taxes and social security . . . . .	73	89	29	31	6
Borrowings . . . . .	0	0	147	0	147
Accruals . . . . .	89	154	150	92	102
Provisions . . . . .	34	54	57	49	49
Other liabilities . . . . .	79	126	187	79	137
<b>Total current liabilities . . . . .</b>	<b>341</b>	<b>575</b>	<b>722</b>	<b>351</b>	<b>512</b>
<b>Total equity and liabilities . . . . .</b>	<b>903</b>	<b>1,970</b>	<b>2,767</b>	<b>1,755</b>	<b>2,517</b>

(1) Due to the acquisition of Tele Atlas in June 2008, our audited results for the year ended 31 December 2008 and our unaudited results for the three months ended 31 March 2009 are not directly comparable with the corresponding prior periods.

## UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

### General

In the fourth quarter of 2007, we made a cash offer of €30.00 per ordinary share for all ordinary shares of Tele Atlas, totalling approximately €2.8 billion excluding acquisition costs. We acquired 29.9% of the shares of Tele Atlas for a total consideration of €816 million. Since we did not obtain control over Tele Atlas at that time, the transaction was classified as an investment in associate. In June 2008, we acquired the remaining shares of Tele Atlas. The acquired business contributed €121 million in revenue and €5.9 million in net profit (excluding impairment) to the Group for the period from 1 June 2008 to 31 December 2008.

### *Basis of Preparation and Assumptions Used*

The unaudited pro forma combined income statements set out below have been prepared to illustrate the impact of the Tele Atlas acquisition (the “Acquisition”) on our consolidated income statement. Information used in preparing the pro forma combined income statements was obtained from the respective annual reports of the entities as well as directly from reporting tools due to changes in the layout of reporting for Tele Atlas. Prior to the acquisition, Tele Atlas reported the income statement by nature of the expenses; since the acquisition we have changed the layout of the income statement in order to report the expenses in a functional way.

The unaudited pro forma combined income statements below give effect to the Acquisition as if the Acquisition occurred on 1 January 2008 and combines the consolidated income statement of Tele Atlas N.V. with the consolidated income statement of TomTom N.V. for the twelve month period ended 31 December 2008 as well as the three month period ended 31 March 2008, which has been included for comparative purposes for reference to the three month period 31 March 2009.

The unaudited pro forma combined income statements have been prepared for illustrative purposes only, and because of their nature addresses a hypothetical situation and therefore do not represent our actual financial position or results of operations in 2008. Our acquisition of Tele Atlas N.V. was completed on 10 June 2008 and we consolidated their financial statements with those of TomTom N.V. from that date.

The historical consolidated income statements are prepared and presented in accordance with IFRS. No promulgated standards for pro forma reporting exist in the Netherlands. Accordingly, the reporting may differ significantly from those in other jurisdictions. The unaudited pro forma consolidated income statements do not purport to present what our earnings would actually have been or what earnings would be if the Acquisition that gave rise to the pro forma adjustments had occurred at the dates assumed and is not indicative of future earnings. The unaudited pro forma combined income statements of TomTom N.V. should be read in conjunction with the section of the Prospectus entitled “Operating and Financial Review” and the historical financial statements and related notes thereto incorporated by reference in this Prospectus.

All figures are rounded to millions; amounts below €0.5 million will be rounded to €0 million. Certain adjustments made in our pro forma tables are below €0.5 million, which results in a rounded €0 million adjustment in the pro forma table.

### *Accounting Policies Used in Preparing the Unaudited Pro Forma Combined Financial Information*

The unaudited pro forma combined income statements have been prepared in a manner consistent with the accounting policies as applied by TomTom N.V.

### *Unaudited Pro Forma Combined Income Statement*

The unaudited pro forma combined income statements of TomTom N.V. set out below illustrates the effects of the Tele Atlas Acquisition as if this acquisition had occurred on 1 January 2008. The following tables contain:

- the unaudited pro forma combined income statement of TomTom N.V. for the full year 2008, showing a full 12 months of results of Tele Atlas as if the acquisition had occurred on 1 January 2008;
- the unaudited pro forma combined income statement of TomTom N.V. for the three months ended 31 March 2008, showing three months of results of Tele Atlas as if the acquisition had occurred on 1 January 2008; and
- for comparison purposes, the unaudited consolidated income statement of TomTom N.V. for the three months ended 31 March 2009, which includes three months of results of Tele Atlas.



(€ in millions)	Q1 '08 Pro forma	Q1 '09 Actual	2008 Pro Forma
Revenue . . . . .	307	213	1,748
Cost of sales . . . . .	158	106	877
<b>Gross result . . . . .</b>	<b>149</b>	<b>107</b>	<b>871</b>
<i>Operating expenses</i>			
Amortisation of technology and databases . . . . .	17	17	68
Research & development expenses . . . . .	46	37	165
Marketing expenses . . . . .	28	17	155
Selling, general and administrative expenses . . . . .	56	52	242
Impairment charge . . . . .	0	0	1,048
Stock compensation expense . . . . .	8	0	13
<b>Total operating expenses . . . . .</b>	<b>155</b>	<b>123</b>	<b>1,691</b>
<b>Operating result . . . . .</b>	<b>-6</b>	<b>-16</b>	<b>-820</b>
Interest result . . . . .	-25	-17	-103
Other financial result . . . . .	11	-16	73
Result associates . . . . .	-1	0	-1
<b>Result before tax . . . . .</b>	<b>-20</b>	<b>-50</b>	<b>-851</b>
Income tax . . . . .	4	-13	66
<b>Net result . . . . .</b>	<b>-24</b>	<b>-37</b>	<b>-917</b>
Minorities . . . . .	0	0	0
<b>Net result attributable to the group . . . . .</b>	<b>-23</b>	<b>-37</b>	<b>-917</b>
Average number of shares outstanding			
Basic (in 000s) . . . . .	121,799	123,316	122,467
Diluted (in 000s) . . . . .	125,870	124,599	123,465
Earnings Per Share, basic (in €) . . . . .	-0.19	-0.30	-7.49
Earnings Per Share, diluted (in €) . . . . .	-0.19	-0.30	-7.49
EBITDA <sup>(1)</sup> – As reconciled to operating result:			
Operating result . . . . .	-6	-16	-820
Add back:			
Impairment charge . . . . .	0	0	1,048
Amortisation and depreciation . . . . .	22	26	99
<b>EBITDA . . . . .</b>	<b>17</b>	<b>10</b>	<b>327</b>

(1) For a definition of EBITDA, see footnote 2 to “Selected Consolidated Financial Data”.

Income statement (€ in millions)	2008 TomTom (note 1)	2008 Tele Atlas (notes 1&2)	Total	Pro Forma adjustments & eliminations (notes 3&4)	2008 Pro Forma TomTom N.V.
Revenue	1,553	289	1,842	-94 <sup>(4a)</sup>	1,748
Cost of sales	932	39	971	-93 <sup>(3b(ii), (iii), 4a)</sup>	877
<b>Gross profit</b>	<b>621</b>	<b>250</b>	<b>871</b>	<b>0</b>	<b>871</b>
<b>Operating expenses</b>					
Amortisation of technology and databases	21	47	68	0 <sup>(3a/b(i))</sup>	68
Research and development expenses	65	108	173	-8 <sup>(4c)</sup>	165
Marketing expenses	131	24	155	0 <sup>(3a/b(i))</sup>	155
Selling, general and administrative expenses <sup>(2)</sup>	154	112	266	-24 <sup>(3a/b(i), (ii), (iii), 4c)</sup>	242
Impairment charge	0	1,048	1,048	0	1,048
Stock compensation expense	6	8	13	0	13
<b>Operating expenses</b>	<b>377</b>	<b>1,346</b>	<b>1,723</b>	<b>-32</b>	<b>1,691</b>
<b>Operating result (EBIT)</b>	<b>244</b>	<b>-1,095</b>	<b>-851</b>	<b>31</b>	<b>-820</b>
Interest result	-57	9	-48	-54 <sup>(4b)</sup>	-103
Exchange rate loss	73	-1	73	0	73
Result of associate	-13	-1	-15	13 <sup>(3b(iv))</sup>	-1
<b>Result before tax</b>	<b>247</b>	<b>-1,088</b>	<b>-842</b>	<b>-9</b>	<b>-851</b>
Income tax	77	-3	74	-9	-66
<b>Net result</b>	<b>169</b>	<b>-1,085</b>	<b>-916</b>	<b>-1</b>	<b>-917</b>
Minorities	0	0	0	0	0
<b>Net result attributable to the group</b>	<b>169</b>	<b>-1,086</b>	<b>-916</b>	<b>-1</b>	<b>-917</b>
<b>Earnings Per Share</b>					
Basic (in 000s)	122,467				122,467
Diluted (in 000s)	123,465				123,465
Earnings Per Share, basic (in €)	1.38				-7.49
Earnings Per Share, diluted (in €)	1.37				-7.49
<b>EBITDA</b>					
<b>Operating result</b>	<b>244</b>	<b>-1,095</b>	<b>-851</b>	<b>31</b>	<b>-820</b>
Add back:					
Impairment charge	0	1,048	1,048	0	1,048
Amortisation and depreciation	37	62	100	0	99
<b>EBITDA</b>	<b>281</b>	<b>15</b>	<b>296</b>	<b>31</b>	<b>327</b>
Revenue	264	59	323	-16 <sup>(4a)</sup>	307
Cost of sales	168	5	173	-15 <sup>(3b(ii), (iii), 4a)</sup>	158
<b>Gross profit</b>	<b>96</b>	<b>54</b>	<b>150</b>	<b>0</b>	<b>149</b>

Income statement (€ in millions)	2008 TomTom (note 1)	2008 Tele Atlas (notes 1&2)	Total	Pro Forma adjustments & eliminations (notes 3&4)	2008 Pro Forma TomTom N.V.
<b>Operating expenses</b>					
Amortisation of technology and databases . . . . .	6	11	17	0 <sup>(3a/b(i))</sup>	17
Research and development expenses . . . . .	19	27	46	0	46
Marketing expenses . . . . .	20	7	28	0 <sup>(3a/b(i))</sup>	28
Selling, general and administrative expenses . . . . .	37	22	59	-3 <sup>(3a/b(i), (ii), (iii), 4c)</sup>	56
Stock compensation expense . . . . .	6	3	8	0	8
<b>Operating expenses . . . . .</b>	<b>87</b>	<b>70</b>	<b>157</b>	<b>-3</b>	<b>155</b>
<b>Operating profit (EBIT) . . . . .</b>	<b>9</b>	<b>-17</b>	<b>-8</b>	<b>2</b>	<b>-6</b>
Interest result . . . . .	4	2	6	-30 <sup>(4b)</sup>	-25
Exchange rate result . . . . .	11	0	11	0	11
Result of associate . . . . .	-5	-1	-5	5 <sup>(3b(iv))</sup>	-1
<b>Profit before tax . . . . .</b>	<b>19</b>	<b>-15</b>	<b>4</b>	<b>-23</b>	<b>-20</b>
Income tax . . . . .	11	0	11	-7	4
<b>Net profit . . . . .</b>	<b>7</b>	<b>-15</b>	<b>-7</b>	<b>-16</b>	<b>-24</b>
Minorities . . . . .	0	0	0	0	0
<b>Net profit attributable to the group</b>	<b>7</b>	<b>-15</b>	<b>-7</b>	<b>-16</b>	<b>-23</b>
<b>Earnings Per Share</b>					
Basic (in 000s) . . . . .	121,799				121,799
Diluted (in 000s) . . . . .	125,870				125,870
Earnings Per Share, basic (in €) . . . . .	0.06				-0.19
Earnings Per Share, diluted (in €) . . . . .	0.06				-0.19
<b>EBITDA</b>					
<b>Operating profit . . . . .</b>	<b>9</b>	<b>-17</b>	<b>-8</b>	<b>2</b>	<b>-6</b>
Add back:					
Amortisation and depreciation . . . . .	8	15	23	0	22
<b>EBITDA . . . . .</b>	<b>16</b>	<b>-2</b>	<b>15</b>	<b>2</b>	<b>17</b>

## Notes to the pro forma combined financial information

### Note 1—Basis of accounting

The pro forma combined financial information for the year ended 31 December 2008 and for the three months ended 31 March 2008 is based on the historical financial information of TomTom and Tele Atlas as well as our internal reporting tools and adjusted to give our best estimate of the effects of the acquisition and certain related transactions that impact the financial position and results, as if the acquisition had occurred on 1 January 2008. The unaudited pro forma combined financial information has been prepared in a manner consistent with the accounting policies as applied by TomTom.

The pro forma figures have not taken into account the effect of any synergies and one-off costs of realising such synergies that may result from integration activities.

The pro forma combined corporate income tax charge does not reflect the amount that would have resulted had TomTom and Tele Atlas filed consolidated income tax returns during the periods presented. The tax effect on the pro forma adjustments is calculated with a tax rate of 25.5% (Dutch statutory tax rate).

The unaudited pro forma combined financial information is prepared on the assumption that the accounting estimates by TomTom and Tele Atlas are the best estimates as of the relevant dates. No attempt is made to align TomTom and Tele Atlas' expectations and accounting estimates or to update accounting estimates. Accounting estimates may change due to information that has or will become available or due to the alignment of expectations between TomTom and Tele Atlas.

Certain figures contained in the unaudited pro forma combined financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in the unaudited pro forma combined financial information may not conform exactly to the total figure given for that column or row.

### Note 2—Adjustments to conform to TomTom's presentation format

Reclassifications have been made to the Tele Atlas historical financial information to conform to TomTom's presentation. These reclassifications do not impact the results for the period or the shareholders' equity. The reclassifications comprise the following:

- Reclassifications to change presentation of the expenses by nature in the income statement to a functional presentation format to conform to TomTom's presentation.
- Amortisation relating to technology and databases has been included as a separate line item. Amortisation relating to customer relationships and to the Tele Atlas brand has been included in respectively selling expenses and marketing expenses.
- Depreciation has been included within the various functional line items to which it relates.

### Note 3—Pro forma adjustments for the purchase of Tele Atlas

#### *(3a) Acquisition accounting*

Based upon the purchase price allocation we have estimated the fair value of the intangibles. The fair value of the intangibles, the average amortisation period and the annual amortisation are summarised in the table below. The actual impact of the fair value step up on our first quarter 2008 and full year 2008 pro forma results is shown in note 3b.

<b>Intangible asset (amortisation period in years)</b>	<b>Estimated fair value (€ in millions)</b>
Tele Atlas database (20) . . . . .	840
Database tools (10) . . . . .	33
Customer relationships (24) . . . . .	75
Brand name (20) . . . . .	9
	<hr/>
Amortisation previously recorded by Tele Atlas in 2007 <sup>(1)</sup> . . . . .	44
Additional amortisation resulting from acquisition . . . . .	5
	<hr/>
<b>Total annual amortisation</b> . . . . .	<b>49</b>
	<hr/>

(1) The amortisation charge as recorded in the Tele Atlas financials is calculated by using a 10 year amortisation period for the database.

**(3b) Adjustments to conform Tele Atlas’s accounting policies to TomTom’s accounting policies**

The pro forma combined financial information has been prepared taking into account the differences in accounting policies as applied by TomTom in its 2008 audited financial statements and those applied by Tele Atlas. The following differences were noted:

- I. Amortisation period of the database—Tele Atlas amortises their database over a useful life of 10 years. TomTom has reassessed the useful life of the database and will amortise the database over a period of 20 years. This change in the amortisation period partly offsets the increase in the amortisation expense resulting from the fair value adjustment to the database.

Amortisation adjustments are indicated below:

	<u>2008</u>	<u>Q1 2008</u>
	<u>(€ thousands)</u>	
Database and tools (Amortisation of technology and databases) . . . . .	-312	-137
Customer relationships (selling, general and administrative expenses) . . . . .	893	429
Brand name (marketing) . . . . .	-180	-108

- II. Doubtful debts – Tele Atlas records losses in the doubtful debt allowance account within operating expenses whilst TomTom recognises them in cost of sales. In future periods doubtful debts will be recorded within cost of sales for the Group. Doubtful debts of €423 thousand were reclassified from selling, general and administrative expenses to cost of sales for the first quarter 2008 and full year 2008.

- III. Sales commissions and fees – Tele Atlas includes sales commissions and fees in cost of sales. TomTom recognises these costs as part of selling, general and administrative expenses. In future periods sales and commissions expenses will be recorded within selling, general and administrative expenses for the Group. Sales commissions of €67 thousand were reclassified to selling, general and administrative expenses from cost of sales for the first quarter 2008 and full year 2008.

- IV. Result associate – the pro forma financial information is prepared assuming that we had control over Tele Atlas at 1 January 2008. As a result of this assumption the result of the associate that was previously recorded in our historical consolidated financial statements as of and for the year ended 31 December 2008 for our 29.9% interest in Tele Atlas has been eliminated.

**Note 4—Other pro forma adjustments**

**(4a) Transactions between TomTom and Tele Atlas**

Outstanding balances and amounts charged between TomTom and Tele Atlas have been eliminated in full. For full year 2008 and the first quarter 2008 we have eliminated respectively €93.5 million and €15.7 million of Tele Atlas map revenues against cost of sales in TomTom.

**(4b) Interest expense**

The pro forma financial information has been prepared assuming that the acquisition debt of €1,585 million had been incurred as of 1 January 2008. This results in an additional interest charge. An adjustment has been made to record the expected interest costs related to the debt arising upon acquisition, based on an

assumed interest rate of 6.5% in the first quarter of 2008. Interest rates going forward will fluctuate with Euribor. Had Tele Atlas been acquired as of 1 January 2008, the interest earned on TomTom cash balances would not have been earned as the cash would have been used to partially fund the acquisition, this interest income has thus been eliminated. The adjustment also includes the amortisation of the costs associated with arranging the loan to finance the acquisition. These costs are netted against the loan proceeds and amortised over the period of the loan. Amortised loan costs will effect accounting by the Group in future periods.

Adjustments to interest income and expense are indicated below:

	<u>2008</u>	<u>Q1 2008</u>
	<u>(€ thousands)</u>	
Additional interest expense due to the loan . . . . .	-41,545	-23,181
Amortised loan interest . . . . .	-3,214	-1,804
Reduced interest due to lower cash balances . . . . .	-9,518	-5,347
<b>Total</b> . . . . .	<b>-54,277</b>	<b>-30,332</b>

***(4c) Acquisition and transaction costs***

Pre-acquisition, Tele Atlas incurred acquisition and transaction costs of €2.1 million in the first quarter 2008 and €31 million for the full year allocated between research and development (first quarter 2008: €0 million, full year 2008: €8 million) and selling, general and administrative expenses (first quarter 2008: €2.1 million, full year 2008: €23 million). If the acquisition would have taken place at 1 January 2008, these acquisition and transaction related costs would not have been incurred by Tele Atlas in 2008. Additional restructuring costs will be expensed as incurred by the Group in future periods.

***Note 5—Adjustments with a recurring impact***

We expect the following adjustments to have a continuing impact on the Company's income statement; 3a, 3bI, 3bII, 3bIII, 4a and 4b.

To the Shareholders and Supervisory Board of TomTom N.V.  
Oosterdokstraat 114  
1011 DK AMSTERDAM

Date	From	Reference
July 1, 2009	A. Sandler	3100200243/OP9985/ct

## **Auditor's Assurance Report on Pro Forma Financial Information**

### Introduction

In accordance with Commission Regulation No. 809/2004 of April 29, 2004 (the "Prospectus Regulation"), we report on the attached unaudited pro forma condensed combined statement of income (the "unaudited pro forma condensed combined financial information") for the year ended December 31, 2008 and for the 3 months ended March 31, 2008 of TomTom N.V. and its subsidiaries (the "Company") which are set out on page 52 of the prospectus dated July 1, 2009 (the "Prospectus").

The unaudited pro forma condensed combined financial information has been prepared on the basis described on page 52 of the Prospectus and for illustrative purposes only, to illustrate how the Tele Atlas acquisition might have affected the unaudited financial information for the period ended December 31, 2008 and March 31, 2008, and because of its nature addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

It is the responsibility of the Management Board of TomTom N.V. to prepare the unaudited pro forma condensed combined financial information in accordance with the requirements of the Prospectus Regulation. It is our responsibility to provide an assurance report as to the proper compilation of the unaudited pro forma condensed combined financial information as required by Annex II item 7 of the Prospectus Regulation. We are not responsible for expressing any other opinion on the unaudited pro forma condensed combined financial information or on any of its constituent elements. In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the unaudited pro forma condensed combined financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

July 1, 2009  
3100200243/OP9985/ct

### Scope

We performed our work in accordance with the Dutch law and COS 3000 '*Assurance Engagements other than Audits or Reviews of Historical Financial Information*'. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma condensed combined financial information with the management of the Company.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited pro forma condensed combined financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

### Opinion

In our opinion:

- a) The unaudited pro forma condensed combined financial information has been properly compiled on the basis stated in the Prospectus; and
- b) That basis is consistent with the accounting policies of the Company.

This report is required by the Prospectus Regulation and is given for the purpose of complying with that Prospectus Regulation and for no other purpose.

Deloitte Accountants B.V.

Was signed:

A. Sandler



## OPERATING AND FINANCIAL REVIEW

*The following discussion and analysis of our consolidated results of operations and financial condition should be read in conjunction with the rest of this Prospectus, including (i) our audited consolidated financial statements as at and for the year ended 31 December 2008 and the related notes, our audited consolidated financial statements as at and for the year ended 31 December 2007 and the related notes, our audited consolidated financial statements as at and for the year ended 31 December 2006 and the related notes, and our unaudited consolidated financial statements as at and for the three months ended 31 March 2009 and 31 March 2008, in each case incorporated by reference into this Prospectus, (ii) the “Selected Consolidated Financial Data” in this Prospectus and (iii) the “Unaudited Pro Forma Consolidated Financial Information” in this Prospectus. For a detailed discussion of the presentation of our historical financial data, please see “Important Information and Restrictions—Presentation of Financial and Other Information”.*

*Our audited and unaudited consolidated financial statements have been prepared in accordance with IFRS. The information presented as at and for the years ended 31 December 2008, 2007 and 2006 in this Operating and Financial Review is extracted without material adjustment from our audited consolidated financial statements incorporated by reference into this Prospectus. The unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009 and 31 March 2008 have been extracted from our accounting records. See “Important Information and Restrictions—Documents Incorporated by Reference”.*

*In June 2008, we completed a significant acquisition by completing our acquisition of Tele Atlas. Since acquiring Tele Atlas, we have managed our business in two business segments under IFRS, TomTom (comprising our Consumer, WORK and AUTO business units) and Tele Atlas (comprising the historical Tele Atlas businesses). Prior to the acquisition of Tele Atlas, we managed our business in geographical segments under IFRS. As a result of the Tele Atlas acquisition, and the resulting change in segmentation of our business, our results of operations for the periods presented are not directly comparable with one another.*

*This discussion and analysis contains forward-looking statements that are subject to known and unknown risks and uncertainties. Our actual results and the timing of events could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Prospectus, including under the headings “Forward-Looking Statements” and “Risk Factors”. We do not undertake any obligation to revise, or publicly release the results of any revision to, these forward-looking statements.*

### Overview

TomTom is a leading provider of navigation solutions and digital maps. In the five years from the launch of our first PND in early 2004, close to 30 million people around the globe have purchased a TomTom PND and over 45 million navigation devices were powered by Tele Atlas digital maps. In addition to this, over 100 million people use our maps on the internet every month and the same is true for approximately one of every four cars with a built in navigation system. As of 31 March 2009, we had 3,277 employees working in offices in Europe, North America, the Middle East, Africa and Asia Pacific.

In June 2008 we completed the acquisition of Tele Atlas, transforming the Group into a broader navigation solutions, content and services company. To better support the broader company we introduced a new structure which enables us to offer complete navigation and mapping solutions for car drivers across different platforms and to the wider markets for digital maps. The structure consists of two business segments—TomTom and Tele Atlas—comprising four customer-facing business units—TomTom’s Consumer business unit, WORK which we commenced in 2005, AUTO which we commenced in 2007 (within the TomTom segment) and Tele Atlas.

The TomTom segment’s primary business unit, which generated 85% of our total revenue in 2008, and 66% of our total revenue in the first quarter of 2009, sells PNDs to consumers via retailers and distributors. Tele Atlas, which generated 7% of our total revenue in 2008 as Tele Atlas only contributed to our 2008 revenue for the period since the date of acquisition, and 19% of our total revenue in the first quarter of 2009, sells digital maps and related content and services to various industries. The remaining part of our revenue comes from the operations of our two other business units, WORK and AUTO. The WORK business unit offers professional solutions for commercial fleets. The AUTO business unit develops and sells navigation systems and services to car manufacturers and ODMs worldwide. Both our WORK and AUTO business units

have only been established recently but we anticipate that they will be increasingly important to our results of operations as we drive a broader revenue base across the Group. Handset manufacturers and network operators are serviced with mobile navigation solutions, map content and services by the business units TomTom and Tele Atlas. Car manufacturers and ODMs are serviced with mobile navigation solutions, map content and services by the Tele Atlas and AUTO business units.

We experienced significant growth in revenue from 2006 to the end of 2007. In 2006 as compared to 2005, and 2007 as compared to 2006, our growth was largely organic and was driven primarily by our personal navigation product introductions, and growth in the volume of PND unit sales by 178% and 104% respectively, offset in part by declining ASPs by 27% and 37% respectively for our PNDs. In 2008, we retained our market share in our key European and North American markets, however a 26% increase in volumes of PND sales was, for the first time in our history, more than offset by the continued decline in ASP of 31%. Challenging macroeconomic conditions resulted in slightly lower revenues in 2008 compared to 2007, and a significant decline in revenue to €213 million in the first quarter of 2009 compared to €264 million in the first quarter of 2008. Excluding the results of Tele Atlas, which we acquired in mid-2008, our revenues in the first quarter of 2009 declined further to €172 million. In 2008 and the first quarter of 2009, this revenue decline was due to a decline in PND unit sales and a continued decline in the ASP for our PNDs. The decline in unit sales was largely due to a rapidly deteriorating general economic environment and resulting decrease in consumer spending. While the decline in unit sales was more pronounced in Europe than in the United States, we have recently seen a weakening of unit sales in the United States. We generally experience lower ASPs in the United States than in Europe and greater pressure on ASPs in the United States as US markets develop into a more mature phase.

Europe accounted for 71% of our revenue in 2008, and 69% in the first quarter of 2009. North America accounted for 27% of our revenue in 2008 (an increase from 16% in 2007), and 26% in the first quarter of 2009. The rest of the world, mainly Australia, accounted for approximately 4% of our revenue in 2008, and 5% in the first quarter of 2009. North America showed a revenue growth in 2008, while revenue decreased in the first quarter of 2009 compared to 2008 and 2007. Compared to 2007 Europe and Asia showed a decrease in revenue in 2008, and a further substantial decrease in the first quarter of 2009.

### **Material Factors Affecting our Results of Operations and Financial Condition**

We believe the following factors have had and will continue to have a material effect on our results of operations and financial condition:

#### ***Pricing of Our Products***

Our revenues are generated by the sale of navigation products (hardware and software), navigation services and royalty revenue generated by the licensing of (geographic) content of the Tele Atlas database to customers. An important driver of our revenues and profits is the ASP of our products and services, particularly PNDs. The ASPs of our products are primarily affected by the cost of component parts for PNDs (which are typically reflected in retail prices on a competitive basis throughout the industry), by other forms of competition we face in our markets, by the mix of value, mid and high-end products we sell, the prices of PNDs compared to alternative products (such as factory-installed or dealer-fitted navigation systems), our ability to provide enhanced services, the impact of pricing in international markets and the strength of our brand in terms of quality, reliability and user-friendliness. Our pricing is also significantly affected by general economic conditions and the effects of economic downturn on consumer spending, as well as our use of additional promotional activities, like rebates, to sell our products. We generally set the prices of our products after considering the above factors. We also set our prices at levels we believe will drive market growth.

Over the last few years we have seen a continuous decline in our ASP. In 2007 our ASP declined by 37%, from €270 in 2006 to €170 in 2007, and in 2008 our ASP declined by a further 31% to €118. In the first quarter of 2009, the decline in our ASP for the periods presented slowed compared to 2008, decreasing by 16% to €99 per unit. One of the main drivers for the price decline in ASP in recent years were changes in our product mix to more value range products, in keeping with our overall strategy to increase penetration and market PNDs to mid- and value-range consumers, particularly in the United States where our value-range products are a greater proportion of our PND units sold than in Europe. Other drivers for ASP decline include our strategic move from niche to mass market, higher volume, lower input costs and across the board decreases both in competitors' ASPs and component price reductions which are subsequently reflected in lower retail prices due to competitive pressures. While a decline in ASP after product launch is common to

many consumer goods, declines in ASP of PNDs have been relatively quick when compared to other consumer products, for example, dropping in Europe by 40% by year three after launch and 60% by year five (source: GFK).

Despite the decline in ASPs in 2006, 2007 and 2008, our annual gross margin remained relatively stable at around 40% due to strong cost reductions.

### ***Demand for Personal Satellite Navigation Products***

A primary driver of our revenues is consumer demand for our products and the overall market penetration of personal satellite navigation products and services. The market for personal navigation products has grown rapidly in recent years. The total volume of PND units we sold increased from 4.7 million units in 2006, to 9.6 million units in 2007 and 12.0 million units in 2008. The overall PND market for North America and Europe combined grew from approximately 12 million units in 2006, to 26 million units in 2007 and 34 million units in 2008. The ongoing economic downturn, and the resulting decreases in the levels of consumer spending in both Europe and North America, has had, and is likely to continue to have, a negative effect on demand for personal satellite navigation products over the near to medium term, as discussed further in “Risk Factors—We are dependent on cyclical trends in the consumer electronics and automotive industries which are themselves significantly dependent on global economic conditions”. For more detail on our strategy for the PND market, see “Business Overview of TomTom—Mission and Strategy”.

### ***Growing and Developing our Products and Services***

Another primary growth driver of our revenues and gross profits is our continued innovation in PND and in-car navigation devices and services. We believe the speed of technological change will drive substantial changes in the market in the coming years and we must adapt our product range to take advantage of these changes. For example, our acquisition of Tele Atlas and introduction of the AUTO business unit has helped us make progress towards our goal of becoming a more broadly-based navigation solutions and digital map company offering navigation solutions across different platforms. We believe the success of this strategy will become increasingly important to our results of operations, and that recent modifications to our products and services will be key drivers of our revenues in 2009 and beyond, including:

- In 2008, the complete TomTom PND range was renewed, with the introduction of thirteen products and services which use smart technologies to deliver an enhanced navigation experience. We believe that, despite the growth in smartphone technology and a risk that smartphones could replace PNDs or otherwise negatively affect PND sales to a significant degree, PNDs will continue to drive and define car navigation. We aim to continue to introduce new PNDs, as well as to focus on the creation of ‘on-board’ solutions for mobile handsets, and the introduction of a new generation of connected PNDs and enhanced services.
- Our Tele Atlas business unit will continue to be integrated into the Group over the next 12 to 18 months. Customers for its digital maps include, among others, leading PND manufacturers, the top four global internet mapping and routing websites and the world’s largest wireless handset manufacturers and carriers. Revenues for our Tele Atlas business unit have a significantly higher gross profit margin than revenues from our PND sales, due to lower cost of sales compared to our PND business. If, as is anticipated, as the proportion of our gross revenues received from Tele Atlas increases, in the absence of decreases in the ASP of PNDs beyond our expectations and increased cost of sales from other segments of the business, our gross profit margin will increase. As a percentage of revenue, however, Tele Atlas has higher operating expenses compared to our PND business.
- Our new AUTO business unit, which has recently partnered with Renault to bring affordable fully-integrated navigation solutions to car buyers, is working to help significantly lower the price and increase the quality of in-dash navigation systems, thereby raising the take-up rate for these in-dash systems across the volume automotive market. We believe there is good potential for a growth in revenue produced from this business unit in the short to medium-term.

We continue to seek to widen the channels in which we offer products and services and to grow our market penetration geographically in terms of both the scope of our PND distribution as well as the areas of our digital map coverage. Our product distribution has historically focused on Western Europe, where we hold a leading market share. In 2007 and 2008, however, the proportion of our revenues generated from the

North American markets, where competition is intense, we do not have the leading market share, and the ASP of PNDs is lower than in Europe, increased.

Growing and developing our products and services also increases our costs, in that new and upgraded services require a significant increase in our marketing and promotional spending. We have significantly curtailed marketing and promotional expenses in the current economic environment. In addition, the timing and introduction of our new and upgraded products and services make our forecasting more difficult and require specific management of existing and forecasted stock levels. If, for example, we have excess existing stock when a new product is released, the retail price of this existing stock decreases, and, under our contractual agreements with some of our distributors and retailers, we may be required to compensate some of our distributors and retailers on the reduced margin they would make on their existing stock. In the current adverse economic environment, in light of significant cuts in consumer spending across the board, many retailers and distributors have reduced their inventory levels and continue to do so, which has contributed to our recent decline in revenues and may continue to do so in the future.

### ***Variable Costs***

An important driver of our profitability is our gross profit margin. The main component of gross profit margin over which we have a certain degree of control is our cost of sales. The Group's cost of sales mainly consists of material costs for goods sold to customers, royalty and licence expenses, representing largely map data costs paid to Tele Atlas prior to the acquisition (and which from June 2008 no longer contribute to our expenses or our consolidated income statement) and fulfilment costs (comprising logistics, transportation, storage and insurance costs) incurred on inventory sold during the year. The substantial majority of our cost of sales consists of variable costs, which increase in line with PND volumes and decrease when PND unit sales decline. These variable costs relate mostly to the unit costs of our integrated devices paid to our contract manufacturers. We need to develop efficiently designed products and work closely with our contract manufacturers in order to decrease our bill of material costs in order to positively impact our margins. We have reduced, and seek to continue to reduce, our unit costs over time through reductions in component prices, such as memory prices, re-engineering our products so that expensive components are replaced or eliminated and obtaining better pricing as volumes increase. We seek to control costs in challenging economic conditions by keeping low levels of inventory, which can negatively affect our revenues.

### ***Effect of Currency Fluctuations***

The majority of our cost of sales (largely our payments to third-party manufacturers) and an increasing part of our revenues are denominated in US dollars. Fluctuations in the value of the US dollar and, to a lesser extent, the pound sterling, to the euro have had, and may continue to have, a significant affect on our results of operations and financial condition. A strengthening of the US dollar against the euro, for instance, has the effect of increasing our cost of sales and consequently lowering our gross profit, though this decrease is partially offset by increased revenues from sales in North America when translated into euros. Conversely, a weakening of the US dollar against the euro lowers our cost of sales, when translated into euros, thereby increasing our gross profit, though this increase is partially offset by decreased revenues in North America when translated into euros. In addition, because we have a significant amount of revenue in pound sterling, but no significant offsetting cost of sales in pounds sterling, a weakening of the pound sterling against the euro has the effect of decreasing our euro-denominated revenue. Conversely, a strengthening of the pound sterling against the euro has the effect of increasing our euro-denominated revenue.

In addition, the "other financial result" line item on our consolidated income statement reflects gains or losses in a given period from currency exchange rate fluctuations in accounts receivable and payable together with gains or losses on our derivatives portfolio. We hedge our foreign currency exposure, related to the US dollar and pound sterling, by using derivative financial instruments.

As a result, in periods when the US dollar has strengthened against the euro at period end, our other financial result will show a gain, whereas in periods when the US dollar has weakened against the euro, our other financial result will show a loss on our USD contracts. Our other financial results have had a significant effect on our net results during the periods under review and we expect that they will continue to do so.

Furthermore, we also have revenues in other non euro-denominated countries like the UK and Australia, and a strengthening of the euro compared to these currencies will result in a negative impact on our consolidated euro denominated revenues. Although we use derivative financial instruments, consisting primarily of foreign exchange plain vanilla options and foreign exchange forward contracts to hedge and

manage the transaction risks associated with our exposure to foreign currencies, we do not hedge and manage translation risk.

### ***Acquisition of Tele Atlas and Related Impairment***

Prior to June 2008, we owned a 29.9% stake in Tele Atlas, a leading global provider of digital map technology and our key supplier. In June 2008, we acquired the remaining shares of Tele Atlas, which resulted in a cash outflow of €1.8 billion in 2008, bringing the total purchase price of Tele Atlas (excluding €34 million of transaction costs) to an amount of €2.8 billion. Taking into account the Tele Atlas cash balance (€234 million) at the date of acquisition the total net cash outflow resulting from this total transaction was €2.6 billion. The acquired businesses contributed €121 million in revenue and net profit (excluding impairment) of €5.9 million to the Group for the period from 1 June 2008 to 31 December 2008. Due to the rapidly weakening global economic environment, shortly after the acquisition, the Group's management significantly revised its expectations of future revenue for its navigation products and services, and we have consequently lowered our projected cash flows from Tele Atlas, and revised our forecasts for results from the business. As a result, in 2008 we incurred an impairment charge of €1,048 million to the goodwill acquired in the Tele Atlas acquisition. We nevertheless believe the strategic rationale for the acquisition remains valid and intact, in that quality of content should expand the Tele Atlas presence in world markets as well as providing benefits to users through new features, more regular updates, faster coverage expansion, enhanced integration of customer feedback and by increasing our position in the automotive market.

As described elsewhere in this Prospectus, we entered into the Facility Agreement under which we drew €1,585 million as a term loan to partially fund the acquisition of Tele Atlas. We have recently agreed to amendments to the key financial covenants in this facility. The level of our indebtedness and the constraints imposed by these financial covenants present risks to our business as outlined in "Risk Factors—"Our operating and financial flexibility is restricted by the level of indebtedness and financial covenants, which could materially adversely affect our business, financial position or ability to pay dividends; we risk becoming insolvent or otherwise ceasing our operations if we breach our covenants".

### ***Restructuring***

As a result of our acquisition of Tele Atlas and the ongoing economic downturn, we implemented a restructuring and cash management initiative for our combined business, with the aim of reflecting efficiencies and cost synergies resulting from the combination of TomTom and Tele Atlas, supporting quality improvements, and to preserve cash and reduce costs in our business. As part of this restructuring, in the first quarter of 2009, we effected a headcount reduction of our full time employees and the Directors anticipate we will remain on track to achieve our planned reduction in operating costs in 2009. In addition, we have reduced discretionary expenditure, adjusted marketing spending to reflect current revenue expectations and identified cost synergies to be gained by merging offices and departments. Our restructuring and cash management initiatives have resulted to date in a reduction of approximately 375 jobs in the Group in 2008 and 2009. As a result of these restructuring and cash management initiatives, we have to date recognised restructuring charges of approximately €21.5 million, of which €16.5 million were incurred in 2008 and a further €5 million in the first quarter of 2009. In addition, our restructuring and cash management initiative has provided us with potential run-rate operating expense savings of approximately €60 million for 2009. Our restructuring and cash management initiative will, we believe, result in lower operating expenses going forward, and in particular lower staff costs within SG&A and R&D expenses, as well as lower marketing expenses.

Although we believe we are on track for our 2009 targets the realisation of the full operational synergies and cost savings we seek to achieve from the programme we have implemented is not expected for another 12 to 18 months. Furthermore some potential downside scenarios of the execution of this programme are that it requires management resources previously devoted to our businesses, the retention of appropriately skilled staff, low inventory levels which could result in missed sales opportunities, fewer investments in research and development and lower investments in marketing which can have an impact on our market position and brand, both in Europe and in the United States. In addition, in connection with our restructuring and cash management initiative, we have deferred certain discretionary capital expenditures.

For a discussion of the material risks stemming from our acquisition of Tele Atlas, including the risk that we may need to incur further restructuring charges, see "Risk Factors—"The continued integration of Tele Atlas into our Group is complex process and we may not realise anticipated benefits from the acquisition in a timely manner or at all".

Due to our acquisition of Tele Atlas and consequent inclusion of results from the Tele Atlas business segment in our consolidated financial statements since June 2008, our results of operations for the periods presented are not directly comparable with one another.

### ***Seasonality***

Revenues from sales of our PNDs are subject to seasonal fluctuations which are typical to our industry. Our revenues are generally expected to be higher in the second and fourth quarters of each year due to higher travel and holiday spending, respectively, which are nevertheless affected by general economic conditions. Moreover, within each quarter, our revenues are generally disproportionately weighted towards the very end of the quarter e.g., in the second quarter because of summer holidays and in the fourth quarter because of holiday sales. This gives us limited visibility on quarterly performance. The first quarter in particular is traditionally our weakest quarter in terms of both revenues and units sold, as there is less demand for consumer products, including PNDs. Seasonal fluctuations from our Tele Atlas business tend to follow the same pattern as our PND business, as a significant portion of Tele Atlas revenues are derived from map data in PNDs. The timing of the introduction of our new or upgraded products and services may either contribute to or mask any seasonal fluctuations. Finally, our purchase commitments, as discussed further below, also follow a seasonal pattern which is driven by the seasonality of our sales.

### ***Forecasting and Working Capital Management***

Forecasting demand for our products and, in particular, our PND products, is important for our financial performance and for maintaining our customer reputation and our relationships with distributors and retailers. Our contract manufacturers allow our initial forecasts to be modified on an agreed and diminishing percentage basis as the delivery date approaches. We are committed to a firm order one month from the delivery date. Inaccurate forecasting could cause us to over- or under-forecast the need for our products, potentially resulting in increased inventory charges or lost revenues. Forecasting demand for our products is particularly important when we introduce new products, and may become more difficult as our product portfolio expands and as competition in the market increases. If there is excess stock at retailers when a price reduction becomes effective, the Group will compensate its customers on the price difference for their existing stock. Customers are eligible for compensation if certain criteria are met. To reflect the costs related to known price reductions in the income statement, an accrual is created against revenue.

We place orders with our contract manufacturers based upon our forecasts of future demand for our products. We are financially committed to these purchase orders before our distributors or retailers buy our products. Principally as a result of the timing of new product introductions and seasonal demand, we require significant amounts of working capital to fund our inventory. This can cause reductions in our cash balances. We generate cash when we receive payments for products sold. If we over-estimate demand, this can result in excess inventory and we may not be able to convert the excess inventory into cash. In addition, if our outstanding trade receivables balance increases then this will place greater demands on our cash requirements. We expect that our working capital requirements in 2009 will continue to fluctuate significantly from quarter to quarter as a result of the above factors.

### ***Current Trading and Prospects***

Our outlook for 2009 remains challenging, in light of low consumer spending. Visibility of trading is limited at present. We note that we are satisfied with our performance in the second quarter of 2009. As is typical for the second quarter, both PND unit shipments and ASP levels have increased versus the first quarter of 2009, although not to the level of our internal expectations as a result of the weak economic environment and continued retailer destocking. Consistent with the first quarter, the gross margin continues to be strong and we have maintained our disciplined focus on cost control. As a result we remain comfortable that our current performance at the EBIT level is in line with market expectations.

### ***Consolidated Results of Operations***

The following discussion and analysis of our annual results of operations and financial condition is based on our historical results. Principally as a result of our product introductions and our acquisition of Tele Atlas in June 2008 our historical results of operations are not directly comparable from period to period and should not be relied upon as indicative of future performance. Other factors, including competition in the navigation market, the level of consumer demand for personal navigation products and services, and the success of our new and upgraded products and services should be carefully considered in comparing our results between periods.

The following tables set out our consolidated results of operations for the periods indicated.

	Year ended 31 December (audited)			Three months ended 31 March (unaudited)	Three months ended 31 March (unaudited)
	2006	2007	2008	2008	2009
	(€ in millions)				
<b>Revenue</b> .....	<b>1,364</b>	<b>1,737</b>	<b>1,674</b>	<b>264</b>	<b>213</b>
Cost of sales .....	785	973	893	168	106
<b>Gross profit</b> .....	<b>579</b>	<b>764</b>	<b>781</b>	<b>96</b>	<b>107</b>
<b>Operating expenses</b>					
Amortisation of technology and databases .....	12	16	48	6	17
Research and development expenses .....	24	44	123	19	37
Marketing expenses .....	101	137	143	20	17
Selling, general and administrative expenses .....	80	108	215	37	52
Impairment charge .....	0	0	1,048	0	0
Stock compensation expense .....	21	31	6	6	0
<b>Total operating expenses</b> .....	<b>238</b>	<b>336</b>	<b>1,581</b>	<b>87</b>	<b>123</b>
<b>Operating result</b> .....	<b>340</b>	<b>428</b>	<b>-801</b>	<b>9</b>	<b>-16</b>
Interest result .....	8	19	-52	4	-17
Other financial result .....	-32	-16	72	11	-16
Result of associate .....	0	1	-13	-5	0
<b>Result before tax</b> .....	<b>316</b>	<b>431</b>	<b>-794</b>	<b>19</b>	<b>-50</b>
Income tax charge (benefit) .....	93	114	78	11	-13
<b>Net result</b> .....	<b>222</b>	<b>317</b>	<b>-872</b>	<b>7</b>	<b>-37</b>
Minorities .....	0	0	1	0	0
<b>Net result attributable to the group</b> .....	<b>222</b>	<b>317</b>	<b>-873</b>	<b>7</b>	<b>-37</b>

The following table reconciles operating result to EBITDA:

	Year ended 31 December (audited, except as indicated)			Three months ended 31 March (unaudited)	Three months ended 31 March (unaudited)
	2006	2007	2008	2008	2009
	(€ in millions)				
<b>Operating result</b> .....	<b>340</b>	<b>428</b>	<b>-801</b>	<b>9</b>	<b>-16</b>
Add back:					
Impairment charge .....	0	0	1,048	0	0
Amortisation .....	14	17	55	6	21
Depreciation .....	4	7	17	2	5
<b>EBITDA (unaudited)</b> <sup>(1)</sup> .....	<b>358</b>	<b>451</b>	<b>320</b>	<b>16</b>	<b>10</b>

(1) For a definition of EBITDA, see footnote 2 to "Selected Consolidated Financial Data".

## Revenues

We currently derive the substantial part of our revenues from the sale of our PNDs including subscription revenue and accessory sales, with the remainder coming from digital map sales, WORK and AUTO.

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The principal factors affecting our revenues are the number of PND units sold, the ASP per unit and the US dollar/euro and pound sterling/euro exchange rates.

We recognise our revenues in two business segments, TomTom (comprising our Consumer, WORK and AUTO business units) and Tele Atlas (comprising the historical Tele Atlas businesses), as set out in the table below:

	Year ended 31 December			Three months ended	Three months ended
	2006	(audited) 2007	2008	31 March (unaudited) 2008	31 March (unaudited) 2009
	(€ in millions)				
TomTom.....	1,364	1,737	1,553	264	172
Tele Atlas.....	0	0	121	0	41
<b>Total revenue</b> .....	<b>1,364</b>	<b>1,737</b>	<b>1,674</b>	<b>264</b>	<b>213</b>

We also recognise our revenues in three geographical segments, as set out in the table below:

	Year ended 31 December			Three months ended	Three months ended
	2006	(audited) 2007	2008	31 March (unaudited) 2008	31 March (unaudited) 2009
	(€ in millions)				
Europe.....	1,226	1,396	1,163	178	146
North America.....	106	271	450	85	56
Rest of world.....	31	70	61	1	11
<b>Total revenue</b> .....	<b>1,364</b>	<b>1,737</b>	<b>1,674</b>	<b>264</b>	<b>213</b>

## Cost of Sales

Our cost of sales primarily consists of material costs for goods sold, royalty and licence expenses representing largely map data costs paid to Tele Atlas prior to the acquisition (and which from June 2008 no longer contributes to our cost of sales in our consolidated income statement), and fulfilment costs (comprising logistics, transportation, storage and insurance costs) incurred on inventory sold during the year. The principal factors affecting our cost of sales are the number of PND units sold and component costs as well as the US dollar/euro exchange rate (as a significant portion of our component costs within cost of sales are in US dollars).

## Amortisation of Technology and Databases

We amortise our technology and database expenses on a straight-line basis over the course of their useful economic life. Databases and tools, comprising mainly the Tele Atlas map database, are considered to have a useful economic life of 10-20 years. Other acquired or internally generated technologies like our Webfleet technology and HD Traffic technology are amortised over a period of 5 years.

## Research and Development Expenses

Our research and development ("R&D") expenses include personnel costs, third party software and manufacturing design costs, and patent creation and maintenance costs. Research and development expenses also include test equipment used in product development, costs for components used in product and prototype development, and costs relating to management of specialist engineers employed by our contract



manufacturer. Some of our research and development expenses, including detailed engineering design and the testing of certain parts used, is performed by our contract manufacturer and forms part of our material costs per unit produced. To the extent that these activities are not invoiced separately to us as non-recurring engineering costs, they are included in cost of sales and are not included in research and development expenses, but are nevertheless an important part of our product development process.

### ***Marketing Expenses***

Marketing expenses, which are largely discretionary in nature, consist primarily of advertising expenses, point of sales material and any expenses directly attributable to our marketing teams, including personnel expenses. Marketing expenses, which are managed as a percentage of Group revenues, reflect general economic conditions and the corresponding need to reduce discretionary spending, seasonal variation in our sales and are also managed in conjunction with new product releases.

### ***Selling, General and Administrative Expenses***

Selling, general and administrative (“SG&A”) expenses relate primarily to the costs of personnel engaged in sales activities, customer support, IT, legal, finance, office and other general expenses.

### ***Impairment Charge***

If there is objective evidence that the book value of a non-financial asset on our consolidated balance sheet is not supported by the net present value of the cash flows we believe will be generated by that asset, we perform an impairment review and recognise in our consolidated income statement the change in value of that asset that has resulted from an impairment which has arisen because of a deterioration in the future cash flows that we expect to receive from that asset. Under IFRS, goodwill and intangible assets without definite lifespan are not amortised but are subject to annual impairment tests or more frequent tests if there are indications of impairment. Other intangible assets deemed separable from goodwill arising on acquisitions are amortised.

### ***Stock Compensation Expense***

Our stock compensation expense is the cost to the Group of previously issued stock options or performance shares issued to, our employees in a given year. Charges to our consolidated income statement resulting from these plans are calculated in accordance with IFRS 2 “Share based payments”. There are a number of share option plans for Group employees. No more options will be granted under the 2003 or 2005 share option plan plans, but the options already granted may still be exercised in accordance with the conditions of the relevant plan. For 2009 the Group adopted a new equity settled share option plan, as further described in the section “Corporate Governance”.

### ***Financial Expenses and Income, Net***

Our financial expenses and income, net, consist of our net interest results, which include interest earned on cash and cash equivalents minus interest paid on borrowings and temporary bank overdrafts, and our other finance results, which are gains or losses from currency exchange rate fluctuations in accounts receivable and payable together with gains or losses on our derivatives portfolio. We revalue all our derivative contracts as well as cash and other assets and liabilities denominated in other currencies than our functional currency, to market value at the end of each accounting period.

### ***Income Taxes***

The activities of the Group are subject to corporate income tax in several countries, depending on presence and activity. The applicable statutory tax rates vary between 25% and 40%. This, together with timing differences, can cause our effective tax rate to differ from the Dutch corporate tax rate.

### ***The three months ended 31 March 2009 compared to the three months ended 31 March 2008***

#### ***Revenue***

Our revenues decreased from €264 million in the first quarter of 2008 to €213 million in the first quarter of 2009, a decrease of 19%, due primarily to the number of PND units sold decreasing to 1.4 million in the first quarter of 2009. This level of sales represented a decrease of 68% sequentially compared to 4.4 million units sold in the fourth quarter of 2008, and a decrease of 29% year-on-year compared to 1.997 million units sold in the first quarter of 2008. The sequential decline principally reflects the impact of the weak economic environment and low levels of consumer spending on our business generally; the main driver, however, is the

seasonal pattern of our sales, in that sales in the first quarter are typically weak as consumer spending on PNDs tends to drop after the holiday period and we have seen a general decrease in carrying stock levels by retailers. The ASP for PNDs in the first quarter of 2009 was €99, a decrease of 1% sequentially compared to €100 in the fourth quarter of 2008, and a decrease of 15% year-on-year compared to compared to €117 in the first quarter of 2008. The relatively stable sequential ASP development in the first quarter of 2009 compared to the fourth quarter of 2008 is the result of a lower level of price incentives compared to the previous quarter offset by a change in product mix towards our introductory PND value level products. The decline in ASP compared to the first quarter of 2008 was due largely to component price reductions which resulted in lower retail prices for PNDs across the industry as well as a change in our product mix from high-end to value line products.

The decline in total revenue in the first quarter of 2009 noted above was positively impacted, on a year on year basis, by the inclusion of results from Tele Atlas in the first quarter of 2009. Total revenue in the first quarter of 2009 excluding Tele Atlas was €172 million, which is a decrease of 35% compared to revenue of €264 million in the first quarter of 2008.

Total revenue in the first quarter of 2009 from Europe was €147 million, or 69% of our total revenues, compared to €331 million, or 63% of our total revenues in the fourth quarter of 2008 and €178 million, or 68% of our total revenues in the first quarter of 2008. Total revenues in the first quarter of 2009 from North America were €56 million, or 26% of our total revenues, compared to €169 million, or 32% of our total revenues in the fourth quarter of 2008 and €85 million, or 32% of our total revenues in the first quarter of 2008. The proportion of our revenues from North America declined in the first quarter of 2009 compared to the previous quarter due to a higher level of seasonality in our North American revenues. The proportion of our revenues from North America declined in the first quarter of 2009 compared to the first quarter in 2008 due to accelerated ASP decline in North America resulting from the economic downturn and its impact on consumer spending as well as product mix.

Other revenue, principally resulting from WORK, maps and accessories, totalled €31 million in the first quarter of 2009, compared to €29 million in the first quarter of 2008.

On a pro forma basis, including the results of Tele Atlas in the first quarter of 2008, total Group revenues would have been €307 million.

#### *Cost of Sales*

Cost of sales decreased to €106 million in the first quarter of 2009 from €168 million in the first quarter of 2008, a decrease of 37%, primarily due to lower component prices for our PNDs. Excluding Tele Atlas, cost of sales in the first quarter of 2009 would have been €108 million, a decrease of €60 million, or 36%, compared to the first quarter of 2008.

Cost of sales as a percentage of total revenues decreased to 50% in the first quarter of 2009 from 64% in the first quarter of 2008, largely due to the inclusion of Tele Atlas in the first quarter of 2009, which generates a lower cost of sales relative to TomTom.

On a pro forma basis, including the results of Tele Atlas in the first quarter of 2008, total Group cost of sales would have been €158 million.

#### *Gross Profit*

Gross profit increased to €107 million in the first quarter of 2009 from €96 million in the first quarter of 2008. The gross profit margin increased to 50% in the first quarter of 2009 from 36% in the first quarter of 2008, due primarily to the higher gross margin contributed by Tele Atlas.

On a pro forma basis, including the results of Tele Atlas in the first quarter of 2008, total Group gross profit would have been €149 million.

#### *Amortisation of Technology and Databases*

Our amortisation expenses were €17 million in the first quarter of 2009, compared to €18 million in the fourth quarter of 2008 and €6 million in the first quarter of 2008. The increase in the first quarter of 2009 compared to the first quarter of 2008 was due mainly to the amortisation of the Tele Atlas database, customer relationships and tools from the Tele Atlas acquisition in June 2008.

On a pro forma basis, including the results of Tele Atlas in the first quarter of 2008, total Group amortisation expenses would have been €17 million.

### *Research and Development Expenses*

R&D expenses for the quarter were €37 million, broadly flat compared to the previous quarter's expense of €38 million and an increase of 95% compared to the R&D expenses of €19 million for the first quarter of 2008. The year on year increase is fully attributable to the Tele Atlas acquisition. Stand-alone Tele Atlas R&D expenses decreased by 18% in the first quarter of 2009 compared to the first quarter of 2008 (before we acquired Tele Atlas). This decrease was due to improvements in the efficiency of map production. Excluding Tele Atlas, our R&D expenses decreased year on year by €4 million in the first quarter of 2009, due to cost reductions in the TomTom business resulting from our restructuring and cash management programme.

On a pro forma basis, including the results of Tele Atlas in the first quarter of 2008, total Group R&D expenses would have been €46 million.

### *Marketing Expenses*

Marketing expenses in the first quarter of 2009 were seasonally lower at €17 million compared to expenses of €52 million in the fourth quarter of 2008. The year on year comparison shows a decrease in marketing expenses of 17% in the first quarter of 2009 from the first quarter spend of €20 million in 2008, in line with the lower revenue in the period and as we manage our marketing spend in line with our revenue in view of current market conditions.

On a pro forma basis, including the results of Tele Atlas in the first quarter of 2008, total Group marketing expenses would have been €28 million for the first quarter of 2008.

### *Selling, General and Administrative Expenses*

SG&A expenses for the quarter, including charges of €5 million related to restructuring-related headcount reductions, amounted to €52 million, which is a €15 million increase compared to the SG&A expenses of €37 million in the first quarter of 2008. The increase is explained by €22 million of SG&A expenses contributed by Tele Atlas. Excluding Tele Atlas, our SG&A expenses decreased by €7 million in the first quarter of 2009 due to cost reductions from our restructuring programme together with the impact of lower than planned bonus pay outs (due to our lower overall revenues) in respect of 2008.

On a pro forma basis, including the results of Tele Atlas in the first quarter of 2008, total Group SG&A expenses would have been €56 million for the first quarter of 2008.

### *Stock Compensation Expenses*

Stock compensation expenses decreased to €0.2 million in the first quarter of 2009 from €5.6 million in the first quarter of 2008. This decrease was due mainly to the vesting of our 2005 stock option plans during 2008 and the decrease in our share price, which resulted in a lower level of expense for our Performance Share Plan.

On a pro forma basis, including the results of Tele Atlas in the first quarter of 2008, total Group stock compensation expenses would have been €8.3 million for the first quarter of 2008.

### *Financial Expenses and Income, net*

Financial expenses included a net interest expense of €17 million in the first quarter of 2009, compared to net interest income of €4 million in the first quarter of 2008. This increased expense was due mainly to higher levels of borrowings and resulting interest expense since the acquisition of Tele Atlas in 2008. In addition, the other finance result shows a loss of €16 million in the first quarter of 2009, which arose mainly from foreign exchange contracts that were put in place to cover our committed and anticipated exposure in currencies other than our functional currency, the euro. The loss on our foreign exchange hedge instruments is mainly driven by the strengthening of the pound sterling and a stronger US dollar against the euro during the quarter as we hedge our sterling sales and our net exposure related to our US dollar sales and purchases.

### *Income Taxes*

The result before tax for the quarter was a loss of €50 million. As a result, we have recognised a deferred tax asset of €13 million in relation to our first quarter negative result before tax as we expect to have sufficient historical and future profits to compensate for our first quarter losses. The effective tax rate for the first quarter of 2009 was 26%, compared to 61% in the first quarter of 2008. Excluding one-off effects, our tax rate in the first quarter of 2008 would have been 29%.

### *Net Result*

As a result of the above, the Group recorded a net loss in the first quarter of 2009 of €37 million, a decrease of €44 million from the Group's €7 million net profit in the first quarter of 2008.

On a pro forma basis, including the results of Tele Atlas in the first quarter of 2008, total Group net loss would have been €23 million.

### ***The year ended 31 December 2008 compared to the year ended 31 December 2007***

#### *Revenues*

Total revenues decreased to €1,674 million in 2008 from €1,737 million in 2007. The total revenue decrease was mainly due to the economic downturn particularly in the fourth quarter of 2008, which impacted volumes as well as ASPs, contributing to a 31% decline in ASP of the PND product lines. In addition, a strengthening of the euro compared to the US dollar and sterling in 2008, resulting in lower per unit revenues from North America and the UK when translated into euros. The decline in total revenues was partly offset by the inclusion in 2008 of seven months of revenues from Tele Atlas, totalling €121 million in 2008. Within the Tele Atlas business, revenues in 2008 decreased slightly compared to 2007, as a result of decreasing map sales for PND and AUTO customers, partly offset by an increase in other revenues, including sales for the internet. Total revenues excluding Tele Atlas were €1,553 million in 2008, compared to €1,737 million in 2007.

Revenues from PNDs, which accounted for 85% of total revenues in 2008, 81% on a pro forma basis, compared to 93% in 2007, decreased from €1,623 million in 2007 to €1,424 million in 2008, a decrease of 12%. Although the number of PND units sold increased from 9.6 million in 2007 to 12.0 million in 2008, this volume growth was more than offset by a decline in the ASP from €170 in 2007 to €118 in 2008. As noted previously, 2008 was the first year when increases in our PND sales volumes were more than offset by continuing declines in ASPs. The ASP of our PNDs is the result of a variety of factors, including the product mix, regional mix, market dynamics and general economic conditions and the appetite of consumers to spend. The main drivers behind the decline in ASPs in 2008 were component price reductions and the increased importance of the North American market where our ASPs were lower due to a product mix that contained relatively more of our value range products.

Other revenues rose to €129 million in 2008, a 13% increase when compared to €114 million in 2007. Our other revenue increased due to the growth in map and content sales, accessory sales and higher revenue from WORK. The WORK WEBFLEET subscriptions increased to 67,000 active subscribers at the end of 2008 from 34,000 in 2007.

Total revenues in 2008 from Europe were €1,163 million, or 69% of our total revenues, compared to €1,396 million, or 80% of our total revenues in 2007. Total revenues in 2008 from North America were €450 million, or 27% of our total revenues, compared to €271 million, or 16% of our total revenues in 2007. The increasing proportion of revenues from North America in 2008 was due to stronger unit sales in North America, as the overall market for PNDs increased. The decrease in European sales of €233 million resulted mainly from a decrease in the ASP in Europe, only slightly offset by a growth in unit sales.

#### *Cost of Sales*

Cost of sales decreased to €893 million in 2008 from €973 million in 2007. The decrease in cost of sales was due primarily to strong reductions in our product costs as well as a US dollar which declined against the euro during 2008. Excluding Tele Atlas, our cost of sales were €932 million in 2008, compared to €973 million in 2007.

#### *Gross Profit*

Gross profit increased to €781 million in 2008 from €764 million in 2007. The gross profit margin increased to 47% in 2008 from 44% in 2007. Although the ASP declined by 31% in 2008, our gross profit remained healthy largely due to the decline in our average costs price which resulted from strong cost reductions as described above. Excluding Tele Atlas, our gross profit was €621 million in 2008, resulting in gross profit margin of 40% in 2008, compared to €764 million in 2007. The decline was mainly due to a decrease in ASPs and a higher percentage of US sales, which have a lower gross profit margin than our European sales.

### *Amortisation of Technology and Databases*

Amortisation expenses for technology and databases increased to €48 million in 2008 from €16 million in 2007. This increase was mainly due to intangible assets received in the Tele Atlas acquisition, which took place in June 2008 and resulted in €26 million of additional amortisation charges being recorded by the Group from between June and December 2008. Amortisation expenses for technology and databases excluding Tele Atlas increased to €22 million in 2008, compared to €16 million in 2007 reflecting our investments in our HD Traffic network.

### *Research and Development Expenses*

R&D expenses increased significantly, from €44 million in 2007 to €123 million in 2008. This increase was primarily due to the acquisition of Tele Atlas, which contributed €57 million in research and development expenses between June and December 2008 which were not incurred by the Group in 2007. These related principally to production of maps. In addition, the increase in research and development expenses in 2008 was also driven by additional investment in AUTO and content and services, resulting in a €21 million increase in research and development expenses in 2008. Excluding Tele Atlas, our R&D expenses were €65 million in 2008, compared to €44 million in 2007. The increase in R&D expenses is explained by continued investments in our R&D capacity, mainly in the first three quarters of 2008.

### *Marketing Expenses*

Marketing expenses increased to €143 million in 2008 from €137 million in 2007. The increase was driven largely by the inclusion of €12 million of marketing expenses related to Tele Atlas between June and December 2008. Excluding Tele Atlas, marketing expenses decreased slightly to €131 million in 2008, compared to €137 million in 2007, reflecting a lower level of promotional activity in 2008 in line with our lower revenues, particularly in the fourth quarter of 2008.

### *Selling, General and Administrative Expenses*

SG&A expenses increased to €215 million in 2008 from €108 million in 2007. This increase in selling, general and administrative expenses was primarily due to the acquisition of Tele Atlas, which incurred €61 million in SG&A expenses between June and December 2008 which were not incurred by the Group in 2007. This reflected the increase in staff and professional services following the Tele Atlas acquisition, as Tele Atlas brought 1,822 employees to TomTom, more than doubling the number of employees in the Group. Excluding Tele Atlas, SG&A expenses were €154 million in 2008, compared to €108 million in 2007, reflecting an increase in staff and professional services in the first three quarters of the year and during 2007, prior to the initiation of a restructuring and cost cutting programme in the fourth quarter. Also related to the Tele Atlas acquisition, and reflected in SG&A expenses, was a one-off restructuring charge of €16.5 million incurred in 2008 in connection with our cost cutting program to lower our operating expenses going forward.

### *Impairment Charge*

A one-off impairment charge of €1,048 million was recognised following the acquisition of Tele Atlas. The impairment charge in 2008 reduced our goodwill balance by 55%. The Group acquired Tele Atlas in June 2008 for a total consideration of €2.8 billion (excluding transaction costs). Goodwill of €1.9 billion was recognised when we acquired Tele Atlas. Shortly after the acquisition was completed, in the face of a rapidly weakening global economic climate, the Group's management significantly revised its expectations of future revenue for its navigation products and services. Following this revision, the Group's annual impairment review resulted in the recognition that the initial valuation of Tele Atlas could no longer be maintained, and therefore the Group took an impairment charge of €1,048 million leaving us with approximately €855 million worth of goodwill.

### *Stock Compensation Expense*

Stock compensation expense decreased to €6 million in 2008 from €31 million in 2007. This was mainly due to a one off €14.6 million release from forfeited share options due to a departure from our senior management in the second quarter of 2008, and a decrease in our share price which resulted in lower costs for our share performance plan.

### *Financial Expense and Income, net*

Financial income increased to a net gain of €20 million in 2008 from a net gain of €3 million in 2007. Interest expense increased between 2007 and 2008 due to the borrowings TomTom entered into in June 2008 to finance the acquisition of Tele Atlas, resulting in net interest expense of €52 million compared to an

interest income of €19 million in 2007. More than offsetting this increase in net interest expense in 2008 were other financial gains of €72 million, compared to other financial losses of €16 million in 2007. The other financial gains in 2008 were due to the weakening trend of the pound sterling and the Australian dollar against the euro, which resulted in gains from our foreign exchange derivatives portfolio upon the revaluation of our non euro denominated accounts payable, accounts receivable and cash balances.

#### *Income Taxes*

The net income tax charge on our ordinary activities in all the jurisdictions in which we operate decreased to €78 million in 2008 from €114 million in 2007, despite the addition of €766,000 of net income tax charge on Tele Atlas' operations. The decrease in income tax mainly results from a lower taxable income in 2008.

The effective tax rate in 2008 (excluding impairment charge) was 30.8%, as compared to 26.5% in 2007.

#### *Net Result*

As a result of the above, TomTom recorded a net loss of €873 million in 2008 compared to a net profit of €317 million in 2007.

### ***The year ended 31 December 2007 compared to the year ended 31 December 2006***

#### *Revenues*

Total revenues increased to €1,737 million in 2007 from €1,364 million in 2006. The main driver for this increase in revenue was the year on year increase in PND unit sales of 104%, to 9.6 million units in 2007 compared to 4.7 million units in 2006, partly offset by a 37% decline in the ASP of the PND product line.

Revenues from PNDs, which accounted for 93% of total revenues in both 2007 and 2006, increased from €1,268 million in 2006 to €1,623 million in 2007, an increase of 28%. Although the number of PND units sold increased in 2007 compared to 2006, this volume growth was partly offset by a decline in the ASP of our PNDs from €270 in 2006 to €170 in 2007. The main driver behind the decline in ASPs in 2007 was the reduction in component prices.

Other revenue also increased significantly due to growth in map and content sales, accessory sales and revenue from the TomTom WORK business unit, primarily due to the number of WEBFLEET subscriptions, which more than doubled to 34,000 at the end of 2007 from 14,000 in 2006.

Total revenues in 2007 in Europe were €1,396 million, or 80% of our total revenues, compared to €1,226 million, or 90% of our total revenues in 2006. Total revenues in 2007 from North America were €271 million, or 16% of our total revenues, compared to €106 million, or 8% of our total revenues in 2006.

The increasing proportion of revenues from North America in 2007 was due to stronger unit sales in North America, as the overall market for PNDs increased. Europe contributed €170 million in 2007 and North America contributed €164 million to the overall revenue increase in 2007.

#### *Cost of Sales*

Cost of sales increased to €973 million in 2007 from €785 million in 2006. This increase was due primarily to the higher volume of PND sales, which more than doubled between 2006 and 2007. This increase was offset by component cost reductions, cost engineering of Group products and the weakening of the US dollar against the euro by 9% in 2007.

#### *Gross Profit*

Gross profit increased to €764 million in 2007 from €579 million in 2006. Gross profit margin for the Group increased slightly from 42% in 2006 to 44% in 2007, largely as a result of component price reductions and more efficient manufacturing as well as a cost of sales benefit from the weakening of the US dollar against the euro.

#### *Amortisation of Technology and Databases*

Amortisation expenses for technology and databases were €16 million in 2007, compared to €12 million in 2006. The increase was mainly the result of our purchase of the worldwide patent portfolio of Horizon Inc. in 2007 to further strengthen our intellectual property efforts and to support our research activities.

### *Research and Development Expenses*

R&D expenses increased to €44 million in 2007 from €24 million in 2006. This increase was mainly due to intensified R&D activities in, among others, our HD Traffic technology division, together with the acquisition of an experienced R&D team of 90 engineers from Siemens VDO to form the core of our new AUTO business unit.

### *Marketing Expenses*

Marketing expenses increased to €137 million in 2007 from €101 million in 2006. The main expense in 2007 consisted of new television advertising campaigns in Europe and North America.

### *Selling, General and Administrative Expenses*

SG&A expenses increased to €108 million in 2007 from €80 million in 2006, mainly as a result of the increase in TomTom staff from 818 employees 31 December 2006 to 1,337 employees at 31 December 2007.

### *Stock Compensation Expense*

Stock compensation expense increased to €31 million in 2007, from €21 million in 2006. This was due mainly to the fact that in 2006 we granted a share option plan, for which stock compensation expenses were included for the full year of 2007. The total costs for the stock option plans in 2007 were €29 million. Furthermore, in 2007 we adopted a performance-based share plan for which we recorded a charge of €2 million.

### *Financial Expense and Income, net*

Financial income increased to a net gain of €3 million in 2007 from a net loss of €25 million in 2006. The financial result in 2007 included net interest income of €19 million compared to net interest income of €8 million in 2006, as a result of our increased average cash balance over the year compared to 2006. The other financial loss of €16 million in 2007 and €32 million in 2006 resulted from losses on our derivatives portfolio, together with the results from revaluation of our non euro denominated accounts payable, accounts receivable and cash balances. The weakening trend of the US dollar against the euro was the main driver for the negative effect on our derivative portfolio.

### *Income Taxes*

The net income tax charge on our ordinary activities in all the jurisdictions in which we operate increased to €114 million in 2007 from €93 million in 2006. This increased charge was due to higher taxable income in 2007. The effective tax rate was 26.5% in 2007, as compared to 29.6% in 2006.

### *Net Result*

As a result of the above, TomTom's net profit increased to €317 million in 2007 from a net profit of €222 million in 2006.

## **Liquidity and Capital Resources**

### ***Overview***

Our principal source of liquidity has been cash generated from operations, offerings of equity and borrowings from banks. Our principal uses of cash have been to fund the expansion of our business by means of acquisitions and the addition of new product lines and new geographical markets, to fund working capital, including accounts receivable and inventory purchases through payments to our contract manufacturers and suppliers and to fund other operating expenses, such as sales and marketing and research and development.

Over the course of 2007 and 2008, we acquired Tele Atlas in two phases, resulting in a total (net) cash outflow (excluding acquisition costs) of €2.6 billion over those two years. The first phase took place in the fourth quarter of 2007, when we acquired 29.9% of the shares of Tele Atlas for a consideration of €816 million. This purchase was financed by our issuance of equity share capital in 2007 and the cash generated from our operations in the previous years. In the second phase, in June 2008, we acquired the remaining shares in Tele Atlas. To finance this second phase, we entered into the Facility Agreement in respect of €1,585 million, as described further below.

We regularly monitor our liquidity position, including cash levels, credit lines and capital expenditures. As at 31 March 2009 our cash and cash equivalents balance amounted to €270 million, as compared to €321 million as of 31 December 2008, €463 million as of 31 December 2007 and €438 million as of December

2006. As of 31 March 2009, our consolidated balance sheet shows total borrowings of €1,391 million, made up of incurred acquisition debt net of related transaction costs.

We are exposed to liquidity risk in view of the global economic downturn, as described in “Risk Factors—The global economic downturn and dislocation in the financial markets may expose us to liquidity risk in the longer term”.

### **Working capital statement**

Our current cash resources, together with our existing financing facilities as amended (see “Operating and Financial Review—Liquidity and Capital Resources—Borrowings”), provide us with sufficient working capital for the next 12 months following the date of this Prospectus.

Without qualifying our working capital statement above, we note that the continuing effectiveness of the Amendment Letter, including the amended covenant levels, is conditional on net cash proceeds of the Offering (or any other equity issuance) of at least €350 million being received on or before 30 September 2009. As stated elsewhere in this Prospectus, the Private Placement is fully committed for an amount of €71 million and the Rights Offering is fully underwritten for an amount of €359 million. The commitment to underwrite the Rights Offering is subject to certain conditions that are customary for a rights offering in the Dutch market, including, but not limited to, that no material adverse change has occurred to us or to the Group prior to completion of the Rights Offering (see “Plan of Distribution”).

In the event that the Amendment Letter terminates, scenarios can be envisaged where we could expect to breach the conditions of our existing Facility Agreement within the next 12 months. In the event we are in breach and we are unable to renegotiate the terms of our Facility Agreement, there would be an “Event of Default” entitling the lenders to accelerate our outstanding borrowings. In this respect we also refer to the risk factor in relation to, *inter alia*, our level of indebtedness and financial covenants (see “Risk Factors - Our operating and financial flexibility is restricted by the level of indebtedness and financial covenants, which could materially adversely affect our business, financial position or ability to pay dividends; we risk becoming insolvent or otherwise ceasing our operations if we breach our covenants”).

### **Borrowings**

We entered into the Facility Agreement in September 2007, under which we drew €1,585 million as a term loan on 10 June 2008 to partially fund the acquisition of Tele Atlas. In addition, transaction costs related to the above facility amounted to a further €45 million. The Facility Agreement includes a €175 million revolving credit facility, which remained entirely undrawn as at 31 March 2009.

We agreed amendments to the terms of the Facility Agreement in June 2009. The interest on the loan under this amended facilities agreement is in line with market conditions and based on Euribor with a spread that depends on certain leverage covenants with a maximum spread of 3.5%. The continuing effectiveness of the Amendment Letter, including the amended covenant levels, is conditional on net cash proceeds of the Offering (or any other equity issuance) of at least €350 million being received on or before 30 September 2009. Under the Facility Agreement and the Amendment Letter, we are obliged to apply the net cash proceeds of the Offering and Private Placement towards reducing our total debt. The amended facilities terminate on 31 December 2012 and the term facility has an annual repayment schedule as detailed below (a first repayment of €158.5 million was made in December 2008).

	<b>Annual<sup>(1)</sup> Repayment Schedule (€ in millions)</b>
2009 .....	210
2010 .....	210
2011 .....	210
2012 .....	397 <sup>(2)</sup>
<b>Total</b> .....	<b>1,027<sup>(3)</sup></b>

(1) Repayments are required to be made by 31 December in each of the years indicated. The last payment assumes €400 million early repayment in 2009.

(2) The outstanding balance due under the Facility Agreement at 31 December 2012 may be different to this figure if, for example, we pre-pay amounts owing the Facility Agreement.

(3) On 31 March 2009 our balance sheet shows total borrowings (current and non-current) of €1,391 million. Excluding transaction costs of €35 million and taking into account an early repayment of €400 million, our total borrowings amount to €1,027 million.



The carrying amount of our borrowings is denominated in euros.

As a result of these amendments, our financial covenants require us to maintain a ratio of LTM EBITDA (which for the purposes of our Facility Agreement adds back any restructuring expenses which we may have incurred in the period for which the covenant is being tested) to LTM interest expense and a ratio of our total consolidated net debt to LTM EBITDA as set out below.

<b>Relevant period ending</b>	<b>Interest cover<sup>(1)</sup></b>
31 December 2009 .....	4.50
30 June 2010 .....	4.50
31 December 2010 .....	5.00
30 June 2011 .....	5.00
31 December 2011 .....	5.00
30 June 2012 .....	5.00
31 December 2012 .....	5.00

(1) Interest cover is defined as the ratio of LTM EBITDA to LTM interest expense for the relevant period.

<b>Relevant period ending</b>	<b>Leverage ratio<sup>(1)</sup></b>
31 December 2009 .....	3.50
30 June 2010 .....	3.50
31 December 2010 .....	3.00
30 June 2011 .....	2.50
31 December 2011 .....	2.00
30 June 2012 .....	2.00
31 December 2012 .....	2.00

(1) Leverage ratio is defined as the ratio of total consolidated net debt on a specified date to consolidated LTM EBITDA in respect of the relevant period ending on that date.

A breach of either of these covenants may result in our outstanding borrowings becoming repayable immediately.

### **Cash Flows**

The following table summarises the principal components of our consolidated cash flows for the periods indicated:

	<b>Year ended 31 December</b>			<b>Three months ended</b>	
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>31 March 2008</b>	<b>31 March 2009</b>
	<b>(Audited)</b>			<b>(Unaudited)</b>	
	<b>(€ in millions)</b>				
Net cash flow generated from operating activities .....	292	441	354	24	-20
Total cash flow used in investing activities .....	-29	-867	-1,903	-8	-32
Total cash flow from financing activities .....	1	453	1,408	0	0
<b>Net (decrease)/increase in cash and cash equivalents .....</b>	<b>264</b>	<b>28</b>	<b>-142</b>	<b>16</b>	<b>-52</b>

### **Net Cash Flow From Operating Activities**

Cash generated from operating activities is comprised of our cash flow from operating activities, as adjusted for non-cash items such as impairment charges as well as changes in working capital, and after deducting net interest expense and taxes paid.

Cash generated from operating activities was an outflow of €20 million in the first quarter of 2009, compared to an inflow of €24 million in the first quarter of 2008. This decrease was due primarily to the decrease in our operating result, from a gain of €9 million in the first quarter of 2008 to a loss of €16 million in the first quarter of 2009 as well as a cash outflow on our foreign exchange instruments of €20 million. This cash outflow was partly offset by a reduction of our working capital of €33 million.

Cash generated from operating activities was €354 million in 2008, compared to €441 million in 2007. This decrease was due primarily to a decrease in total revenue, partly offset by a substantial financial gain and €56 million reduction in working capital in 2008 due to strong cash collections and tight inventory control as well as an €70 million cash inflow from our foreign exchange instruments. Cash generated from operating activities also declined in 2008 due to higher net interest expenses in 2008, on higher total borrowings.

Cash generated from operating activities was €441 million in 2007, compared to €292 million in 2006. This increase was attributable primarily to higher operating profits from an increased volume of sales of PNDs, combined with a €29 million reduction in working capital in 2007 due to our strengthened position towards our vendors compared to the previous year.

#### *Total Cash Flow Used in Investing Activities*

Total cash flow used in investing activities consists principally of acquired technology, acquired businesses and office related materials and equipment.

Total cash flow used in investing activities was €32 million in the first quarter of 2009, compared to €8 million in the first quarter of 2008. This increase was due primarily to investments in our HD Traffic network.

Total cash flow used in investing activities was €1,903 million in 2008, compared to €867 million in 2007. This increase was due primarily to the purchase of the remaining shares of Tele Atlas in June 2008, which resulted in a net cash outflow from investing activities in 2008 of €1,834 million. In 2008 we also invested in the roll-out of our HD Traffic network, which was one of the main drivers for the increase of tangible and intangible assets of €69 million.

Total cash flow used in investing activities was €867 million in 2007, compared to €29 million in 2006. The increase in 2007 was primarily due to our investment in a 29.9% stake in Tele Atlas during 2007 for an amount of €816 million, as well as our acquisition in 2007 of the Horizon Navigation Inc patent portfolio for an amount of €25 million to support our worldwide development activities, compared to the 2006 acquisition of Applied Generics for an amount of €16.5 million.

#### *Total Cash Flow from Financing Activities*

Total cash flow from financing activities includes raising capital via the issuance of either equity or debt, and the repayment of principal on such debt.

Total cash flow from financing activities was nil in both the first quarter of 2009 and the first quarter of 2008.

Total cash flow from financing activities was €1,408 million in 2008, compared to €453 million in 2007. The increase was primarily due to our acquisition debt financing for Tele Atlas totalling €1,427 million during 2008, including a repayment of €158.5 million in December 2008.

Total cash flow from financing activities was €453 million in 2007, including the proceeds of a €450 million equity issue net of fees to the Group to provide funding for the first phase of the Tele Atlas acquisition.

#### **Off Balance Sheet Arrangements**

We have not entered into and are not a party to any off-balance sheet arrangements. We have certain long-term financial commitments, as set out below under “Contractual Obligations and Commercial Commitments”.

## Contractual Obligations and Commercial Commitments

The table below sets forth information relating to our contractual obligations and commercial commitments as at 31 March 2009:

Contractual Obligations and Commercial Commitments	Within	From 1 to	More than	Total
	one year	5 years	5 years	
	(€ in millions)			
Long-term debt obligations—principal . . . . .	158,500	1,268,000	–	1,426,500 <sup>(1)</sup>
Operating leases . . . . .	27,317	75,243	17,134	119,693
<b>Total</b> . . . . .	<b>185,817</b>	<b>1,343,243</b>	<b>17,134</b>	<b>1,546,193</b>

(1) This amount comprises current borrowings of €147 million and non-current borrowings of €1,245 million (as set out in the First Quarter 2009 Results Report), as well as transaction costs of €35 million that were netted off the original loan proceeds in accordance with the applicable accounting policy.

In addition, as at 31 March 2009, we had a quantity of open purchase commitments with our contract manufacturers for certain products and components, which we typically buy forward for several months based on our production forecasts. Our manufacturers have commitments on these components. In certain circumstances, we have a contractual obligation to purchase these components from our manufacturers. Our purchase commitments follow a seasonal pattern which is driven by the seasonality in our sales.

## Capital Expenditures

The following table shows our capital expenditures for the periods indicated:

Capital expenditure	Year ended 31 December			Three months ended	
	(Unaudited)			31 March	
	2006	2007	2008	2008	2009
	(€ in millions)				
Investments in intangible assets <sup>(1)</sup> . . . . .	21	34	37	5	26
Investments in property, plant and equipment <sup>(2)</sup> . . . . .	7	17	33	4	6
<b>Total capital expenditure</b> . . . . .	<b>28</b>	<b>51</b>	<b>70</b>	<b>9</b>	<b>32</b>

(1) Reflects mainly the capitalised portion of database mapping costs incurred by Tele Atlas and software costs for creating and upgrading our core software technology, as well as acquiring or building certain intellectual property assets like HD Traffic.

(2) Reflects mainly furniture and fixtures, computer equipment, hardware and software.

Our total capital expenditures have increased from €28 million in 2006 to €51 million in 2007 and €70 million in 2008, due primarily to the acquisition of Tele Atlas, the expansion of our product lines and our geographical expansion in Europe and the United States.

With the acquisition of Tele Atlas, our capital expenditures going forward are likely to continue to be higher than they were prior to the acquisition, as a significant component of our capital expenditures are capitalised database mapping costs incurred by Tele Atlas. In the current market environment however, and in light of our restructuring and cash management programme, we are deferring certain capital expenditures where we believe doing so will not undermine our ability to continue to develop new products and services.

Based on our existing conditions and current operations, we expect to incur total capital expenditures of between approximately €80 million and €100 million over the next 12 months, relating primarily to investments in intangible assets. We believe our cash flow generated from operating activities, our cash and cash equivalents and the net proceeds we receive from the Offering will be adequate to fund our capital expenditure requirements for at least the next twelve months.

## Qualitative Disclosure about Market Risk

The principal categories of market risk we are exposed to are exchange rate risk, credit risk and interest rate risk.

### ***Credit Risk***

Trade receivables relate mostly to our wholesale customers. Our exposure to credit risk is influenced mainly by the individual characteristics of each customer, and by the length of that customer's payment period. There is some concentration of credit risk with respect to trade receivables, but this is actively monitored by management for each customer. For our PND business, most of our exposure to credit risk in Europe, US, Asia, Australia and Africa is further mitigated by the purchase of credit loss insurance.

We have an established credit policy under which each new customer is analysed individually for creditworthiness before our standard payment and delivery terms and conditions are offered. We take into account the view of external rating agencies, when available, when determining creditworthiness. Credit limits are established for each customer and then reviewed on a quarterly basis, or more frequently if required. In monitoring customer credit risk, customers are grouped according to their credit characteristics. Customers who are graded "high risk", or who otherwise fail to meet our benchmark creditworthiness, are placed on a restricted customer list and we only do business with these customers on a pre-payment basis.

As at 31 March 2009, the total bad debts provision on our consolidated balance sheet was €15 million, representing approximately 0.7% of the Group's consolidated revenue for the year from 1 April 2008 to 31 March 2009, as compared to €14 million as at 31 December 2008, representing approximately 0.7% of the Group's consolidated revenue for the year from 1 January 2008 to 31 December 2008. We believe that the level of bad debt provision on our consolidated balance sheet is likely to increase due to the current macroeconomic climate as we assess our trade receivables for impairment and current provisions for bad debt may not be sufficient. Certain financial assets, such as trade receivables, are individually assessed for impairment. When assets are considered not to be individually impaired, these assets are subsequently assessed for impairment on a collective basis. Evidence of impairment could include our past experience of debt collecting and/or changes in economic conditions that have an effect on receivables.

### ***Exchange Rate Risk***

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Management has set up a policy to manage and control this foreign exchange risk. Foreign exchange risk is managed through the buying and selling of options according to our forecast component part commitments and by entering into forward contracts for actual component part commitments. All such transactions are carried out within the guidelines set by the financial risk management policy, which has been approved by the Supervisory Board.

We are exposed to currency risk on our estimated purchases and sales transactions that are denominated in a currency other than the reporting currency of the company—the euro. Foreign currency exposures are based on invoices, orders and forecasted sales. We aim to cover our currency exposure for nine months for both purchases and sales. We do not make use of "natural hedges"—i.e. matching US dollar component costs to US dollar revenue levels—for anticipated exposures, as these can prove ineffective in the event of sharp increases or decreases in currency rates and therefore we do not consider these to be best practice from a risk management point of view. We rely on derivative financial instruments to manage our exchange rate risk. Foreign currency exposures are grouped by currency to allow for more efficient hedging. We hedge at least 80% of our anticipated and committed foreign currency exposure, in respect of forecast sales and purchases over the next nine months.

We use foreign exchange plain vanilla options and foreign exchange forward contracts to hedge our currency risk, all with a maturity of less than one year.

### ***Interest Rate Risk***

Our interest rate risk arises from our long-term borrowings. The interest on our borrowing is based on Euribor with a spread which depends on certain amended leverage covenants. Market-derived interest rates are received on the cash balances. It is our intention to earn a reasonable interest rate whilst maintaining a stable investment. The investment policy has been approved by the Supervisory Board.

### **Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with IFRS. The preparation of these consolidated financial statements requires that we make assumptions, estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent

assets and liabilities. The Directors base their estimates and judgements on historical experience, current economic and industry conditions, and on various other factors that are believed to be reasonable under the circumstances. On an ongoing basis, we evaluate our estimates and judgements based on historical experience and other factors and make various assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making estimates and judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. If actual results differ significantly from the Director's estimates, there could be a material adverse effect on our results of operations, financial condition and liquidity.

A summary of our significant accounting policies is contained in note 2 to our 2008 consolidated financial statements, incorporated by reference. We consider a number of accounting policies to be critical to the understanding of our financial condition and results of our operations. These accounting policies relate to revenue recognition, business combinations, impairment of non-financial assets, such as software and product development costs, warranties, inventory, trade receivables and accounting for employee benefits. In the preparation of our consolidated financial statements under IFRS, the following critical accounting policies and estimates may involve a high degree of judgement and complexity.

### ***Revenue Recognition***

We measure revenue as the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### *Sale of goods*

Revenue on the sale of goods is only recognised when the risks and rewards of ownership of goods are transferred to the Group's customers (which include distributors, retailers, end-users and ODMs). The risks and rewards of ownership are generally transferred at the time the product is shipped and delivered to the customer and, depending on the delivery conditions, title and risk have passed to the customer and acceptance of the product, when contractually required, has been obtained. In cases where contractual acceptance is not required, revenue is recognised when management has established that all aforementioned conditions for revenue recognition have been met.

Examples of the above-mentioned delivery conditions are 'Free on Board point of delivery' and 'Costs, Insurance Paid point of delivery', where the point of delivery may be the shipping warehouse or any other point of destination as agreed in the contract with the customer and where title and risk in the goods passes to the customer.

When returns are probable, an estimate is made of the expected financial impact of these returns. The estimate is based upon historical data on the return rates and information on the inventory levels in the distribution channel. The estimated probable returns are recorded as a direct deduction from revenue and cost of sales.

We reduce revenue for estimates of sales incentives. We offer sales incentives, including channel rebates and end-user rebates for our products. The estimate is based on our historical experience taking into account future expectations on rebate payments.

If there is excess stock at retailers when a price reduction becomes effective, we will compensate our customers on the price difference for their existing stock. Customers are eligible for compensation if certain criteria are met. To reflect the costs related to known price reductions in the income statement, an accrual is created against revenue.

Estimates are made of the financial impact of returns, as well as sales incentives, based on historical data and expectations of future sales.

#### *Royalty income*

Royalty revenue is generated by the licensing of geographic content of the Tele Atlas database to customers. Licensing takes the form of selling products (CDs and DVDs) to end users for perpetual use or for a fixed period of time. Revenue is recognised when the product is sold to the end-user. Where the data is licensed for a fixed period of time, revenue recognition depends on the use of the data as reported by the customer or by the agent when sold through an agent. Where royalty agreements contain minimum royalty amounts and arrangements for upgrades, revenue is recognised when it is certain that the economic benefit

will flow to the Group. Depending on the revenue characteristics of the related agreement, revenue on these royalty agreements is recognised upfront or over the period of the agreement.

#### *Multiple element arrangements*

Bundled sales or multiple-element arrangements require the Group to deliver equipment, such as navigation hardware and/or a number of services (e.g. traffic information services) under one agreement, or under a series of agreements which are commercially linked. In such multiple-element arrangements, the consideration received is allocated to each separately identifiable element, based on relative fair values or on the residual method. The fair value of each element is determined based on the current market price of each of the elements when sold separately. The amount of revenues allocated to the hardware element is recognised in line with the accounting policy for the sale of goods as described above. The revenue relating to the service element is recognised over the service period.

#### *Business Combinations*

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured as the aggregate of the fair values at the date of exchange, assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date.

The provision for earn-outs relates to acquisitions where part of the purchase consideration is a future earn out for the former shareholders of acquired companies. The Group provides for future costs related to these earn-outs based on (or related to) estimates of future results that determine the future cash outflows. The earn-out provision represents the best estimate of payments which will be made under the earn-out arrangements, taking into account the provisions of the related contract and the performance criteria included.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the profit and loss account.

#### *Impairment of Non-Financial Assets*

Assets, such as goodwill, that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a post-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

#### *Inventory*

We record inventory at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase and assembly and conversion to finished products. Borrowing costs are excluded. The cost of inventories are recorded by using the first-in first-out cost formula, net of reserves for obsolescence and any excess stock. Net realisable value represents the estimated selling price less an estimate of the costs of completion and direct selling costs.

Our industry is subject to a rapid and unpredictable pace of product and component obsolescence and change in demand. If future demand or market conditions for our products are less favourable than forecasted or if unforeseen technological changes negatively impact the utility of component inventory, we may be required to record write-downs which would negatively affect gross margins and our results of operations.

#### ***Trade Receivables***

Trade receivables are initially recognised at fair value, and subsequently measured at amortised cost (if the time value is material), using the effective interest method, less provision for impairment. A provision for uncollectable trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within 'cost of sales'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'cost of sales' in the income statement.

#### ***Capitalised Databases and Tools***

Internally generated databases and tools are capitalised in accordance with IAS 38. Determining the amounts to be capitalised in respect of databases requires management to make assumptions regarding the moment from which the database of an area has reached a level of completion at which the activities are focused on maintaining and upgrading the database, from which point capitalisation is discontinued. The costs of capitalised internally generated geographic databases includes all production and acquisition costs related to these assets.

#### ***Provisions***

The Group generally offers warranties for its personal navigation products. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as evaluating recent trends that might suggest that past cost information may differ from future claims.

The Group also forms provisions for potential legal and tax risks in various jurisdictions. The legal matters mainly consist of intellectual property infringement issues. In the normal course of business, the Group receives claims relating to allegations that we have infringed intellectual property assets and the companies making the claims seek payments which may take the form of licences and/or damages. Some of these claims may be resisted, some are likely to be settled by negotiation and others are expected to result in litigation.

The cases and claims against the Group often raise difficult and complex factual and legal issues which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction in which each suit is brought, and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation. The Group accrues a liability in the form of a provision when it is determined that an adverse outcome is more likely than not, and the amount of the loss can be reasonably estimated. If either the likelihood of an adverse outcome is reasonably possible or an estimate is not determinable, the matter is disclosed, provided it is material. The directors are of the opinion that the current level of provision is adequate to resolve currently identified claims.

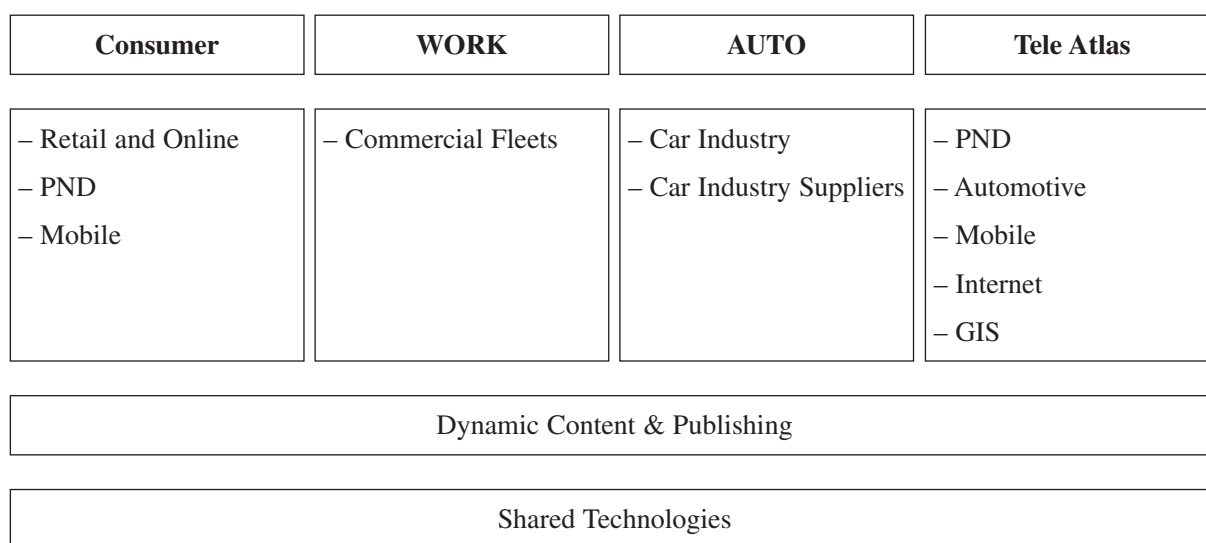
The methodology used to determine the amount of the liability requires significant judgments and estimates regarding the costs of settling asserted claims. Due to the fact that there is limited historical data available, the estimated liability cannot be based upon recent settlement experience for similar types of claims.

## BUSINESS OVERVIEW OF TOMTOM

### Overview

TomTom is a leading provider of navigation solutions and digital maps. In the five years from the launch of our first PND in early 2004, close to 30 million people around the world have purchased a TomTom PND, and over 45 million navigation devices were powered by Tele Atlas digital maps. In addition to producing PNDs, we produce and sell digital maps and dynamic content, offer professional navigation solutions for commercial vehicle fleets, and develop navigation systems and services for car manufacturers. We believe with this range of products and services, we are uniquely positioned to deliver navigational products and services to a wide variety of different customer groups.

We currently operate through four customer-facing business units. Each business unit has a clear focus on a specific customer group and markets a unique set of products to these customers. These business units are supported by two shared development centres.



Our Consumer business unit sells PNDs and related content and services through retailers and distributors worldwide. These products are developed with an emphasis on innovation, quality, ease of use, safety and value. Our products include the TomTom GO, XL and ONE ranges for in-car use and the TomTom RIDER for two-wheel navigation. We believe we offer a market-leading portfolio of content and services for our Consumer products, including TomTom Map Share, which allows users to make changes to the maps on their navigation devices and share them with other TomTom users, TomTom HD Traffic, which gives users real-time traffic reports and enables them to take the fastest route possible, and TomTom IQ Routes, which provides users with efficient route planning taking into account any situation that affects the speeds that can be driven on roads. In November 2007, we introduced PNDs that are connected ‘over-the-air’ through a built-in SIM card. Connected navigation allows us to provide our customers with relevant real-time information at the moment they need it. In October 2008 we launched our new TomTom GO LIVE series in five European countries, delivering a bundle of connected services, like HD Traffic, Local Search with Google and weather information to make PNDs more suitable for everyday use.

Consumer also provides navigation software that integrates with third-party devices, such as PDAs and smartphones. Our Consumer products and services are sold through a network of distributors and retailers in more than 30 countries, as well as online. We are and consistently have been the market leader in Europe, with approximately 45% market share in the first quarter of 2009 (according to GfK data and our estimates), and number two in North America, with approximately 20% market share in the first quarter of 2009 (according to NPD data and our estimates).

Tele Atlas provides the digital maps and dynamic content that power many of the world’s navigation and location-based services across numerous types of devices. By processing feedback from TomTom users and other map users around the world, Tele Atlas is able to constantly detect, validate and process changes and updates to its existing map databases, thereby producing highly accurate maps and real-time routing intelligence. Tele Atlas’s customers are other leading PND manufacturers, the top four global internet



mapping and routing websites, the world's largest wireless handset manufacturers and carriers, car manufacturers and their suppliers, and commercial and government entities.

AUTO develops and sells navigation systems and services to car manufacturers and their suppliers worldwide. In 2008, AUTO announced a partnership with Renault to bring fully-integrated navigation solutions to Renault customers from 2009 onwards. This in-dash navigation solution became available in April 2009 across Western Europe in the new Renault Clio, and it is expected that it will be introduced into the new Renault Megane and Scenic ranges later in the year.

WORK combines industry leading communication and smart navigation technology with innovative tracking and tracing expertise to commercial vehicle fleets. WORK's easy to use, web-based service allows customers to monitor, manage and communicate with their drivers and fleets of vehicles, to improve the efficiency and cost effectiveness of their transport and logistics operations. WORK sells its solutions widely across Europe, and also recently started to develop its business in the United States with an aim to fully entering the American market by the end of 2009. Our WORK business unit grew at a rate greater than 100% from 2007 to 2008, which makes us one of Europe's fastest growing telematics companies.

## **History**

The Group was founded in 1991 by four people, including three current members of senior management, Peter-Frans Pauwels, Pieter Geelen and Harold Goddijn. From our inception, we focused on developing software products for mobile devices, which are technically challenging because of low memory capacity and the inherent limitations on device size, processing power and data storage capacity. From 1991 to 1996, we focused on developing a number of business-to-business applications for mobile devices, including bar-code reading, meter reading and order-entry systems, before shifting our focus to developing consumer software products for PDAs. By 1998, we had established ourselves as a market leader in PDA software, creating a number of consumer applications for PDAs, such as our EnRoute (later renamed RoutePlanner) and Citymaps navigation applications.

In 2001, Harold Goddijn was appointed CEO and we focused our business on car navigation. Our first navigation product for PDAs, the TomTom Navigator, was launched in June 2002. This product was sold as an add-on application for third-party PDAs and included a GPS receiver and car-cradle. We promoted and distributed this product across Europe, which allowed consumers to buy a fully functioning navigation system at a much lower price than previously available factory-installed and dealer-fitted systems.

Sales of the Navigator software reached €8 million for the financial year ended 31 December 2002. By the end of 2002, we had concluded that a market opportunity existed for an affordable, easy to use car navigation system that integrated all the components of a navigation system in one portable device. By the time the TomTom Navigator 2 was launched in early 2003, the potential for portable navigation devices was clear to us, and we recruited an experienced hardware team to develop an all-in-one navigation product.

In 2003, we made a strategic decision to adapt our core software architecture to operate both on our new hardware products and also across a wide variety of third-party hardware platforms and operating systems. The result of this initiative, the NavCore software platform, still forms the basis for our products and is continuously updated. The first NavCore-based product, the TomTom Navigator for Palm, was launched in January 2004.

The TomTom GO, our first stand-alone PND, was introduced in March 2004. As demand grew, second-generation devices and new products have been developed, as well as further versions of software navigation for mobile devices.

In May 2005, the Ordinary Shares were admitted to listing on Euronext Amsterdam following a successful initial public offering.

## **Key Acquisitions**

Since May 2005, we have acquired the following key businesses:

- August 2005—Datafactory AG based in Leipzig, Germany (which was the foundation for our WORK business unit) to accelerate the Group's focus on telematics services to commercial fleet management solutions for €14.3 million.

- January 2006—Applied Generics Limited, a company specialising in the use of data from mobile networks for advance routing of vehicles for €16.5 million. The technology and team acquired remain a vital part of the Group’s dynamic content offering.
- June 2007—A 90-strong automotive engineering team from Siemens VDO’s research and development division, to build up TomTom’s AUTO business unit.
- July 2007—An all-cash offer for Tele Atlas, one of the two largest global digital mapping companies. After EU Competition Commission approval, we completed the acquisition of Tele Atlas in June 2008 for €2.8 billion.

### ***Recent Product and Content Launches***

- In March 2006, we launched TomTom HOME—our web portal that enables users to easily download additional features onto their TomTom PNDs.
- In March 2006, we launched TomTom WORK—an integrated navigation, tracking, tracing and communication solution for commercial vehicle fleet management.
- In the second half of 2007, we launched TomTom HD Traffic and TomTom Map Share, new content and services for users which provide real-time traffic reports, and the ability for users to make and share changes to maps, respectively.
- In September 2007, we launched the world’s first in-dash PND, which was available as an option with the Toyota Yaris.
- In April 2008, we launched TomTom IQ Routes—new technology providing users with efficient route planning.
- In October 2008, we launched LIVE Services on our first connected consumer PND (the GO X40 LIVE)—a bundle of services providing real-time information directly over the air to the PND.
- In November 2008, we launched Speed Profiles—a database consisting of half a trillion speed measurements enabling Tele Atlas and other developers of mapping applications and GPS devices to offer much more accurate journey time estimates to their end users.
- In April 2009, we introduced an in-dash PND as an optional accessory in the new 2009 Renault Clio, marking the start of our relationship with Renault.
- We have also developed a software application for Apple’s iPhone: a bundle consisting of an Apple iPhone version of our navigation software with IQ Routes complete with the latest map data from Tele Atlas. In addition we will sell a TomTom Car Kit for the iPhone which allows for secure docking, enhanced GPS performance, clear voice instructions, hands-free calling and in-car charging. This software application will be available in the third quarter of 2009.

### **Key Strengths**

We believe that we have a number of key competitive strengths that position us uniquely in the fast-growing digital navigation markets.

#### ***Leadership in the Navigation Market***

We have focused on navigation solutions for over 15 years, and we have created solutions that offer complete navigation and mapping solutions to a wide range of customers across different platforms and devices. We believe that the personal navigation market presents growth opportunities, and that our early entry into this market has enabled us to build a consumer brand in Europe associated with high-quality navigation products and to establish a significant presence in North America. We market and distribute our products and services in more than 30 countries around the world. In the first quarter of 2009, we continued to enjoy a stable leading market share in Europe of approximately 45% (according to GfK data and our estimates) and in North America we continued to hold a strong number two position with approximately 20% market share (according to NPD data and our estimates).

#### ***Technology Leadership and Unique Positioning in the Navigation Value Chain through Superior Technology Practice***

We believe that with the acquisition of Tele Atlas and the Siemens VDO team we have positioned ourselves in a unique place in the value chain of the navigation industry. The expertise gained as a result of

these acquisitions has provided us with the capability to gain market share in the areas of the personal navigation market that we believe have the most value and potential for growth, including the development of digital maps and innovative dynamic content services for our PNDs, as well as for other third party devices, and in-dash navigation systems for the automotive mass market.

### ***Superior Products, Content and Services***

We believe that through our long-term focus on navigation technologies, we have gained industry expertise and an intellectual property base that provides us a competitive advantage. We have used our proprietary NavCore software platform as the basis for all of our products and services since 2003 and we have continuously updated it. The flexibility of our NavCore software platform enables us to adapt quickly to changes in consumer preferences and to provide our navigation applications on a range of consumer devices without expensive or time-consuming re-engineering. We also use common hardware and software platforms across our products to enable efficient manufacturing and development of future products. We design our products to keep costs down by choosing high-quality but low-cost components which enable us to obtain efficient high-volume manufacturing. We also maintain direct relationships with our key retailers and our customer service and technical support functions are also maintained in-house, enabling us to provide better support for our devices once they reach the end-user.

### ***Connected Technology***

In 2007, we introduced connected devices so as to enable us to provide our customers with real-time services, providing them with relevant information the moment they need it. The proprietary technologies behind our key offerings, IQ Routes and HD Traffic, are unique and market-leading. Furthermore, a significant number of the users of our connected devices provide us with important information regarding changes to the landscape which allow us to produce and amend our digital map databases more rapidly and cost-efficiently. For example we estimate that users provide approximately 5 billion measurements a day to our IQ Routes and Tele Atlas Speed Profiles database and we have received over 600 billion speed measurements to date. This connectivity is creating a different way in which maps are built, maintained and enhanced.

This connectivity can in turn also foster a sense of community which both differentiates us from the competition and will further help us to increase the quality of all of our services.

### ***Broad Marketing and Distribution Networks with a Powerful Brand***

We have built and continue to maintain relationships with some of the largest distributors and retailers in Western Europe and the United States. In Europe and Australia, we have enjoyed a long relationship with Ingram Micro, the world's largest technology distributor, which offers products to over 170,000 retailers around the globe. Our relationship with Ingram Micro in Europe has recently aided us in our expansion into the Australian market, where Ingram Micro has been long established. In the United States, we have a long-standing relationship with Best Buy, a leading electronics retailer in the United States, and Wal-Mart, one of the largest retailers in the United States.

### ***Scalable Business Model***

We focus internally on key activities including hardware and software design, and outsource most other activities, including manufacturing and logistics. We work in long-term partnerships with third-party manufacturers, logistics partners and with product component suppliers to manufacture and package our products in the necessary volumes to respond to increasing or decreasing consumer demand. This model enables us to minimise our investment in manufacturing and storage facilities and to optimise stock levels. We believe that our business model gives us flexibility in our operations, especially with regard to ordering product components, and is highly scalable while allowing us to focus our own efforts on the core skill sets which are important for our operation. We believe our brand and strong distribution model has also enabled us to scale our business effectively.

### ***Experienced Management***

Our management has considerable expertise in the personal navigation, mobile device, software development, consumer products and digital mapping industries. We believe that the experience of our management has enabled us to develop products and services that have broad consumer appeal. Our CEO has been in his current position since 2001 and is one of the Founders, while Management Board member Alain De Taeye was the Founder of Tele Atlas and its CEO from 1990 to 2008. The managing director of our

Consumer business unit has been a member of senior management since 1994, and both our strategy director and the managing director of our production unit have been part of senior management since we were founded in 1991.

### **Mission and Strategy**

It is our mission to improve the quality of people's lives by using our combined knowledge and expertise in the fields of routing, digital mapping and guidance services. We tailor our activities towards multiple audiences and intend to play a leading role on all platforms where our products and services can be of use.

We aim to deliver products and services that can be utilised across a range of different devices and platforms, tailored to the needs of the different customer groups. However, we believe that the majority of customers prefer fit for purpose devices that are developed and designed to do one specific thing very well. PNDs and in-dash navigation solutions, brought to the mass market of automotive consumers, will form the core of our in-car navigation solutions offerings for the foreseeable future. In addition to this we will position ourselves to benefit from new opportunities such as providing software applications for the growing smartphone industry or any other emerging platforms like location based and navigation services on the internet.

To address a broader range of customers and to further differentiate ourselves from the competition we seek to continuously improve our products and services in terms of accuracy, relevance and new features. We have centralised our research and development resources into groups to create scale economies to serve all of our business units.

Furthermore, we intend to use the growth of our customer base to increase the quality of our content and services offering, thereby stimulating increased customer loyalty and attracting new customers which will thereby further grow our customer base.

### ***Consumer***

Consumer aims to consolidate its leading market share in Europe and to increase market share in the US and other markets. We aim to do this by continuing to innovate, by increasing the depth, breadth and range of our product offerings and services, including increased functionality of software applications for smartphone services, and by expanding our global footprint.

For the next three to five years we believe PNDs will continue to drive and define navigation solutions for car drivers. Consumer plans to continue to introduce new designs, with improved functionality, with richer content and services.

We aim to have recurring subscriptions for certain of our services, such as HD Traffic, to grow their contribution to gross margin in the coming years as we shift to being more focused on content rather than hardware.

### ***Tele Atlas***

We aim to minimise the elapsed time between when a change happens in the landscape and when our digital maps accurately reflect that change, in order to deliver the most up-to-date and accurate maps, with the goal of producing a real-time map. With information from our connected customers and other third-party sources, Tele Atlas can detect change in the landscape more rapidly allowing them to update their maps more frequently and accurately.

Next to this, Tele Atlas intends to focus on delivering more differentiated product offerings that provide an increased standard of accuracy and introduce improved static content for intelligent routing.

### ***AUTO***

The installation rate of in-dash navigation in new entry-level and mid-car ranges has historically been low. By making these navigation systems affordable, adding more relevant features such as connectivity and improving usability, AUTO aims to increase the adoption of in-dash navigation systems among the volume automotive market. We will apply the expertise and experience we have acquired from the production of PNDs with the hope of the take-up percentage rate in new vehicles increasing significantly in the coming years. In 2008, AUTO announced a partnership with Renault to bring fully-integrated navigation solutions to Renault customers from 2009 onwards. This navigation solution became available in April 2009 across

Western Europe in the new Renault Clio, and it is expected that it will be introduced into the new Renault Megane and Scenic ranges later in the year.

## **WORK**

We aim to become a leading player in the field of connected navigation and fleet management solutions for small and medium sized commercial vehicle fleets in Europe and to gain market share in the United States. WORK's strategic goal is to achieve growth with simple, low cost and easy-to-use solutions which are attractive for all sizes of fleets.

## **Operations, Products and Services**

### ***Consumer***

Consumer focuses on providing navigation solutions to consumers, and is a leader in the navigation industry in both the quality and innovation of its products and services. Since the introduction of our first PND in 2004, we have renewed our portfolio of PNDs on an annual basis and have introduced new services and content for our PNDs that will allow us to continue holding a leading position in the navigation solutions industry.

We make all-in-one PNDs that enable customers to begin using our products straight out of the box. These include the premium TomTom GO range, the mid-range product family, the TomTom XL range, the best-selling value-range TomTom ONE family and the TomTom RIDER for two-wheel navigation. Our customers can also upgrade their value- and mid-range products. In the first quarter of 2009 our PNDs won numerous awards from trade publications and organisations around the world. Our content and services for these PNDs include:

- HOME, our Web Portal, gives access to many of our services as well as allows you to connect to other TomTom users. Consumers can manage, update and personalise their PNDs, buy and install maps, make back-ups, and download free software updates. A new version of HOME was released in 2008 and included a content-sharing platform for TomTom devices that allows users to easily download, upload and share navigation content with other TomTom users. By the end of the first quarter of 2009, there were over 11 million registered HOME users.
- Map Share, a proprietary map technology launched in June 2007, allows users to make changes to the maps on their navigation devices and share them with others. Over 6 million improvement reports were shared by users by the end of March 2009.
- LIVE Services, launched in October 2008, provide a range of information services for motorists delivered directly to connected devices 'over-the-air' via a built-in SIM card. LIVE Services include HD Traffic and Safety Alerts, Local Search with Google and Fuel Prices. LIVE Services is currently available in the United States, UK, France, Germany, Switzerland and the Netherlands.
- HD Traffic, launched in the second half of 2007, which gives users real-time traffic reports, as well as advice on the best alternative routes to avoid traffic jams, by combining data from traditional sources, Governmental sources and third party data, including traffic cameras and the traffic flows derived from mobile phones in cars. All data received for use by the HD Traffic service is anonymous. Received information is processed and the system sends updates to all HD Traffic users every three minutes. HD Traffic is currently available in the Netherlands, UK, Germany, France and Switzerland.
- IQ Routes provides users with more efficient route planning information by processing anonymous data about travel times shared with us by users of our connected PNDs or other devices. The technology enables us to take into account situations that may influence the speeds that can be driven on roads, including traffic lights, roundabouts, speed bumps and congestion due to parents dropping off children at school. This ensures that users always have the fastest route, putting them back in control of their daily route planning, and making our PNDs with this service attractive for everyday use and home town driving. This data is also sold to Tele Atlas customers to increase the routing capabilities in their products. We started offering IQ Routes in spring 2008 and it is now available across our complete product range of PNDs.

During 2009, we introduced several new models, including bringing connectivity and LIVE services to our mid range products for the first time through the new TomTom XL LIVE.

In 2009 we launched our web-based Route Planner for planning routes on the internet. Users get the benefit of routing services, including HD Traffic and IQ Routes.

### ***Tele Atlas***

During June 2008 the acquisition of Tele Atlas was completed, a process that started in 2007. The €2.6 billion acquisition cost, including the net financial cash position of Tele Atlas and excluding transaction costs, was financed by using available cash, committed financing and the placement of shares. Post-acquisition, Tele Atlas was reorganised from a regional structure into a functional structure to enable a global centralised customer focus. As part of the integration of Tele Atlas, which is expected to be ongoing for another 12 to 18 months, we have implemented a comprehensive restructuring programme, aimed at increasing operational efficiencies and achieving cost savings. While ongoing restructuring in response to current economic conditions continues throughout our Group, we have already, in both the fourth quarter of 2008 and the first quarter of 2009, completed the substantial majority of the headcount reductions and management changes related to the acquisition and integration of Tele Atlas.

Via our Tele Atlas business unit, we provide the digital maps and dynamic content that power many navigation applications and location-based services. We offer full or partial map coverage of approximately 80 countries in Europe, North and South America, the Middle East and Asia, and through partnerships we can offer global customers supplemental coverage of more than 200 additional countries and territories worldwide. Since the completion of the acquisition, Tele Atlas has expanded geographic coverage to include Greece, Malta, Italy, Spain, Portugal, Bulgaria and Turkey, signed agreements to deliver maps of Argentina and South Korea, and introduced maps in Northern Africa.

Our customers include the leading PND manufacturers, the top four global internet mapping and routing websites, the world's largest wireless handset manufacturers and carriers, innovative application developers, car manufacturers and their suppliers, and government and commercial entities. In 2008, we signed a five-year license agreement with Google and also extended by three years our licensing agreement with MiTAC to provide maps for their PNDs worldwide.

We are currently in the process of integrating Map Share input from our customer base into our maps and we delivered the industry's first global digital map database that was built in part by community-provided data that identified and validated changes. By harnessing input from millions of TomTom and other map users around the world to its own technology to constantly detect, validate and process their updates, we are working towards a future in which we are able to continuously refresh our database with up-to-the-minute content, and create the reference for real-time maps and routing intelligence.

Going forward, we will seek to continue to derive additional synergies from the acquisition, for example by:

- Improving map data quality by expanding the ability of the users of our connected PND products to provide community feedback which will be integrated into the Tele Atlas map database, and on an increasingly automated basis as we move to a single integrated development platform.
- Using the improved quality of our maps to increase our market share in the automotive and other industries.
- Expanding our product offerings by adding customer-relevant content such as Speed Profiles and real-time traffic information.
- Further integrating our support functions.
- Developing a single group IT strategy led by the Chief Information Officer.
- Strengthening ties between all our business units and the two shared development centres, Dynamic Content & Publishing and Shared Technologies.

### ***AUTO***

AUTO develops and sells navigation systems and services to car manufacturers and their suppliers worldwide. Established in June 2007 with the addition of a dedicated and experienced automotive team from Siemens VDO, AUTO introduced the world's first in-dash portable navigation solution directly to Toyota in September 2007.

In September 2008 we announced a partnership with Renault to deliver a fully integrated navigation product in 2009 that is intended to be made available for the majority of Renault's models in production. This navigation solution became available in April 2009 across Western Europe, in the new Renault Clio, and it is expected to be introduced later in the year in the new Renault Megane and Scenic. Our focus on automotive customers, our experience in navigation and our ability to apply the expertise of the entire TomTom Group to assist the AUTO business unit, gives us a strong position to further expand our customer base in 2009 and 2010.

AUTO's potential customer base is mostly made up of large global car manufacturers. We now have a structure in place that allows us to develop, produce and deliver automotive qualified products, which include maps and services and we have established relationships with car manufacturers and suppliers. These relationships are non-exclusive and are set up to serve specific markets and/or car manufacturer relationships.

### **WORK**

WORK offers professional navigation solutions for commercial vehicle fleets. Our connected navigation products and services allow enterprises to monitor, manage and communicate with their drivers and fleets of vehicles, thereby aiding in increasing the overall efficiency, safety and professionalism of their transport and logistics operations.

WORK consists of three core components, a PND, and a black box (the LINK 300) which is placed in vehicles and is connected to the PND, which enables tracking, tracing and two-way messaging, and a web based management application (WEBFLEET) which enables owners to monitor and guide their vehicles and staff and to manage and plan their business. WORK primarily targets companies with fleets of 10-100 vehicles. The majority of WORK's revenue comes from customers who use the Link 300 hardware along with WEBFLEET and the TomTom GO. However, WORK also offers a "Compact" Service which provides all of the benefits of the WEBFLEET application, but does not require the Link 300 box. In 2008, WORK introduced the new TomTom LINK 300 hardware and a new version of WEBFLEET. WORK's subscribers increased from 34,000 subscribers at the end of 2007 to 74,000 by the end of March 2009. The growth in the number of subscribers was mainly the result of growth of market share and geographical expansion in Europe.

WORK sells its solutions widely across Europe, and also recently started to develop its business in the United States with an aim to fully entering the American market by the end of 2009.

### ***Shared Production Units***

Serving the four business units are the two shared development centres, which are responsible for the development of our next generation of fundamental navigation technologies, services and content, tailored to all navigation markets through the business units.

Dynamic Content & Publishing is responsible for the creation and publishing of our content and services on robust and scalable delivery platforms. It acquires, validates and assembles dynamic content that is relevant to motorists and publishes this information in real-time to our customers and partners. This content can be tailored to each market in conjunction with the business units and is delivered to our customers and partners through stable and scalable delivery platforms. Shared Technologies develops and maintains our technology components and it develops the routing algorithms, navigation software and user interfaces necessary for our products and services to operate.

### **Distribution**

We currently market and sell our products and services in over 30 countries across Europe, Africa, North and South America, Asia and Australia.

### ***Distributor Sales***

We supply the majority of our retailers through an international network of distributors, who play an active role in educating consumers and in promoting our products. Predominantly in Europe, well established relationships with distributors have helped in getting our products on retail store shelves. In 2008, we estimate our top three distributors in Europe represented approximately 30% of European revenue in aggregate. Distributors are also used in fragmented and new markets such as the Asia Pacific region.

### ***Retail Sales***

Direct relationships with retailers have particularly been key to our expansion in the United States as opposed to Europe, where distributors represent the majority of our sales. Currently, the top ten consumer electronics retailers in the US account for over approximately 70% of the total consumer electronics sales market. Best Buy and Wal-Mart accounted for approximately 40% of our North American PND revenue in 2008. For this reason, we have a strong key account focus on the major American retailers. Our products are generally sold with standard warranties of one to two years in duration, which offer end-users the option to have products under warranty repaired or replaced (if necessary) free of charge.

### ***E-Commerce Sales***

The internet is becoming an important sales channel for our PND products and services and we expect an increasing number of customers are expected to make their purchases online. We sell our products and services through our own established e-commerce channels on our website as well as through third-party sites, such as Amazon and Currys. As more product offerings include services and content, the online path to customers to deliver these through subscriptions, updates, activations, contracts or installations is expected to become more important and continue to grow at a faster rate than traditional in-store sales. This direct online dialogue with end-users will be important for us to understand and respond to customer needs and build relationships which help to deter customers from switching to competitors.

### ***After-Sales Service***

We believe our products and services are the best available on the market, and back this up by making a significant commitment to aftersales support. Customer support is the principle means by which we discover what our customers need, and what they do and don't understand about our products and services.

We have offered a comprehensive after sales customer care service for both end-users and retailers since 2003. The services offered include 24-7 call centres, non-voice contact (mail, email), in and out of warranty repair and refurbishment, and a comprehensive FAQ service over the web. In Europe, the Amsterdam in-house customer care centre provides language support for 16 countries and 10 languages, with a further 8 languages and 8 countries supported via a third-party provider. Support for North American and Canadian customers is also managed externally. Product returns from the field are either refurbished and re-sold (retail DOA), or repaired and returned directly to the end-user, depending on the region and product line. In Europe, repairs are conducted in the Netherlands, UK, Germany and Switzerland whereas refurbishments are handled in Romania. In North America and Australia, refurbishments are handled in-country.

### ***Supply Chain***

We outsource product manufacture to ODMs, who assemble and carry out quality control tests on the products in accordance with our design specifications. This enables us to avoid the capital investment and fixed overhead expenses associated with in house manufacturing as well as enabling us to scale up or down our production to meet consumer demand.

### ***Manufacturing and Assembly***

We have built a strong relationship with two ODMs. The longest relationship is with Inventec Appliances Corporation ("IAC"), an ODM with operations and development teams in Taipei, Taiwan and in Shanghai and Nanjing, China, which has been our third-party manufacturer since 2003 on an indefinite agreement basis. In 2006, Quanta was added as a second ODM in response to the growth of our business and to ensure that a competitive force was built into the manufacturing element of our supply chain. The relationships with the two ODMs have been vital to us, in order to scale our business and manage PND production effectively throughout the growth over the last five years. It has also helped to mitigate supply risk, as both manufacturers have the capability to build the product portfolio.

We require both ODMs to bid for any production order, incentivising and aligning their cost management interests with ours. Order allocation levels are then made based on manufacturing cost. This allows the agreed production costs to reflect both competition and up-to-date commodity and component costs, achieving the best prices possible.

We work closely with our ODMs to implement quality control procedures and carefully scrutinise product quality and consistency. By the end of the pre-production process, our products have been subject to multiple quality control tests of both the product design and the manufacturing process. The in-process manufacturing quality control responsibility rests with the ODMs. Historically, our product failure rate has



been less than one percent across all our integrated products. The failure rates for our non-integrated solutions vary, and are generally a function of the failure rates of various software or hardware components as well as reliability of the host third-party hardware. For those failures attributable to our component parts, we have found that certain failure rates are higher than that of our integrated products, but the cost and difficulty involved in repairing and replacing defects in our non-integrated solutions is generally lower.

We ensure that we retain rights to any of our intellectual property that is provided to contract manufacturers for use in the manufacturing process. We pay our contract manufacturers in US dollars per unit produced.

Our main third-party manufacturers receive rebates for purchase price variances that occur within a month of an order being fulfilled. We have contractual protections against endemic failure by our manufacturers, but purchase our products from third-party manufactures without a warranty.

The purchase price we pay to third-party manufacturers factors in the predicted cost to us of failures that may occur due to a problem with the manufacture of the product.

### ***Production Order Forecasting***

Working closely with our distributors and suppliers, our sales, finance and procurement teams create assessments of demand and inventory levels in order to generate projections of the number of units required on a monthly basis. Based on these initial production forecasts, the ODMs order for their allocation the required component parts from their suppliers approximately 3 to 6 months prior to delivery to us. We retain the right to modify the production forecasts on a decreasing percentage basis until one month prior to shipment, when purchase orders are finalised.

### ***Fulfilment***

After the products are manufactured, they are shipped in bulk to our outsourced fulfilment partners, ModusLink in Apeldoorn, The Netherlands and ATC in Texas, United States. The fulfilment partners also receive certain accessories from other suppliers, such as manuals, power adaptors, SD memory cards and cables, and these fulfilment partners then provide final assembly, localisation and testing, packaging, shipping and tracking services.

Localisation is the process whereby our fulfilment partners configure our product and content shipments by country and language. They complete this process as late as possible in the assembly process, in order to maintain the ability to respond flexibly to customer demand in our various markets whilst minimising excess inventory.

### ***Suppliers***

The hardware for our PNDs and most of our in-dash navigation systems is designed to accommodate specific parts from several key component suppliers, such as Samsung. We specify to the ODMs the exact components to be used, and directly negotiate prices with the component suppliers, thereby having a greater degree of control over the total cost of production. Where possible we have built-in competition mechanisms to ensure competitive component prices, however, for example, there are approximately 15 single sourced items for our PNDs and in-dash navigation systems. Once a supply contract is agreed, the ODMs place an order for the necessary volumes to meet their production quota.

Our Consumer business unit's only direct supplier relationships are with accessories suppliers, including Supatech and Sandisk Corporation. These are generally for accessories such as cigarette lighter adapters and power chargers.

We do not typically benefit from rebate schemes with any of our suppliers, nor do we have warranty protection on component parts purchased by our manufacturers for use in our products. However, we are contractually protected against endemic failure resulting from those component parts and, we receive from Samsung, our largest supplier, we also take an intellectual property liability indemnity.

### **Technology and Intellectual Property**

We own the intellectual property rights in our core technologies and our hardware electronics as they are designed and developed in-house. We also own the intellectual property in the physical firmware mapping, navigation algorithms and software and user interfaces used in our products and services.

## ***NavCore***

Each of our products offers a combination of features. The flexibility of the NavCore platform enables us to adapt quickly to changes in consumer preferences and to provide our navigation applications on a range of consumer devices without expensive or time-consuming re-engineering.

NavCore is our highly adaptable software platform, upon which all of our navigation products are based. Now in its seventh generation, NavCore incorporates the innovations that we have developed over nearly 15 years in the industry. NavCore enables a versatile and simple-to-use set of features across a wide variety of hardware platforms and operating systems. This platform independence allows our software to be adapted to new devices. Key features provided by NavCore include:

- An intuitive and simple user interface which allows access to all navigation features with the use of a few on-screen buttons.
- Mapping and navigation display using two-dimensional, three-dimensional and symbol-based graphics.
- Door-to-door navigation with automatic re-routing in response to wrong turns, traffic congestion and construction.
- Responsive and quick operation of map display, address searches and re-routing.
- Comprehensive, graphical, on-screen turn-by-turn map instructions, favourite locations and customisable points of interest.
- A multi-stop itinerary planner which allows drivers to save routes for later or recurrent use.
- Integration with electronic address books, enabling easier destination inputs.

## ***The Tele Atlas Database***

Tele Atlas acquires rights to information about topography, road networks and their operation as well as additional information on typical traffic speeds and points of interest, often called ‘attributes’ from PND users and third parties. This material is compiled into a map database with additional layers addressing these attributes.

As of the start of the second quarter of 2009, we had sold close to 30 million PNDs, and we estimate that a significant portion of this community is connected and sharing data back to us and with other users. This enables us to be innovative with our digital mapping with input from millions of map users around the world. Currently, Map Share user changes are running at approximately 10,000 contributions per day. HD Traffic is capturing billions of live mobile phone signals each day, and IQ Routes data, stored on PNDs every five seconds and uploaded when users connect, is now adding approximately 5 billion measurements a day. Their input, combined with the use of Tele Atlas technology and our personnel to constantly validate and process their changes and updates, will enable us to continuously refresh our database with up-to-the-minute content, and create the reference for real-time, accurate maps and routing intelligence.

## ***Intellectual Property***

We rely on a combination of trademarks, trade names, patents and patent applications, confidentiality and non-disclosure clauses and agreements, copyrights and design rights to define and protect our trade secrets and rights to the intellectual property in our products. See “Risk Factors—“We may not be able to protect our intellectual property””.

## ***Patents***

Our ongoing ability to compete is largely dependent on our ability to develop and maintain the proprietary aspects of our technology and to operate without infringing upon the proprietary rights of others. Accordingly our intellectual property team has a strong focus on the creation, capture and ongoing protection of patentable innovations. It has established clear procedures within our software and hardware engineering departments to allow it to obtain patent protection for innovations in the areas of software architecture, data compression and processing, positioning software and wireless data transmission. We have approximately 300 granted patents and over 1,500 patent applications pending in respect of over approximately 350 inventions, and we are filing new patent applications at a rate of approximately 100 applications per year. As well as creating patentable innovations, we actively seek opportunities to purchase relevant patents from third parties.

We cannot provide any assurances that any of our granted patents are, or any of our patent applications will be enforceable or that they sufficiently protect our interests. See “Risk Factors—We may not be able to protect our intellectual property.”

### ***Confidentiality Agreements***

Much of our technology and innovation depends upon the knowledge, experience and skill of our personnel. To protect our rights to our proprietary know-how and technology, we generally use confidentiality agreements that prohibit the disclosure of confidential information to third parties. Our employees and consultants are also required to acknowledge our rights in, or assign to us any of their rights to, ideas, developments, discoveries and inventions that occur during their work with us. These agreements may not effectively prevent disclosure of our confidential information, provide meaningful protection for our confidential information or assign to us all such intellectual property rights. See “Risk Factors—We may not be able to protect our intellectual property.”

### ***Trademarks***

The association of our brands with our latest innovations is critical to our ability to grow and protect market share. Accordingly, our success and ability to compete is dependent in part on our ability to protect from misappropriation our key brands, “TomTom”, “Tele Atlas”, IQ Routes, HD Traffic and Map Share trademarks and certain elements of get-up. We hold registered trademarks or have trademark applications pending, in all the key countries in which we operate, for the company logos and several other distinctive names and images.

We face the risk that one or more of the above trademark applications may be denied in a key country in which we operate. We may not be able to successfully use, register or defend our trademarks in every country in which we operate, or we may be required to pay a licensing fee or damages or alter our brand in certain markets due to challenges to our trademarks. See “Risk Factors—We may not be able to protect our intellectual property.”

### ***Anti-Piracy***

We make it difficult to replicate our products and content through a number of linked strategies. As with all consumer electronics companies, however, organised and determined parties may seek to leverage the Group’s accumulated research and development expertise for their own benefits. We seek to:

- Protect our name and reputation from the impact of inferior copies of our products and services reaching the market;
- Protect our revenues and market share from the impact of third-party copies, whether inferior or otherwise.

We use all relevant legal means at our disposal to address any significant such issues as soon as they become apparent.

### ***Marketing Strategy***

Our marketing strategy is to continue to make our products more widely known by establishing a consistent brand across all of our products and in all of our markets. We intend to accomplish this by:

- creating a diverse portfolio of high-quality, easy to use navigation products, which we believe appeal to a wide range of consumers because of their ease of use, distinctive styling and value for money;
- expanding and diversifying our distribution network to ensure our products are available at a large number of relevant points of sale in all of our target markets; and
- in conjunction with certain of our distributors, educating consumers about the high-quality and functionality of our products by participating in industry tradeshow, conducting promotions, product demonstrations and other marketing activities and providing consistent after-sales support.

Our print, internet and broadcast advertising efforts, sales training and public relations are all geared towards increasing our brand awareness, with an overall goal of increasing our brand strength and market penetration.

We operate with a sales and marketing staff of 911 FTEs as of 31 March 2009, divided into regional business development teams with account and retail managers for each of our key markets. Since our

distributors play an important role in educating consumers about our products, we have staff in each of our principal markets assigned to coaching, training and providing demonstration for distributors and shop-floor personnel in retailers. Senior management maintain direct relationships with all key retailers and distributors.

Our total sales and marketing expenses include marketing development funds and co-marketing funds. Marketing development funds are funds we agree to co-spend with our value-added distributors and retailers, who may use these funds only with our approval to conduct joint marketing campaigns. The majority of our marketing investment is made in consumer-focused advertising. We participate in regular seasonal promotions which reflect known high points in the international shopping calendar.

### ***Research and Development***

We continue to invest heavily in research and development in order to maintain our position as one of the market leaders for navigation solutions to various customer segments.

We have developed a proprietary development tool to structure, monitor and manage each research and development project from commencement to completion. Projects are divided into five stages:

1. Feasibility.
2. Definition.
3. Development.
4. Lifecycle Management.
5. End of Life.

Each of these stages is subdivided with clearly defined activities allocated to each stage in the development process. The tool allows management to accurately monitor project activity and to overview the progress of the entire project portfolio.

We do not have pure research dedicated teams, instead, the initial stage of any development project, including the feasibility study, is carried out externally, with the majority of research and development spend coming from third-party development costs. Tele Atlas historically had a dedicated research and development team but this is now being restructured to be consistent with the TomTom model. All pure research is expensed in accordance with IFRS rules.

### **Competition**

#### ***Consumer***

By 2008, the global PND market had grown to over €6 billion per annum, from almost nil in 2003, according to GfK research. Based on TRG, Canalys and SBD estimates, as late as 2009, less than 20% of car drivers in North America and Europe (combined) had some form of navigation device, with lower percentages in most other regions and countries. Japan, which has the highest adoption of navigation devices, has an estimated 60% of cars equipped with navigation systems. This suggests that markets in other countries are still relatively under-penetrated and have growth potential over the coming years.

There are currently over 100 brands active in the global PND market. However, the three largest participants have over 75% of the total market share (by unit) with TomTom as the undisputed leader in Europe, and Garmin as the undisputed leader in North America, with TomTom having the second-largest market share in this market. In 2008, our market share in Europe and North America combined was estimated at 32% and Garmin's at 36%. MiTAC with the combined volumes of Mio, Navman and Magellan was the third largest player with 12%, according to GfK and NPD data and our estimates. For further detail on our revenues in 2006, 2007 and 2008 broken down by geographic market, see "Operating and Financial Review—Consolidated Results of Operations—Revenues".

In the growing smartphone navigation market, hardware manufacturers, wireless network providers, digital map vendors and navigation software providers are vying for a leading position. The proportion of mobile users having smartphone handsets is growing rapidly and some observers believe that this wireless market is potentially going to be the largest market for digital maps and GPS applications. Manufacturers and application providers are looking to counter falling retail prices by providing smartphones with navigation applications. There are also signs of consolidation within the value chain. Vodafone has recently acquired Wayfinder, bringing together a wireless network operator and navigation software provider. Nokia,

the handset manufacturer, has acquired mapmaker Navteq, and we acquired Tele Atlas. Consolidation between a mix of players in this space may continue.

### ***Tele Atlas***

For digital mapping technologies, there are two leading global players, Tele Atlas and Navteq, with the former owned by us and the latter by Nokia. Internet mapping sites such as Google Maps and Mapquest use the core digital map data from Navteq and Tele Atlas and are promoting usage of their websites with increased connectivity of smartphones. Google has launched its own Android operating system and smartphones with navigation solutions using Google Maps, the base data for which is currently supplied by Tele Atlas.

Apart from the two dominant players, there are a large number of regional players that have opted to focus on certain geographic areas. Governmental and quasi-governmental agencies also produce some digital maps, some of which are made available for commercialisation.

### ***AUTO***

In-dash navigation systems have largely been supplied to global automotive manufacturers by traditional “infotainment” companies that focus mainly on system integration and navigation products for high-end cars. Currently, providers working directly with the automotive sector and designing tailored dashboards to the specific requirement of the automobile manufacturers supply the majority of in-vehicle factory-fitted navigation systems. In Europe, Harman Becker Automotive System leads with a 26% market share, followed by Continental and Blaupunkt. In Japan, where car navigation equipments is more widely used than in any other country in the world, over 60% of new cars sold in 2008 were fitted with navigation systems. Denso, Fujitsu Ten and other domestic platform providers lead in the Japanese market.

### ***WORK***

We are relatively new to this market and a number of international fleet management solution providers are competing for the top positions on the European market. These include specialists such as Cybit and Minorplanet from the UK, Masternaut from France, Digicore and MiX Telematics from South Africa and Transics from Belgium, as well as the large corporations GE and Qualcomm. As of the second quarter of 2009, Trimble has a leading position in North America following the acquisition of @Road in 2007 and Masternaut is ranked as the largest player overall in terms of installed base with approximately 100,000 units deployed, mainly in France and the UK, while Transics is ranked as number one in the heavy trucks segment with approximately 55,000 units installed.

In addition, all major truck manufacturers on the European market offer ODM telematics solutions as part of their product portfolio. Mercedes-Benz, Volvo and Scania launched their first products in the 1990s. The products are all supporting an industry standard technology and can generally be deployed in mixed fleets even if some functionality can be brand-specific.

### ***Insurance***

Our corporate insurance portfolio provides coverage for activities related to the companies’ operations. The portfolio is co-ordinated centrally, and following the acquisition of Tele Atlas, include the Tele Atlas insurance portfolio. Risks covered includes general and product liability, property damage and business interruption, credit, transport, crime (fraud), as well as professional indemnity and directors and officers insurance.

### ***Locations***

Our primary locations are as follows:

- Consumer’s head office is located in Amsterdam, The Netherlands. The property is leased until 1 January 2011, with the option of subsequent renewal periods of five years each. We lease two further office buildings in Amsterdam.
- Consumer also has offices in London, Taipei, Concord, Massachusetts, and nine other countries. The London office serves as the headquarters of the UK sales and hardware development activities. The Taipei office, opened in 2005, allows TomTom to maintain a close working relationship with contract manufacturers.

- AUTO is located in Eindhoven, The Netherlands, the former base of the acquired engineering team of Siemens VDO.
- WORK is located in Leipzig, Germany, and is also the result of an acquisition.
- The European headquarters of Tele Atlas is based out of s' Hertogenbosch (Den Bosch), The Netherlands. It has a further main European site at Gent, Belgium. The North American headquarters is located in Lebanon, New Hampshire, USA. Tele Atlas has 25 offices across Europe, Asia Pacific and Americas.

## **Regulation**

The use of all our products is dependent on the availability of GPS satellite transmissions. The GPS network is owned and operated by the US government, which may place restrictions on the use of GPS technology in commercial applications or in certain areas of the world. Current US government policy is to provide GPS transmissions free of charge. See “Risk Factors—Our products depend on the reliable operation of GPS satellites which may become inoperable, unavailable or not replaced”.

GPS signals are transmitted in radio frequency bands that are allocated globally for satellite navigation services by an international organisation known as the International Telecommunications Union (“ITU”). See “Risk Factors—We are dependent on the availability of certain bands allocated within the radio frequency spectrum, and any reallocation of these bands could cause interference with out GPS signals”.

Because GPS navigation technology is subject to customs duties when imported into the EU, we pay such duties on the receipt of our integrated navigation devices and GPS receivers from our contract manufacturer. We pay a per-unit customs tariff for each product we bring into the EU.

The EU has adopted the WEEE Directive, regulating the disposal of certain electronic products, the RoHS Directive, prohibiting the use of certain chemicals in certain electronics products, and the REACH Directive, addressing the production and use of chemical substances and their potential impacts on both human health and the environment. We comply with the WEEE Directive and RoHS Directive and are taking the necessary actions to be compliant with the REACH Directive.

Foreign exchange control and other similar laws and regulations in the various jurisdictions where we market and sell our products or purchase our component parts may have an effect on our cash flows.

## **Legal Proceedings**

See “General Information—Litigation”.

## MANAGEMENT AND EMPLOYEES

### General

Set out below is a summary of relevant information concerning the Management Board and the Supervisory Board, and a brief summary of certain significant provisions of Dutch corporate law and the Articles of Association, both as in force at the Publication Date, in respect of the Management Board and the Supervisory Board.

### Management Structure

We have a two-tier board structure consisting of the Management Board and the Supervisory Board.

### Management Board

#### *Powers, Composition and Function*

The Management Board is responsible for the day-to-day management of our operations under the supervision of the Supervisory Board. The Management Board is required to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board or the General Meeting of Shareholders for their prior approval. The Management Board may perform all acts necessary or useful for achieving our corporate purpose, with the exception of those acts that are prohibited by law or by the Articles of Association. The Management Board as a whole is authorised to represent us, as are any two members of the Management Board acting jointly.

The Articles of Association provide that the number of members of the Management Board will be determined by the Supervisory Board, and will consist of two or more members. Each member of the Management Board is appointed for a maximum of four years, which appointment can be renewed for another period of not more than four years at a time.

The members of the Management Board are appointed by the General Meeting of Shareholders, subject to the right of the Supervisory Board to make a binding nomination in accordance with the relevant provisions of the Dutch Civil Code. A resolution may be passed at all times by the General Meeting of Shareholders with a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital, resolving that the nomination submitted by the Supervisory Board is not binding. In such cases, a member of the Management Board may be appointed by the General Meeting of Shareholders in contravention of the Supervisory Board's nomination, by a resolution passed with a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital. If the Supervisory Board fails to use its right to submit a binding nomination, members of the Management Board may be appointed by the General Meeting of Shareholders by a resolution passed with a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital.

Members of the Management Board may at any time be suspended or dismissed by a resolution adopted by the General Meeting of Shareholders by a majority of two-thirds of the votes cast, representing more than 50% of our issued share capital. A member of the Management Board may furthermore at any time be suspended by the Supervisory Board. Any suspension may be extended one or more times but may not last longer than three months in the aggregate. If at the end of that three month period no decision has been taken on termination of the suspension, or on dismissal, the suspension shall cease.

#### *Meetings and Decision Making*

Our Chief Executive Officer, Harold Goddijn, is the chairman at meetings of the Management Board. All resolutions of the Management Board shall be adopted by a majority of the votes cast in a meeting at which at least two of its members are present or represented. If there is a tie, our Chief Executive Officer has a deciding vote. A meeting of the Management Board shall be convened whenever a Management Board member deems such necessary.

The Articles of Association and the rules of the Management Board require certain decisions of the Management Board to be approved by the Supervisory Board. These decisions include the issue of shares or granting of rights to subscribe for shares, and the exclusion of pre-emptive rights, to the extent that these rights are vested in the Management Board; proposals to amend the Articles of Association; proposals to merge or demerge; proposals to dissolve the Company; and proposals for capital reductions.

In addition, pursuant to the Dutch Civil Code and the Articles of Association, resolutions of the Management Board having an important impact on our identity or, nature or our business are subject to approval of the General Meeting of Shareholders. Such resolutions include the transfer of our business or substantially all of our business to a third party, the entry into or termination of a long-term co-operation by us or any of our subsidiaries with another legal entity or as a fully liable partner in a limited or general partnership, if such co-operation or the termination thereof is of far-reaching significance to us and the acquisition or disposal by us or by any of our subsidiaries of a participation in the capital of another company, the value of which equals at least one-third of our assets according to our consolidated balance sheet with explanatory notes included in our most recently adopted consolidated annual accounts.

In addition, certain resolutions of the General Meeting of Shareholders may only be adopted upon a proposal by the Management Board, which proposal has been approved by the Supervisory Board. These include resolutions to effect a statutory merger (*juridische fusie*) or demerger (*juridische splitsing*), amendment of the Articles of Association or our dissolution. If our Management Board does not make a proposal, the resolution must be adopted by unanimous vote by the General Meeting of Shareholders.

The rules of the Management Board provide that the members of the Management Board shall avoid any conflict of interest between us and the members of the Management Board. Consequently, each member of the Management Board shall not: (a) enter into competition with us, (b) demand or accept (substantial) advantages from us for himself or for his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree, (c) provide unjustified advantages to third parties to our detriment, or (d) take advantage of business opportunities to which we are entitled. Each member of the Management Board shall immediately report any (potential) conflict of interest that is of material significance, while providing all relevant details. The Supervisory Board shall decide upon the relevant matter, without the member of the Management Board concerned being present. A conflict of interest in any event exists, if we intend to enter into a transaction with a legal entity (a) in which a member of the Management Board personally has a material financial interest, (b) which has a Management Board member who has a relationship under family law to the second degree with a member of the Management Board, or (c) in which a member of the Management Board has a management or supervisory function. A member of the Management Board shall not take part in any discussion or decision making that involves a subject or transaction in relation to which that member has a conflict of interest with us. All transactions in which there are conflicts of interest with members of the Management Board shall be agreed on terms that are customary in the sector concerned and shall be disclosed in our annual report.

### ***Members of the Management Board***

The Management Board is currently composed of the following three members:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Member Since</u>	<u>End of Term</u>	<u>Principal activities outside TomTom</u>
Harold Goddijn . . . .	49	Chairman of the Management Board, Chief Executive Officer	13 May 2005	27 April 2013 <sup>(1)</sup>	None
Marina Wyatt . . . . .	45	Member of the Management Board, Chief Financial Officer	13 May 2005	27 April 2013 <sup>(1)</sup>	None
Alain De Taeye . . . .	52	Member of the Management Board	19 September 2008	18 September 2012 <sup>(2)</sup>	None

(1) Harold Goddijn and Marina Wyatt were reappointed for another four year term at the 2009 AGM.

(2) Alain De Taeye is a founder of Tele Atlas.

### ***Harold Goddijn, Chief Executive Officer***

Harold Goddijn is a Dutch national. Having studied Economics at Amsterdam University, Harold started his career with a venture capital firm. He then founded Psion Netherlands B.V. in 1989, as a joint venture with Psion Plc, and in 1991 co-founded us with Peter-Frans Pauwels and Pieter Geelen. He continued to lead Psion Netherlands B.V., developing it into a key European distributor. In 1998, he was appointed Managing Director of Psion Computers and served on the Board of Psion Plc from 1998 to 1999. Harold was appointed our Chief Executive Officer in 2001.



### *Marina Wyatt, Chief Financial Officer*

Marina Wyatt is a British national. She is a Cambridge University graduate, a Chartered Accountant and a Fellow of the Institute of Chartered Accountants in England and Wales. Having spent nine years with Arthur Andersen in the UK and US, Marina joined Psion Plc as Group Controller in 1994 and became Chief Financial Officer in 1996. She was also a non-executive director of Symbian Ltd and of the publishing company Blackwell's. In 2002 Marina was appointed Chief Financial Officer of Colt Telecom Plc. Marina joined us as Chief Financial Officer in 2005.

### *Alain De Taeye*

Alain De Taeye is a Belgian national. He graduated as engineer-architect from the University of Ghent. After having done research work in the field of Operations Research at the Business School of the Ghent University, he founded Informatics & Management Consultants (I&M) where, next to IT consultancy, he continued his work on digital map databases and routing. In 1989 I&M was integrated into the Dutch Tele Atlas group and as of 1990 Alain was a member of the Management Board of the Tele Atlas group, successfully introducing the company on the Frankfurt and the Amsterdam Stock Exchanges. In 2008, we acquired Tele Atlas and Alain was appointed as a member of the Management Board in September 2008.

The business address of all members of the Management Board is Oosterdoksstraat 114, 1011 DK Amsterdam, The Netherlands.

## **Supervisory Board**

### ***Powers, Composition and Functioning***

The Supervisory Board is responsible for supervising the conduct of the Management Board and the general course of our business, as well as for providing advice to the Management Board. In performing its duties, the Supervisory Board is required to act in the interests of our business as a whole. The members of the Supervisory Board are not authorised to represent us in dealings with third parties.

The Articles of Association provide that the number of members of the Supervisory Board will be determined by the Supervisory Board, and will consist of three or more members. Each member of the Supervisory Board is appointed for a maximum of four years, which appointment can be renewed for two additional periods of not more than four years at a time. The members of the Supervisory Board retire periodically in accordance with a rotation schedule.

Members of the Supervisory Board are appointed by the General Meeting of Shareholders, subject to the right of the Supervisory Board to make a binding nomination. A resolution may be passed at all times by the General Meeting of Shareholders with a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital resolving that the nomination submitted by the Supervisory Board is not binding. In such a case, a member of the Supervisory Board may be appointed by the General Meeting of Shareholders in contravention of the Supervisory Board's nomination by a resolution passed with a majority of at least two-thirds of the votes cast representing more than 50% of our issued share capital. If the Supervisory Board fails to use its right to submit a binding nomination, members of the Supervisory Board may be appointed by the General Meeting of Shareholders by a resolution passed with a majority of at least two-thirds of the votes cast representing more than 50% of our issued share capital.

Supervisory Board members may be suspended or dismissed at any time by the General Meeting of Shareholders. A resolution of the General Meeting of Shareholders to suspend or dismiss members of the Supervisory Board requires a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital.

### ***Meetings and Decision Making***

A meeting of the Supervisory Board may be convened whenever a Supervisory Board member or the Management Board deems or is otherwise necessary. At least four times annually, the Supervisory Board must meet, which may be together with members of the Management Board. At least once annually, the Supervisory Board must meet without the presence of members of the Management Board to discuss issues such as its own functioning, composition and size and the powers, composition, and functioning of the Management Board and the performance of its members. The Supervisory Board has adopted rules which further regulate its decision-making process.

Decisions of the Supervisory Board are taken by an absolute majority of the votes cast in a meeting at which at least three of its members are present or represented or have expressed their opinion on the proposed resolution. In the event of a tie vote, the chairman shall have a casting vote.

### Members of the Supervisory Board

The Supervisory Board is composed of the following six independent members:

<u>Name</u>	<u>Age</u>	<u>Date of first Position</u>	<u>appointment</u>	<u>End of Term<sup>(1)</sup></u>
Karel Vuursteen . . . . .	67	Chairman of the Supervisory Board	25 April 2007	2010 AGM
Doug Dunn . . . . .	65	Deputy Chairman of the Supervisory Board	13 May 2005	2011 AGM
Guy Demuyck . . . . .	58	Member of the Supervisory Board	13 May 2005	2012 AGM
Rob van den Bergh . . . . .	59	Member of the Supervisory Board	25 April 2007	2011 AGM
Ben van der Veer . . . . .	58	Member of the Supervisory Board	1 October 2008	2012 AGM
Peter Wakkie . . . . .	61	Member of the Supervisory Board	28 April 2009	2013 AGM
Joost Tjaden <sup>(2)</sup> . . . . .	59	Member of Supervisory Board	30 June 2009	2013 AGM

- (1) Subject to a rotation schedule adopted by the Supervisory Board to avoid a situation in which the Supervisory Board members retire at the same time.
- (2) Joost Tjaden was appointed at the 2009 EGM on 30 June 2009, conditional on the closing of the Offering occurring and will take office immediately thereafter.

#### *Karel Vuursteen, Chairman of the Supervisory Board*

Karel Vuursteen is a Dutch national. Having earned a Masters in Agriculture from Wageningen University in the Netherlands, Karel worked from 1968 to 1991 for Royal Philips Electronics N.V., including management positions throughout Europe and North America. His last position at Royal Philips was President of Philips Lighting B.V. In 1991, Karel joined Heineken N.V. as a member of the Executive Board, moving into the role of Vice Chairman in 1992 and finally Chairman of the Executive Board from 1993 until 2002. Karel is currently a member of the Board of Directors of Heineken Holding N.V., Vice Chairman of the Supervisory Board of Akzo Nobel N.V., a member of the Supervisory Board of ING Groep N.V., a member of the Board of Henkel KGaA and a member of the Advisory Board of CVC Capital Partners Nederland. Karel is also Chairman of both WWF Netherlands and Stichting Concertgebouw Fonds, and Vice Chairman of Stichting Nyenrode University. He was first appointed to the Supervisory Board in April 2007.

#### *Doug Dunn, Deputy Chairman of the Supervisory Board*

Doug Dunn is a British national. He holds a Higher National Qualification in Electrical and Electronic Engineering from the College of Advanced Technology, Sheffield University. After various engineering and senior management positions in the US and UK with Motorola Semiconductors, he was Managing Director of the Semiconductor and Components division of General Electric Company Plc from 1980 until 1993. He was a member of the Board of Management of Royal Philips Electronics N.V., and Chief Executive Officer of its Semiconductor Division (1993-1996) and its Consumer Electronics division (1996-1999). From 1999 to 2004 he was Chief Executive Officer and President of ASML Holding N.V. Doug currently serves as chairman of the Board of Directors of ARM Holdings Plc and is also a member of the Supervisory Board of BE Semiconductor Industries N.V. and a non-executive director of Soitec SA and ST Microelectronics N.V. He was first appointed to the Supervisory Board in May 2005.

#### *Guy Demuyck*

Guy Demuyck is a Belgian national. Guy gained his Masters degrees in Applied Economics and Marketing & Distribution from the Universities of Antwerp and Ghent respectively. He began his career at Royal Philips Electronics N.V., where he worked for 26 years in various commercial and marketing roles in Europe, the US and East Asia, culminating in his appointment as Chief Executive Officer of Philips Consumer Electronics division in 2000. In this role, he also served as a member of the Philips Group Management Committee until December 2002. Guy is a former member of the Board of Management of Royal KPN, with responsibility for KPN's mobile division, and served on the Supervisory Board of E-Plus Mobilfunk Geschäftsführungs GmbH. From 2006 until August 2008, Guy was Chief Executive Officer of Kroymans Corporation B.V., a company active in the automotive industry. Guy currently serves as a member of the Management Board of Belgacom N.V. and is a member of the Advisory board of the Acceleration Group. He was first appointed to the Supervisory Board in May 2005.

### *Rob van den Bergh*

Rob van den Bergh is a Dutch national. Rob earned his Masters degree in Law at Leiden University in the Netherlands. From 1975 until 1980, Rob worked as Legal Counsel General Affairs for the “Nederlandse Dagblad”. He then began a longstanding career with VNU N.V. (currently Nielsen Media Research B.V.) from 1980 until 2006. This included six years as a member of the Executive Board, two years as Vice Chairman of the Executive Board, and finally Chairman of the Executive Board in the US. Rob currently serves as Chairman of the Supervisory Board of N.V. Deli Universal and as a member of the Supervisory Board of ABN AMRO N.V. and Pon Holdings B.V. He is also President of the Executive Board of TiasNimbas Business School of the Tilburg University, a member of the Advisory Board of CVC Capital Partners Nederland and a member of the Investment Committee of NPM Capital N.V. He was first appointed to the Supervisory Board in April 2007.

### *Ben van der Veer*

Ben van der Veer is a Dutch national. He became a Registered Accountant in 1980 while he was employed by KPMG in the Netherlands. In 1987 he was appointed as partner of KPMG and from 1989 he was Chairman for the Amsterdam office. Ben joined the Board of Management in 1997 and was elected Chairman of the Board of Management in 1999. In this capacity he joined the International Board of the KPMG network. In 2005 Ben was elected as Chairman of the Board of the EMEA region, one of KPMG’s three international regions. In this leading position he also became a member of the International Management Committee of the KPMG International network. Ben retired from KPMG in September 2008. Ben is currently a member of the Supervisory Board of AEGON N.V., a member of the Supervisory Board of UNICEF in the Netherlands, a member of the Supervisory Board of Siemens Nederland N.V., a member of the Advisory Board of the Foundation Nieuwe Kerk Amsterdam and a member of the Supervisory Board of Stichting Amsterdams Historisch Museum. He was first appointed to the Supervisory Board in October 2008.

### *Peter Wakkie*

Peter Wakkie is a Dutch national. Formerly he was a partner at law firm De Brauw Blackstone Westbroek N.V. (1972 to 2003), Managing Partner from 1997 to 2001 and Resident Partner of De Brauw Blackstone Westbroek N.V. in New York (1978 to 1982), and a member of the Supervisory Board of Schuitema N.V. (until July 2008). He currently holds positions as a member of the Executive Board of Royal Ahold N.V. with the titles of Executive Vice President and Chief Corporate Governance Counsel, and Deputy Chairman of the Supervisory Board of Wolters Kluwer N.V. He was first appointed to the TomTom Supervisory Board in April 2009.

### *Joost Tjaden*

Joost Tjaden is a Dutch national. In 1976, he joined Oranje Nassau Groep B.V., a privately held investment company in the Netherlands, and in 1986 was appointed as a member of its management board. Between 1988 and 1993, he was the President and CEO of TBM Associates, Inc. (Boston, MA), a US based investment management company. He currently holds positions as Chairman of the Supervisory Board of both Wave International B.V. and Brabant Aluminium International B.V., and as a member of the Supervisory Board of M&R de Monchy N.V., NSI/DSG LP, Mirus, Inc, Fidelio Properties LP and Intivation B.V. He served on the Supervisory Board of Tele Atlas from 1996 until its acquisition by us in 2008 and is currently the statutory director of Janivo, a privately held investment company. He was appointed to the Supervisory Board at the 2009 EGM on 30 June 2009, conditional on the closing of the Offering occurring and will take office immediately thereafter.

The business address of all members of the Supervisory Board is Oosterdoksstraat 114, 1011 DK Amsterdam, The Netherlands.

## **Supervisory Board Committees**

The Supervisory Board currently has three specialised committees: the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. Due to Joost Tjaden’s recent appointment to the Supervisory Board, at the 2009 EGM, as of the Publication Date, he has not been appointed to any of the Supervisory Board’s committees.

### *Audit Committee*

The Audit Committee assists the Supervisory Board in monitoring, amongst others, the systems of risk management and internal controls, the integrity of the financial reporting process and the content of our

financial statements. The Audit Committee focuses on supervising the activities of the Management Board with respect to:

- the maintenance of an effective system of internal control and risk management relating to strategic, financial, operational and compliance risks;
- the integrity of annual and quarterly financial reporting as presented under IFRS, together with related press releases;
- compliance with the recommendations and observations of the internal and external auditors;
- the role and functioning of the internal audit department;
- the policy of the company on tax planning;
- the relations with the external auditor, including the scope of their plans, assessment of their independence, approval of their remuneration, and their re-appointment or dismissal;
- the financing of the company; and
- the review of the policies for managing cash and foreign exchange risks.

The role and responsibility of the Audit Committee as well as the composition and the manner in which it discharges its duties are set out in the Audit Committee charter.

The members of the Audit Committee are: Ben van der Veer (Chairman), Rob van den Bergh and Doug Dunn.

The Audit Committee shall meet not less than four times a year and at such other times as the chairman of the Audit Committee requests, but, in any event, will meet at least once a year without the presence of the Management Board and at least once a year with our external accountant.

#### ***Remuneration Committee***

The Remuneration Committee advises the Supervisory Board on the remuneration of the members of the Management Board and monitors our remuneration policy.

The duties of the Remuneration Committee include:

- drafting a proposal to the Supervisory Board for the remuneration policy to be pursued;
- drafting a proposal for the remuneration of the individual members of the Management Board, for adoption by the Supervisory Board; and
- preparing the remuneration report as referred to in best practice provision II.2.9 of the Code.

The role and responsibility of the Remuneration Committee as well as the composition and the manner in which it discharges its duties are set out in rules for the Remuneration Committee.

The members of the Remuneration Committee are: Guy Demuynck (Chairman), Karel Vuursteen and Peter Wakkie.

The Remuneration Committee shall meet as often as it considers necessary but, in any event, at least once a year. Meetings are in principle convened by the chairman.

#### ***Selection and Appointment Committee***

The Selection and Appointment Committee advises the Supervisory Board on the selection criteria and appointment procedures for members of the Management Board and members of the Supervisory Board as well as the proposals for appointments and reappointments, the policy of the Management Board on selection criteria and appointment procedures for senior management and the assessment of the functioning of individual members of the Supervisory Board and the Management Board.

The duties of the Selection and Appointment Committee include:

- drawing up selection criteria and appointment procedures for Supervisory Board members and Management Board members;
- periodically assessing the size and composition of the Supervisory Board and the Management Board, and making a proposal for a composition profile of the Supervisory Board;

- periodically assessing the functioning of individual Supervisory Board members and Management Board members, and reporting on this to the Supervisory Board;
- making proposals for appointments and reappointments; and
- supervising the policy of the Management Board on the selection criteria and appointment procedures for senior management.

The role and responsibility of the Selection and Appointment Committee as well as the composition and the manner in which it discharges its duties are set out in rules for the Selection and Appointment Committee.

The members of the Selection and Appointment Committee are: Karel Vuursteen (Chairman) and Guy Demuyck.

The Selection and Appointment Committee shall meet as often as it considers necessary but, in any event, at least once a year. Meetings are in principle convened by the chairman.

## Remuneration

### *Management Board*

The Supervisory Board establishes the remuneration of the individual members of the Management Board, in accordance with the Management Board remuneration policy as adopted by the General Meeting of Shareholders. Any scheme providing for the remuneration of the members of the Management Board in the form of shares or options is presented by the Supervisory Board to the General Meeting of Shareholders for approval.

The total remuneration we paid to or on behalf of the Management Board for the 12 months ended 31 December 2008 amounted to €1,401,857. The following table denotes the breakdown in remuneration of members of the Management Board in 2008.

<u>Name</u>	<u>Salary (€)</u>	<u>Bonus (€)</u>	<u>Other emoluments<sup>(1)</sup> (€)</u>	<u>Total remuneration (€)</u>
Harold Goddijn . . . . .	194,400	180,292	0	374,692
Alexander Ribbink <sup>(2)</sup> . . . . .	105,200	71,953	8,618	185,771
Marina Wyatt . . . . .	305,952	180,292	130,595	616,839
Alain De Taeve . . . . .	194,259	0	30,296	224,555
<b>Total . . . . .</b>	<b>799,811</b>	<b>432,537</b>	<b>169,509</b>	<b>1,401,857</b>

(1) The other emoluments do not include share-based payment costs. Emoluments include payments towards pension plans and, in respect of Marina Wyatt, this figure includes a special payment of €100,000 by the Supervisory Board in relation to her contribution to the acquisition of Tele Atlas.

(2) Alexander Ribbink resigned in June 2008 and Alain De Taeve (formerly managing director of Tele Atlas) was appointed in September 2008. The fixed salary paid to Alain De Taeve relates to the period between 1 June 2008 (i.e. effective date of the Tele Atlas acquisition) and 31 December 2008.

### *Supervisory Board*

The remuneration of the members of the Supervisory Board is determined by the General Meeting of Shareholders after being proposed by the Supervisory Board. The total remuneration we paid to or on behalf of the Supervisory Board for the 12 months ended 31 December 2008 amounted to €181,216.

The following table denotes the breakdown in remuneration of members of the Supervisory Board in 2008.

<u>Name</u>	<u>2008 (€)</u>
Karel Vuursteen (Chairman) <sup>(1)</sup> . . . . .	44,469
Andrew Browne <sup>(2)</sup> . . . . .	15,747
Guy Demuyck . . . . .	37,750
Doug Dunn . . . . .	36,000
Rob van den Bergh . . . . .	36,000
Ben van der Veer <sup>(3)</sup> . . . . .	11,250
<b>Total . . . . .</b>	<b>181,216</b>

(1) Karel Vuursteen was appointed Chairman on 30 April 2008.

- (2) Andrew Browne (former Chairman) resigned from the Supervisory Board on 25 April 2008.
- (3) Ben van der Veer was appointed on 19 September 2008 with effect from 1 October 2008.
- (4) Peter Wakkie was appointed on 28 April 2009 and Joost Tjaden was appointed at the 2009 EGM on 30 June 2009, conditional on the closing of the Offering occurring and will take office immediately thereafter, and therefore they did not receive any remuneration for the 12 months ended 31 December 2008 or appear in the table above.

### Supervisory Board and Management Board Shareholdings and Optionholdings

As at the Publication Date, the total number of Ordinary Shares held by the Management Board and the Supervisory Board was 16,090,964 as set out below.

#### *Ordinary Shares Held by Members of the Management Board*

<u>Name</u>	<u>Number of Ordinary Shares</u>
Harold Goddijn <sup>(1)</sup> . . . . .	16,084,822
Marina Wyatt . . . . .	1,142
Alain De Taeye . . . . .	0
<b>Total</b> . . . . .	<b>16,085,964</b>

(1) Held indirectly as set out in “Principal Shareholders and Related Party Transactions—Principal Shareholders”.

#### *Ordinary Shares Held by Members of the Supervisory Board*

<u>Name</u>	<u>Number of Ordinary Shares</u>
Karel Vuursteen . . . . .	0
Doug Dunn . . . . .	0
Guy Demuyneck . . . . .	0
Rob van den Bergh . . . . .	5,000
Ben van der Veer . . . . .	0
Peter Wakkie . . . . .	0
J. E. Tjaden . . . . .	0
<b>Total</b> . . . . .	<b>5,000</b>

#### *Employee Option and Performance Share Plans*

There are a number of share-based compensation plans for our employees. The purpose of the share-based compensation is to retain employees and align the interests of management and eligible employees with those of Shareholders, by providing additional incentives to improve our performance on a long-term basis.

##### *2003 Stock Option Plan*

Under the 2003 Stock Option Plan, options may generally be exercised in a period that commences three years following the date of the grant and lapses, in any event, five years after the date of grant. Upon termination of an employee’s employment agreement prior to or during the exercise period, the options may be forfeited or a penalty may be due by the option holder, with the effect that only a small part of the gain realised will accrue to such option holder.

Exercise of the options will be subject to regulations and customary rules on the prevention of insider trading under Dutch law. Under these regulations, the options may not be exercised during certain periods.

The 2003 Stock Option Plan originally related to options on shares in our subsidiary TomTom B.V. (now known as TomTom International B.V.). Employees holding options under the 2003 Stock Option Plan have converted their options on shares in TomTom International B.V. into options on Ordinary Shares.

Highly qualified employees selected on the basis of performance and potential with respect to our business were eligible to be granted options under the 2003 Stock Option Plan. This plan expired in January 2008. Therefore no more options will be granted under this scheme.

In connection with the Offering and the Private Placement, the number of outstanding options and performance shares or the terms of the outstanding options and performance shares under the 2003 Stock Option Plan may be adjusted by the Management Board, with the approval of the Supervisory Board (or, in the event options are outstanding to the Management Board, by the Supervisory Board). Such adjustments, if

any, will be made in accordance with the terms set out in the Liffe's Corporate Actions Policy dated 3 November 2008.

#### *2005 Stock Option Plan*

The 2005 Stock Option Plan was approved by the Supervisory Board on 13 May 2005 and at our annual general meeting of shareholders held on 13 May 2005. The purpose of the 2005 Stock Option Plan is to encourage the members of the Management Board and other selected key employees to focus on our long-term success by allowing them to acquire an interest in us.

Highly qualified employees selected on the basis of performance and potential with respect to our business were eligible to be granted options under the 2005 Stock Option Plan. This plan expired in January 2008. Therefore no more options will be granted under this scheme.

The stock options may be exercised during a four-year period commencing three years after the grant date and lapsing seven years after the grant date. Options to purchase the Ordinary Shares may only be exercised by the option holder if the option holder is employed by us at the time of exercise. Exceptions to this employment requirement include: (i) death, (ii) disability, (iii) retirement, (iv) redundancy by reason of collective dismissal or a reorganisation or (v) any other reason, at the discretion of the Management Board or, in the event of stock options granted to members of the Management Board, at the discretion of the Supervisory Board.

Exercise of the options is subject to regulation under Dutch law, and customary rules on the prevention of insider trading are applicable. Under Dutch insider trading rules, the stock options may not be exercised in certain periods.

If a person acquires control over us by making a public offer, the Management Board may determine, subject to the prior approval of the Supervisory Board, that the stock options shall be deemed exercisable and shall be exercised immediately prior to (and conditional upon) such person acquiring control, or with the permission of the Management Board, may be exercised during such period after the change of control as may be specified by the Management Board, failing which the stock options will be forfeited. In the event of any resolution to dissolve us the option holders may exercise the stock options, whether these are exercisable or not, within a period of two months following such resolution to dissolve, failing which the stock options will be forfeited.

The Management Board, subject to the approval of the Supervisory Board, may in its sole discretion adjust the number of options outstanding and their exercise price in the event of a variation of our share capital or in any other circumstances which, in the reasonable opinion of the Management Board, justify such adjustment.

In connection with the Offering and the Private Placement, the number of outstanding options and performance shares or the terms of the outstanding options and performance shares under the 2005 Stock Option Plan may be adjusted by the Management Board, with the approval of the Supervisory Board (or, in the event options are outstanding to the Management Board, by the Supervisory Board). Such adjustments, if any, will be made in accordance with the terms set out in the Liffe's Corporate Actions Policy dated 3 November 2008.

#### *2009 Stock Option Plan*

The 2009 Share Option Plan for employees was approved by the Management Board and the Supervisory Board on 17 March 2009 and on 21 March 2009 respectively. The 2009 Share Option Plan for the Management Board was approved by the Supervisory Board on 21 April 2009 and at the 2009 AGM. The 2009 Share Option Plan contains the terms and conditions that apply to grants of options to eligible persons within the TomTom Group. The plan aims to encourage members of the Management Board and selected employees to focus on the TomTom Group's long-term success by providing such individuals an economic interest in any growth of the equity value of the Company, subject to the terms and conditions of the 2009 Share Option Plan.

It is the current intention that only employees in our top three tiers of management, and based on performance and potential with respect to our business, are eligible to be granted options under the 2009 Stock Option Plan.

The Management Board, or in the event of options being granted to the Management Board, the Supervisory Board at its sole discretion, as the case may be, is authorised to determine the number of options to be granted.

Grants of options will in accordance with the applicable granting policy be made (i) once per calendar year on the tenth calendar day after publication of our first quarter results and (ii) *ad hoc* during the year to new Management Board members, new employees or promoted employees after our first results announcement following their appointment or promotion.

Options vest in three equal yearly portions on the relevant grant date. Options may be exercised during a period starting at vesting of such an equal portion and ending on the seventh anniversary of the grant date. Unless the Management Board, or in the event of options being granted to the Management Board, the Supervisory Board, as the case may be has determined a longer or shorter exercise period, the options and the right to exercise the same expire on that seventh anniversary. Options which have not been exercised by such date shall lapse without compensation. Options to purchase Ordinary Shares may only be exercised if the option holder is employed by us at the time of exercise. Exceptions to this employment requirement include: (i) death; (ii) disability; (iii) retirement; (iv) redundancy by reason of collective dismissal or company reorganisation; or (v) any other reason at the discretion of the Management Board or, in the event of options being granted to the Management Board, the Supervisory Board.

The exercise price of the options for residents outside the United States will be equal to the average of the closing price of Ordinary Shares, as stated in the Daily Official List on the three trading days preceding the date on which the options are granted. The exercise price of the options for United States residents is determined in accordance with United States Internal Revenue Code Section 409A (Pricing of the Options), which requires that all non-statutory stock options issued to United States residents have an exercise price that is equal to the fair market value of the underlying stock grant price for United States residents. Options granted to United States residents have an exercise price equal to our closing share price quoted on Euronext Amsterdam on the day of the grant of options.

Exercise of the options is subject to regulation under Dutch law, and customary rules on the prevention of insider trading are applicable. Under Dutch insider trading rules, the options may not be exercised in certain periods.

If any person acquires control over us by making a public offer, the Management Board, with the approval of the Supervisory Board, or in the event of options being granted to the Management Board, the Supervisory Board, as the case may be, may determine that any option shall be deemed to be exercisable and shall be exercised immediately prior to (and conditional upon) such person acquiring control or, with the permission of the Management Board, or the Supervisory Board, as the case may be, may be exercised during such period after the change of control as the Management Board, or the Supervisory Board, as the case may be, may specify, failing which the options will lapse.

The Management Board, with the approval of the Supervisory Board, or in the event of options being granted to the Management Board, the Supervisory Board, as the case may be, may adjust (a) the description of a share covered by each option, (b) the number of options outstanding, (c) the exercise price of the options, (d) the number of Ordinary Shares to which options relate, or (e) a combination of the foregoing, in circumstances that in the reasonable opinion of the Management Board, or the Supervisory Board, as the case may be justify such adjustment.

In connection with the Offering and the Private Placement, the number of outstanding options and performance shares or the terms of the outstanding options and performance shares under the 2009 Stock Option Plan may be adjusted by the Management Board, with the approval of the Supervisory Board (or, in the event options are outstanding to the Management Board, by the Supervisory Board). Such adjustments, if any, will be made in accordance with the terms set out in the Liffe's Corporate Actions Policy dated 3 November 2008.

#### *Outstanding Stock Options*

The stock options outstanding are set out below:

<b>Year of grant</b>	<b>Number outstanding as at the Publication Date</b>	<b>Exercise price per Ordinary Share (in euro)</b>	<b>Number exercisable as at the Publication Date</b>	<b>Weighted average exercise price (in euro)</b>
2004 . . . . .	25,371	3.75	25,371	3.75
2005 . . . . .	2,737,492	26.44-28.82	2,737,492	27.94
2006 . . . . .	2,005,000	25.50-37.68	195,000	33.35
2007 . . . . .	30,000	30.91	0	30.91
2008 . . . . .	0	n/a	n/a	n/a
2009 <sup>(1)</sup> . . . . .	5,853,000	6.91-7.26	0	6.97

(1) The figures for 2009 are as at 26 June 2009.



### *Performance Share Plan*

In 2007 we introduced a Performance Share Plan, which provides for the awarding of “Performance Shares” according to pre-determined performance conditions. A “Performance Share” is a virtual unit linked to the actual cash value of Ordinary Shares. The performance conditions apply to vesting, assuming a ratio between total shareholder return, ranked against other companies who are part of the AEX index of Euronext Amsterdam N.V., and earnings per share growth targets. Performance is measured over a three year period, with the final pay out dependent on (i) the extent to which the performance conditions have been met (the number of Performance Shares) and (ii) the stock market value of an Ordinary Share at vesting (the value of each Performance Share).

Only employees in our top three tiers of management, and based on performance and potential with regard to our business, are eligible to participate in the Performance Share Plan.

Conditional awards of Performance Shares were made under this Performance Share Plan. For the Performance Shares granted in 2007, the measurement period is three years starting at 1 January 2007.

In connection with the Offering and the Private Placement, the number of outstanding options and performance shares or the terms of the outstanding options and performance shares under the Performance Share Plan may be adjusted by the Management Board, with the approval of the Supervisory Board (or, in the event Performance Shares are outstanding to the Management Board, by the Supervisory Board). Such adjustments, if any, will be made in accordance with the terms set out in the Liffe’s Corporate Actions Policy dated 3 November 2008.

The Performance Shares which were conditionally awarded in years 2007 and 2008 and up to the Publication Date, are set out below:

<b>Performance Share Plan</b>	<b>1 Jan 2009- 26 June 2009</b>	<b>1 Jan 2008- 31 Dec 2008</b>	<b>1 Jan 2007- 31 Dec 2007</b>
Outstanding at the beginning of the relevant period	482,200	185,100	0
Granted . . . . .	0	347,400	187,200
Exercised . . . . .	0	0	0
Forfeited . . . . .	-22,200	-50,300	-2,100
Outstanding at the end of period . . . . .	460,000	482,200	185,100

### *Options and Performance Shares Granted to Members of the Management Board*

The following tables summarise information about share options and performance shares granted to members of the Management Board. The numbers in the tables may be adjusted in connection with the Offering and the Private Placement; for further detail see “Management and Employees – Employee Option and Performance Share Plans”.

#### *Stock Option Plan*

<b>Name</b>	<b>Outstanding 1 January 2008</b>	<b>Granted in 2008</b>	<b>Exercised in 2008</b>	<b>Forfeited in 2008</b>	<b>Outstanding 31 December 2008</b>	<b>Exercise price in Euro</b>	<b>Expiry date</b>
Alexander							
Ribbink . . . . .	1,499,992	0	1,499,992	0	0	3.75	1 Nov 2009
	1,499,992	0	0	1,499,992	0	28.82	10 Nov 2012
Marina							
Wyatt . . . . .	500,000	0	0	0	500,000	26.44	10 Aug 2012
	500,000	0	0	0	500,000	33.96	9 Nov 2013
<b>Total . . . . .</b>	<b>3,999,984</b>	<b>0</b>	<b>1,499,992</b>	<b>1,499,992</b>	<b>1,000,000</b>		

## Performance Share Plan

<u>Name</u>	<u>Outstanding 1 January 2008</u>	<u>Granted in 2008</u>	<u>Exercised in 2008</u>	<u>Forfeited in 2008</u>	<u>Outstanding 31 Dec 2008</u>	<u>Expiry date</u>
Harold Goddijn . . . . .	12,600	16,600	0	0	29,200	May 2010/ June 2011
Alexander Ribbink . . . . .	6,500	8,600	0	15,100	0	May 2010/ June 2011
Marina Wyatt . . . . .	6,500	8,600	0	0	15,100	May 2010/ June 2011
Alain De Taeye. . . . .	0	17,200	0	0	17,200	May 2010/ June 2011
<b>Total</b> . . . . .	<b>25,600</b>	<b>51,000</b>	<b>0</b>	<b>15,100</b>	<b>61,500</b>	

### Employee Arrangements and Severance Agreements

Members of the Management Board have an employment contract with us. The contracts are entered into for an indefinite period of time. However, the term of office of members of the Management Board is four years, after which the appointment can be renewed for another period of not more than four years at a time. For all members of the Management Board, with the exception of Alain De Taeye, a notice period of 12 months is applicable. In the event that the employment of such a member of the Management Board is terminated by or on the initiative of us, he or she shall be entitled to a fixed amount of 50% of one year's base salary, including holiday allowance, unless the employment is terminated for causes within the meaning of the articles 7:677, paragraph 1 and 7:678 of the Dutch Civil Code, in which situation the Management Board member is not entitled to any severance. This amount will be due in addition to the salary we have to pay to members of the Management Board during the agreed notice period of 12 months. A member of the Management Board will not be entitled to the severance if the employment is terminated by him or her or on his or her initiative.

The employment contract with Alain De Taeye is entered into for an indefinite period of time. We are entitled to request Alain De Taeye to resign on 19 September 2010 in which case the employment agreement would be terminated with mutual consent as of 30 September 2010. After 19 September 2010, a notice period of 6 months is applicable. In the case of an involuntary termination of his employment agreement during the course of his employment, Alain De Taeye is entitled to the annual fixed remuneration (including holiday allowance, car allowance insurance and pension premiums) plus an amount equal to 100% of the annual bonus paid to him over the year preceding the year in which his employment agreed was terminated.

Members of the Supervisory Board are not entitled to any benefits upon the termination of their appointment.

### Other Information Relating to the Supervisory Board and the Management Board

None of the members of the Supervisory Board and the Management Board (i) have any convictions in relation to fraudulent offences in the last five years, (ii) have been involved in any bankruptcy, receivership or liquidation of any entities in which such members held any office, directorships or senior management positions in the last five years, or (iii) have been involved in official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

### Management and Supervisory Bodies Conflicts of Interest

Members of the Management Board must report and provide all relevant information regarding any conflict of interest or potential conflict of interest to the Chairman of the Supervisory Board. The Supervisory Board shall decide, without the member of the Management Board being present, whether there is a conflict of interest.

Members of the Supervisory Board must report and provide all relevant information regarding any potential conflict of interest to the Chairman of the Supervisory Board or, in the case of a conflict of interest of the Chairman of the Supervisory Board, to the Deputy Chairman of the Supervisory Board. The Supervisory Board shall decide, without the relevant member of the Supervisory Board being present,

whether a conflict of interest exists. A member of the Supervisory Board shall not take part in any discussions or decision making that involves a subject or a transaction in relation to which he has a conflict of interest with the company. Such a transaction shall be disclosed in the Annual Report. No such conflicts of interest occurred during 2008.

No potential conflicts of interest exist between any duties owed to the Company by any member of the Supervisory Board or Management Board and their private interests.

### **Directors Indemnification and Insurance**

Pursuant to Dutch law, members of the Supervisory Board and the Management Board and any other persons determining, alone or together with others, our policy may be liable to us for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to us and to third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

Members of the Supervisory Board, the Management Board and certain other of our employees are insured under an insurance policy taken out by us against damages resulting from their conduct when acting in the capacities as such members, directors or officers.

### **Employees**

As of 31 March 2009, we have 3,277 employees working in offices in Europe (2,164), North America (674), Asia (378), Africa (38) and Australia (23). Our employees are split among marketing (157), research and development (657) and general (1,304), sales (754) and administrative (405).

### **Trade Union Relations and Works Councils**

Under Dutch law, all employers in the Netherlands with more than 50 employees must establish a Works Council (*Ondernemingsraad*) if requested by their employees. Works Councils in the Netherlands have the authority to advise on certain company decisions proposed by the general meeting of shareholders or the management board, including but not limited to a change of control. Employers are also required to submit certain statutory defined matters that are viewed as “social policy” (affecting employment terms and conditions) to the Works Council’s prior approval.

In June 2007, the joint Works Council of TomTom International B.V. and TomTom Sales B.V. was elected in accordance with the Works Council Act (*Wet op de ondernemingsraden*). Employees elected 13 representatives from 29 candidates, with good representation from across the TomTom organisation. All Works Council members received professional training to help them in their new role. With the incorporation into the workforce of the automotive team from Siemens VDO in Eindhoven, their existing Works Council was recognised until its next due elections in the second half of 2008, after which it was integrated into TomTom’s joint Works Council. Following the incorporation of the Tele Atlas workforce (pursuant to the Tele Atlas acquisition), it was decided to recognise the Tele Atlas Works Councils existing at that point in time.

We are not a party to a collective bargaining agreement. We have not had any material labour disputes with our employees and do not have reason to believe any such disputes will occur in the future.

### **Pension Schemes**

We operate a number of defined contribution schemes. In addition to these schemes we operate the following:

- In Germany we operate a defined benefit scheme for Tele Atlas. The assets of the scheme are held separately from those of the Group in independently administered funds. In our financial statements contributions are charged to the income statement as they become payable, in accordance with the rules of the scheme. The contributions are included in staff costs.
- In Italy, Tele Atlas employees are paid a staff leaving indemnity on termination of employment. This is a statutory payment based on Italian civil law. An amount is accrued each year based on the employees’ remuneration and previously revalued accruals. The indemnity has the characteristics of a defined contribution obligation and is an unfunded, but fully provided liability. The costs of providing benefits under the plans are determined separately for each plan. Actuarial gains and losses are recognised as either an income or an expense immediately.

## PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### Principal Shareholders

As at the Publication Date, 124,819,979 Ordinary Shares were issued and outstanding. Under the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an interest in our capital or voting rights must immediately give written notice to the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person meets, exceeds or falls below the following thresholds: 5.0%, 10.0%, 15.0%, 20.0%, 25.0%, 30.0%, 40.0%, 50.0%, 60.0%, 75.0% and 95.0% Once in every calendar year, every holder of an interest in our share capital or voting rights of 5.0% or more must renew its notification to reflect changes in the percentage held in our share capital or voting rights, including changes as a consequence of changes in our total issued share capital.

The following overview presents information as at the Publication Date, of each person or group of affiliated persons we know to beneficially own 5% or more of our issued and outstanding Ordinary Shares.

	<b>Approximate percentage of the voting rights attached to the issued share capital</b>
Pieter Geelen/ Stichting Beheer Moerbeij .....	12.9%
Peter-Frans Pauwels/ Stichting Beheer Pillar Arc .....	12.9%
The Corinne Goddijn-Vigreux 2005 Trust.....	12.9%
The Harold Goddijn 2005 Trust.....	12.9%

Except as disclosed above, we are not aware of any person who, as at the Publication Date, directly or indirectly, had an interest as beneficial owner in shares which represent 5% or more of our issued and outstanding Ordinary Shares.

None of the Shareholders noted above have different voting rights than any of the other Shareholders.

### Related Party Transactions

We have entered into various agreements with companies within our group (including joint ventures) in respect of the purchase and sale of goods, development and intra-group services. These transactions have been through ordinary-course and at arm's length bases.

On 29 June 2009, the Founders have terminated the shareholders agreement that they entered into in connection with our initial public offering.

## DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

### General

We are a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law. We are registered with the Trade Register of the Chamber of Commerce of Amsterdam, The Netherlands under number 34224566. Our corporate seat is in Amsterdam, The Netherlands. Our business address is Oosterdoksstraat 114, 1011 DK Amsterdam, The Netherlands. We converted from TomTom Nederland B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) and were renamed TomTom N.V. by a deed of conversion and amendment to the Articles of Association on 13 May 2005. TomTom Nederland B.V. was initially incorporated as Versalis Nederland B.V. on 8 April 2005 and subsequently renamed TomTom Nederland B.V. on 14 April 2005. The Articles of Association, which are in force as at the Publication Date, were last amended on 6 October 2008.

Set out below is a summary of some relevant information concerning our share capital and a brief summary of certain significant provisions of Dutch corporate law and the Articles of Association. This summary does not purport to give a complete overview and should be read in conjunction with the Articles of Association or with relevant provisions of Dutch law, and should not be considered legal advice regarding these matters. The full text of the Articles of Association is available, in Dutch and English, at our registered office in Amsterdam during regular business hours and is available at our website ([www.tomtom.com](http://www.tomtom.com)).

### Corporate Purpose

Pursuant to Article 3 of the Articles of Association, our corporate purposes are:

- to participate in, finance, collaborate with, to conduct the management of companies and other enterprises and provide advice and other services;
- to acquire, use and/or assign industrial and intellectual property rights and real property;
- to invest funds;
- to provide security for the obligations of legal persons or of other companies with which we are affiliated in a group or for the obligations of third parties; and
- to undertake all that which is connected to the foregoing or in furtherance thereof,

all in the widest sense of the words.

### Share Capital

#### *Authorised and Issued Share Capital*

At the Publication Date, our authorised share capital amounts to €99,900,000 and is divided into 330,000,000 Ordinary Shares each with a nominal value of €0.20 and 166,500,000 preference shares each with a nominal value of €0.20. Our issued and outstanding share capital amounts to 124,819,979 fully-paid Ordinary Shares as of the Publication Date. There are currently no preference shares outstanding. It is expected that at the Closing Date the authorised share capital will amount to €180 million and will be divided into 300 million Ordinary Shares each with a nominal amount of €0.20 and 300 million preference shares each with a nominal value of €0.20.

All Ordinary Shares are in registered form and are entered into a collection deposit (*verzameldepot*) and/or giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Act (*Wet Giraal Effectenverkeer*). The affiliated institutions (*aangesloten instellingen*), as defined in the Dutch Securities Giro Act, are responsible for the management of the collection deposit and Euroclear Netherlands, being the central institute (*Centraal Instituut*) for the purposes of the Dutch Securities Giro Act, is responsible for the management of the giro deposit. Under the Articles of Association, Shareholders do not have the right to demand delivery (*uitlevering*) to them of individual shares pursuant to Article 26 of the Dutch Securities Giro Act. Preference shares in our capital are also in registered form.

#### *History of the Share Capital*

We have increased our issued share capital on a number of occasions since our initial public offering in May 2005. The capital increases originate from the exercise of issued options, from a private placement in 2007 whereby we placed 8,156,250 new Ordinary Shares at a price of €56 per share and from the Private

Placement in July 2009 whereby we will place 11,603,031 new Ordinary Shares at a price of €6.1234 per share. A summary of the history of our share capital is provided in the table below.

#### *Shareholder Structure – History of Share Capital*

	<b>Number of Ordinary Shares</b>
Founders <sup>(1)</sup> . . . . .	64,339,286
Ordinary Shares offered in initial public offering (May 2005) . . . . .	30,942,187
Ordinary Shares offered in follow on offering (2006) . . . . .	12,000,000
Exercise of options under option plans (2006-2009) . . . . .	9,382,256
Ordinary Shares issued in private placement (2007) . . . . .	8,156,250
<b>Total</b> . . . . .	<b>124,819,979</b>

(1) Pieter Geelen/ Stichting Beheer Moerbeij, Peter-Frans Pauwels/ Stichting Beheer Pillar Arc, The Corinne Goddijn-Vigreux 2005 Trust, and The Harold Goddijn 2005 Trust. See “Principal Shareholders and Related Party Transactions”.

(2) 11,603,031 Ordinary Shares will be issued in the Private Placement to Cyrte, Janivo and Alain De Taeye.

#### ***Preference Shares as Protection Measure***

##### *General*

On 26 May 2005, the Foundation was established as an instrument of protection against, amongst other items, hostile takeovers and to protect our interests in other situations. The purpose of the Foundation is to safeguard our interests and those of our subsidiaries in such a way that these interests as well as the interests of all those involved in the organisation, are safeguarded, and that influences, which in contravention with those interests could affect our independence, continuity and/or corporate identity, are repelled.

Since the incorporation of the Foundation the views and provisions in respect of anti-takeover measures and other protection measures (*beschermingsmaatregelen*) in the Netherlands have changed due to case law and changes in Dutch law. In view of these developments the board of the Foundation wanted to ensure that the Foundation can continue to serve the interests of the company in the best possible way, and therefore has resolved to, amongst others, amend the Foundation’s articles of association. One of the main changes aims to maintain, ensure and enhance the Foundation’s independence from us. The amendment of the Foundation’s articles of association was effected on 3 February 2009.

The Foundation is independent within the meaning of Part C of the first subsection of Section 5:71 of the Dutch Financial Supervision Act.

We believe that the issue of preference shares or the grant of rights to subscribe for preference shares to the Foundation may have the effect of preventing, discouraging or delaying an unsolicited attempt to obtain (*de facto*) control and may help us to determine our position in relation to a bidder and its plans, and to seek alternatives. There are currently no preference shares outstanding.

##### *Composition of Board of the Foundation*

The members of the board of the Foundation currently are:

- Robert de Bakker
- Mick den Boogert
- Frans Koffrie

##### *Protection Mechanism*

We granted the Foundation a call option (the “**Call Option**”), entitling it to subscribe for preference shares, up to a maximum of 50% of our total issued and outstanding share capital (excluding issued and outstanding preference shares) through an option agreement dated 26 May 2005 (the “**Option Agreement**”). In addition, we entered into an agreement with the Foundation on 26 May 2005, pursuant to which we had the right to require the Foundation to exercise the Call Option in whole or in part, for example, a hostile takeover has been announced or made (the “**Call Option Exercise Agreement**”).

In combination with the aforementioned amendment to the Foundation’s articles of association, our right to terminate the Option Agreement was cancelled by an amendment to the Option Agreement dated 28 January 2009 and the Call Option Exercise Agreement was terminated on 28 January 2009.

### *Preference Shares*

During the 2008 AGM, a resolution was passed which extends the Management Board's irrevocable authority to issue preference shares, or grant rights to subscribe for preference shares, up to a maximum of 50% of the outstanding share capital of Ordinary Shares, for another period of time ending on 23 October 2009, subject to the approval of the Supervisory Board.

In addition to the Call Option, the Management Board wishes to continue to have the authority to issue preference shares. The Management Board believes that there might be circumstances under which the Management Board and the Supervisory Board would feel that the issue of additional preference shares could be required in the interest of TomTom and its stakeholders. For instance, the number of preference shares the Foundation can acquire might not be sufficient. Also, the situation could occur whereby the Foundation already exercised its Call Option and subsequently the preference shares have been cancelled.

In view of the foregoing during the 2009 AGM, a resolution was passed to extend the abovementioned authority until 28 October 2010.

Pursuant to the Articles of Association, the Management Board must provide a justification for such issue or grant of rights to subscribe for preference shares (but not for the issue of preference shares as a result of the exercise of rights) at the general meeting of shareholders, held within four weeks after the date of issue or grant, unless such a justification has been given at an earlier general meeting of shareholders.

A resolution of the Management Board to issue preference shares, or to grant rights to subscribe for preference shares, as a result of which the aggregate nominal value of the issued preference shares will exceed 50% of the outstanding capital of Ordinary Shares at the time of issue, will at all times require prior approval of the General Meeting of Shareholders.

Upon the issue of preference shares, subscribers for preference shares must pay at least 25% of the nominal value of the preference shares. Each transfer of preference shares requires the prior approval of the Management Board and Supervisory Board. No resolution of the General Meeting of Shareholders or the Management Board is required for an issue of preference shares pursuant to the exercise of a previously granted right to subscribe for preference shares (including the right of the Foundation to acquire preference shares pursuant to the Call Option).

The issue of preference shares is meant to be temporary. Unless the preference shares have been issued by a vote of the General Meeting of Shareholders, the Articles of Association require that a general meeting of shareholders will be held within six months after the issue of preference shares to consider their cancellation and redemption. If the General Meeting of Shareholders does not resolve to redeem and cancel the preference shares, a general meeting of shareholders will be held every six months thereafter for as long as preference shares remain outstanding.

Pursuant to Chapter 5.5 of the Dutch Financial Supervision Act on takeover bids, each person that can exercise 30% or more of the voting rights at a general meeting of shareholders is obliged to make a public offer for all outstanding shares in our share capital. If the Foundation exercises the Call Option or otherwise obtains 30% or more of the voting rights at a general meeting of shareholders, it would meet this requirement. However, under Dutch law the Foundation in its current form is exempted from making a public offer provided that (i) it is independent from TomTom and its object is to act in the interest of TomTom and (ii) the preference shares that the Foundation acquires are acquired in order to protect TomTom after publication of a public bid and the preference shares are held by the Foundation for a maximum of two years.

### *Issue of Ordinary Shares*

We may issue Ordinary Shares, or grant rights to subscribe for Ordinary Shares (such as granting stock options or issuing convertible bonds), pursuant to a resolution of the General Meeting of Shareholders, upon proposal of the Management Board, subject to the prior approval of the Supervisory Board.

If so designated by the General Meeting of Shareholders or in the Articles of Association, we may issue Ordinary Shares, or grant rights to subscribe for Ordinary Shares, pursuant to a resolution of the Management Board, subject to the prior approval of the Supervisory Board. No resolution of the General Meeting of Shareholders or the Management Board is required for an issue of Ordinary Shares pursuant to the exercise of a previously granted right to subscribe for Ordinary Shares.

At the 2008 AGM, a resolution was passed which granted the Management Board (i) the irrevocable authority to issue Ordinary Shares, or grant rights to subscribe for Ordinary Shares, up to a maximum of 10%

of the number of issued Ordinary Shares at the time of issue, which can be used for general financing purposes, including but not limited to the financing of mergers and acquisitions, or otherwise, and (ii) the irrevocable authority to issue Ordinary Shares, or grant rights to subscribe for Ordinary Shares, up to a maximum of 10% of the number of issued Ordinary Shares at the time of issue, which additional 10% can only be used in connection with or on the occasion of mergers and acquisitions, both (i) and (ii) starting on 13 May 2009 (i.e. the expiration date of the authority previously granted) and ending on 23 October 2009.

The Management Board considers it desirable to be able to react in a timely manner when certain opportunities that need the issuance of Ordinary Shares arise. Therefore, the Management Board wishes to be authorised to issue Ordinary Shares and to grant rights to subscribe for such Ordinary Shares when such occasions occur, without requiring prior approval from the Shareholders as such approval would require an extraordinary general meeting of shareholders costing valuable time or creating disruptive market speculations.

Therefore this authority has been extended at the 2009 AGM, during which a resolution was passed which grants the Management Board (i) the irrevocable authority to issue Ordinary Shares or to grant rights to subscribe for Ordinary Shares up to a maximum of 10% of the issued Ordinary Shares at the time of issue, which can be used for general purposes, including but not limited to the financing of mergers and acquisitions, or otherwise, and (ii) the irrevocable authority to issue Ordinary Shares or to grant rights to subscribe for Ordinary Shares up to a maximum of 10% of the number of issued Ordinary Shares at the time of issue, which additional 10% can only be used in connection with or on the occasion of mergers and acquisitions, both (i) and (ii) ending on 28 October 2010.

At the 2009 EGM, the Management Board was, in connection with the Offering and subject to approval of the Supervisory Board, authorised to decide upon an issue of Ordinary Shares up to the maximum of our authorised share capital (as set out in the Articles of Association as they read after the proposal for the amendment of those articles of association was adopted at the 2009 EGM). However, the authorisation provides that the Management Board can only use its authority to issue such a number of Ordinary Shares as required to raise €350 million equity after deducting commissions and other estimated fees and expenses incurred through a rights issue under the Offering. This authorisation can only be used for the purposes of the Offering and is a separate authorisation from the authorisation as approved and adopted at the 2009 AGM (the “**AGM Authorisations**”) and will, therefore, not alter, affect or otherwise influence these AGM Authorisations.

Furthermore, at the 2009 EGM, the Management Board was, in connection with the Private Placement and subject to approval of the Supervisory Board, authorised to decide upon an issue of 11,603,031 Ordinary Shares.

In addition to these authorisations, the Management Board was also granted the authority to issue Ordinary Shares or to grant rights to subscribe for Ordinary Shares for the purpose of implementing and the execution of the TomTom N.V. Employee Stock Option Plan 2009 and the TomTom N.V. Management Board Stock Option Plan 2009 (the “**Stock Option Plans 2009**”) at the 2009 AGM.

This authorisation was requested (i) for the grant of rights to acquire up to 6,500,000 Ordinary Shares under the Stock Option Plans 2009, subject to the prior approval of the Supervisory Board, (ii) for a period up until the annual general meeting to be held in 2010, and (iii) to the extent required, to exclude pre-emptive rights pertaining to the rights to subscribe for Ordinary Shares.

### ***Pre-emptive Rights***

Dutch company law and the Articles of Association generally give shareholders pre-emptive rights to subscribe on a *pro rata* basis for any issue of new shares. Exceptions to these pre-emptive rights include the issue of shares (i) to our employees, (ii) in return for non-cash consideration, or (iii) to persons exercising a previously granted right to subscribe for shares. Holders of Ordinary Shares do not have pre-emptive rights with respect to preference shares to be issued and holders of preference shares do not have pre-emptive rights with respect to Ordinary Shares.

A shareholder may exercise pre-emptive rights during a period of at least two weeks from the date of the announcement of the issue of shares. The Management Board, subject to the prior approval of the Supervisory Board, and if so designated by the General Meeting of Shareholders, may restrict or exclude shareholder pre-emptive rights. A resolution of the General Meeting of Shareholders to exclude or restrict pre-emptive rights or to authorise the Management Board to exclude or restrict pre-emptive rights requires a



majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is present or represented at the general meeting of shareholders. If this authority has not been delegated to the Management Board by the General Meeting of Shareholders, pre-emptive rights may be restricted or excluded by resolution of the General Meeting of Shareholders, but only upon a proposal of the Management Board and subject to the prior approval of the Supervisory Board.

During the general meeting of shareholders held in April 2006, a resolution was passed which grants the Management Board the irrevocable authority to restrict or exclude pre-emptive rights pertaining to the (rights to subscribe for) Ordinary Shares and preference shares that the Management Board has the delegated power to issue, for a period of two years starting on 13 May 2007 (i.e. the expiration date of the authority previously granted) and ending on 13 May 2009. This authority was extended by resolution at the 2008 AGM until 23 October 2009. This authority was further extended by resolution at the 2009 AGM until 28 October 2010.

At the 2009 EGM a resolution was passed which grants the Management Board the authority, subject to the prior approval of the Supervisory Board, to resolve to exclude or restrict the pre-emptive rights pertaining to the Ordinary Shares issued in the Offering. This authorisation can only be used for the purposes of the Offering and is a separate authorisation from the AGM Authorisations and will, therefore, not alter, affect or otherwise influence these AGM Authorisations.

At the 2009 EGM, the Management Board was also authorised to have the Company acquire the Ordinary Shares issued in the Private Placement in case the Rights Offering will not occur. Finally, a resolution was adopted to amend the Articles of Association, as a result of which the Management Board with the approval of the Supervisory Board may, within a certain margin, determine the dividend entitlement on the preferred shares at the moment such preferred shares are issued. Furthermore, at the 2009 EGM a resolution was passed which grants the Management Board the authority, subject to the prior approval of the Supervisory Board, to resolve to exclude or restrict the pre-emptive rights pertaining to the Ordinary Shares issued in the Private Placement. This authorisation can only be used for the purposes of the Private Placement and is a separate authorisation from the AGM Authorisations and will, therefore, not alter, affect or otherwise influence these AGM Authorisations.

### ***Reduction of Share Capital***

Upon a proposal from the Management Board, subject to the approval by the Supervisory Board, a resolution of the General Meeting of Shareholders may be passed to reduce our issued and outstanding share capital by cancelling Ordinary Shares or preference shares, or by amending the Articles of Association to reduce the nominal value of Ordinary Shares or preference shares. The decision to reduce our share capital requires a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is present or represented at the general meeting of shareholders.

### ***Dividends and Other Distributions***

We may only make distributions to Shareholders in so far as our shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law and by the Articles of Association. Under the Articles of Association, the Management Board determines which part of any profit will be reserved.

From any profits remaining after such reservation, if any:

- a dividend will be distributed on the preference shares after they are issued equal to twelve months' "EURIBOR" (as published by De Nederlandsche Bank N.V. (the "**Dutch Central Bank**")) and calculated according to the number of days the rate applied during the financial year to which the distribution relates, plus 1.5% (which will be amended to an amount between 1.5% and 5%, to be set by the Management Board with approval of the Supervisory Board, in accordance with the amendment to the Articles of Association approved at the 2009 EGM), on the amount paid on those shares. If in a relevant financial year our profit is not sufficient to fully make this distribution, the deficit will be made up from our distributable reserves. In the event that in a relevant financial year our profit and our distributable reserves together are not sufficient to make this distribution, the above will apply for subsequent financial years until the deficit has been cleared; and
- the part of the profit remaining after application of the above, will be at the disposal of the General Meeting of Shareholders.

We may only make a distribution of dividends to Shareholders after the adoption of our statutory annual accounts demonstrating that such distribution is legally permitted. The Management Board may, subject to certain requirements, declare interim dividends without obtaining approval of the General Meeting of Shareholders.

The Management Board, subject to the approval of the Supervisory Board, may decide that a duly-determined distribution of dividends is not made entirely or partly in cash, but rather in shares in our capital. On the recommendation of the Management Board, subject to the approval of the Supervisory Board, it may be decided by the General Meeting of Shareholders to make payments to Shareholders from the distributable portion of shareholders' equity.

Any claim a Shareholder may have to a distribution shall lapse after five years, to be computed from the day on which such a distribution becomes payable.

### ***Acquisition of Shares in our Share Capital***

We may acquire our own fully paid shares at any time for no consideration (*om niet*), or, subject to certain provisions of Dutch law and the Articles of Association, if (i) our shareholders' equity less the payment required to make the acquisition, does not fall below the sum of called-up and paid-in share capital and any statutory reserves, and (ii) we and our subsidiaries would thereafter not hold shares or hold a pledge over our shares with an aggregate nominal value exceeding 50% of our issued share capital, and (iii) the Management Board has been authorised thereto by the General Meeting of Shareholders.

Authorisation to acquire shares must specify the number and class of shares that may be acquired, the manner in which shares for consideration may be acquired and the price range within which shares may be acquired. Such authorisation will be valid for no more than 18 months.

Any shares we hold in our own capital may not be voted or counted for voting quorum purposes.

At the 2009 AGM, it was resolved to authorise the Management Board to acquire shares in our capital up to 10% of the issued share capital and for a price of approximately the stock exchange price with a margin of 10% of the stock exchange price. Stock exchange price means: the average of the closing price of the Ordinary Shares according to the Daily Official List of Euronext Amsterdam N.V. on the five consecutive trading days immediately preceding the date of purchase. The authorisation has been granted for a period of 18 months, until 28 October 2010.

At the 2009 EGM, the Management Board was also authorised to have the Company acquire the Ordinary Shares issued in the Private Placement in case the Rights Offering will not occur.

### ***General Meetings of Shareholders and Voting Rights***

The annual general meeting of shareholders must be held within six months after the end of each financial year. An extraordinary general meeting of shareholders may be convened, as often as is deemed necessary, by the Management Board or the Supervisory Board. Shareholders representing alone or in aggregate at least one-tenth of our issued and outstanding share capital may, pursuant to the Articles of Association, request that a general meeting of shareholders be convened, the request setting out in detail the matters to be considered. If such general meeting of shareholders has not been convened within 14 days or is not held within one month following such request, the Shareholders requesting such general meeting of shareholders are authorised to call such general meeting of shareholders themselves.

The notice convening any general meeting of shareholders must include an agenda indicating the items for discussion, as well as any proposals for the agenda. Shareholders holding at least 1% of our issued and outstanding share capital or shares representing a value of at least €50 million according to the Daily Official List of Euronext Amsterdam N.V. may submit proposals for the agenda. Provided we receive such proposals no later than the 60th day before the general meeting of shareholders, and provided that no significant interest opposes such request, we will have the proposals included in the notice we publish in a national newspaper distributed daily in the Netherlands and also in the Daily Official List at the latest on the 15th day before the day of the meeting. The Management Board may determine a record date to establish which Shareholders are entitled to attend and vote in the general meeting of shareholders. At the Publication Date a legislative proposal is pending whereby, *inter alia*, the notice period of an annual general meeting may be mandatorily extended to 30 days.

There is no attendance quorum at a general meeting of shareholders. Each of the Ordinary Shares and preference shares is entitled to one vote. Shareholders may vote by written proxy. The voting rights attached to any of our shares held by us are suspended as long as they are held in treasury. Resolutions at a general meeting of shareholders are adopted by an absolute majority, except where Dutch law or the Articles of Association provide for a special majority. Matters requiring a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital include, among others:

- a resolution to cancel a binding nomination for the appointment of members of the Management Board and the Supervisory Board;
- a resolution to appoint members of the Management Board or the Supervisory Board in contravention of the list of nominees submitted by the Supervisory Board; and
- a resolution to dismiss or suspend members of the Management Board or the Supervisory Board.

Matters at a general meeting of shareholders requiring a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is represented include, among others:

- a resolution regarding restricting and excluding pre-emptive rights, or decisions to designate the Management Board as the body authorised to exclude or restrict pre-emptive rights;
- a resolution to reduce our outstanding share capital; and
- a resolution to have us merge or demerge.

#### ***Amendment of the Articles of Association***

On proposal of the Management Board which has been approved by the Supervisory Board, it may be resolved by the General Meeting of Shareholders to amend the Articles of Association.

#### ***Dissolution and Liquidation***

We may only be dissolved by a resolution of the General Meeting of Shareholders at the proposal of the Management Board, subject to the approval of the Supervisory Board. In the event of dissolution, our business will be liquidated in accordance with Dutch law. During liquidation, the provisions of the Articles of Association will remain in force as far as possible. The balance of our remaining equity after payment of debts and liquidation costs will be distributed to the shareholders as follows:

- first, the holders of the preference shares will be paid the nominal amount paid on their preference shares, increased by (i) any deficit in the payment of dividend to which the holder of a preference share is entitled pursuant to the Articles of Association and (ii) an amount equal to twelve months “EURIBOR” (as published by the Dutch Central Bank) plus 1.5% on the compulsory amount paid on the preference shares calculated over the period starting on the first day of the last full financial year prior to the liquidation and ending on the day the liquidation payment is made on the preference shares, provided that any and all dividends and other distributions made on the preference shares in respect of such period shall be deducted from such liquidation payment; and
- second, the remainder will be paid to the holders of Ordinary Shares, in proportion to the number of Ordinary Shares that such Shareholder holds.

#### ***Liability of Directors***

Pursuant to Dutch law, members of the Management Board and the Supervisory Board and any other persons determining, alone or together with others, our policy may be liable to us for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to us and to third parties for infringement of our Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Management Board, the Supervisory Board and certain of our other officers and certain subsidiaries are insured under an insurance policy against damages resulting from their conduct when acting in the capacities as such members or officers. See also “Management and Employees—Directors Indemnification and Insurance”.

## Corporate Governance

### *Dutch Corporate Governance Code*

On 9 December 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, released the Dutch Corporate Governance Code (the “Code”). The Code contains 21 principles and 113 best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards.

On 10 December 2008 an amended Corporate Governance Code (the “New Code”) was published. The New Code applies to our financial year starting on 1 January 2009. The Dutch Monitoring Committee Corporate Governance recommends that listed companies present their corporate governance structure and compliance with the New Code to the general meeting in 2010 for discussion. Therefore, this Prospectus will not reflect particular issues addressed in the New Code to the extent they deviate from the Code.

Dutch companies listed on a government-recognised stock exchange, whether in the Netherlands or elsewhere, are required to disclose in their annual reports whether or not they apply the provisions of the Code that are addressed to their management board or supervisory board and, if they do not apply, to explain the reasons why. The Code provides that if a company’s general meeting of shareholders explicitly approves the corporate governance structure and policy and endorses the explanation for any deviation from the best practice provisions, such company will be deemed to have applied the Code.

We apply all of the relevant provisions of the Code with the following deviations which, together with the reasons for those deviations, are set out below. Although these deviations have been disclosed in our annual reports, they have not been explicitly approved by the General Meeting of Shareholders.

- For share options issued to members of the Management Board after 31 December 2005, we comply with the obligation of best practice provisions II.2.1 and II.2.2 that all options granted to members of the Management Board during 2006 are subject to performance criteria. For share options granted to members of the Management Board prior to 31 December 2005, we partly deviate from best practice provisions II.2.1 and II.2.2. Best practice provision II.2.1 provides that options to acquire shares are a conditional remuneration component, and become unconditional only when the members of the management board have fulfilled predetermined performance criteria after a period of at least three years from the grant date. Best practice provision II.2.2 provides that, if a company, notwithstanding best practice provision II.2.1, grants unconditional options to management board members, it shall apply performance criteria when doing so. Options granted to members of the Management Board under the 2005 Share Option plan prior to 31 December 2005 vest unconditionally after a three year period. No predetermined performance criteria were established for these share options, as the industry for personal navigation was at a relatively nascent stage and we believed that setting credible (pre-determined) performance criteria was not practical at that time. Options granted to the members of the Management Board under the 2005 Share Option Plan may be exercised during a period of six years after vesting. There is no lock-up for the first three years. Options granted to the members of the Management Board under the 2009 Share Option Plan may be exercised during a period of seven years after vesting. One third of these options granted vest after one year, another one third of these options vests after two years, and the final one third of these options vests after 3 years, following the grant date. This is not in line with the best practice provisions II.2.1 and II.2.2 of the Code nor of the best practice provision II.2.4 of the New Code.
- For contracts with members of the Management Board entered into prior to the date of our initial public offering in May 2005, we do not apply best practice provision II.2.7, which provides that the maximum remuneration in the event of involuntary termination may not exceed the directors’ annual fixed remuneration. In the event of termination of employment initiated by us, the respective Management Board member will be entitled to compensation equal to 18 months of his or her fixed annual remuneration. This consists of a 12-month notice period and a fixed amount of 50% of annual base salary, including holiday allowance. Alain De Taeye, as Founder and former Chief Executive Officer of Tele Atlas, was appointed as member of the Management Board at the extraordinary general meeting of shareholders held on 19 September 2008. In case of involuntary termination of his employment contract, Alain De Taeye is entitled to the annual fixed remuneration including holiday allowance, car allowance, insurances and pension premiums, plus an amount equal to 100% annual bonus paid to him over the year preceding the year in which his employment agreement was terminated. As also disclosed in the shareholders meeting referred to above his expertise and

knowledge of Tele Atlas were the main reasons for his appointment as member of the Management Board. Therefore, in determining his remuneration his position as former Chief Executive Officer of Tele Atlas and his remuneration at that time were considered.

- Best practice provision IV.1.1 provides that a company's general meeting of shareholders may pass a resolution to set aside the binding nature of a nomination for the appointment of a member of the management board or the supervisory board by an absolute majority of the votes representing at least one third of the issued share capital. The Articles of Association provide that a binding nomination for the appointment of members of the Management Board or of the Supervisory Board may only be set aside by a resolution of the General Meeting of Shareholders passed with a two-thirds majority representing more than 50% of our issued share capital. We deviate from this best practice provision because we believe that maintaining continuity in the Management Board and the Supervisory Board is critical for delivering long-term shareholder value. We would like to protect our stakeholders against a sudden change in management by maintaining the qualified majority and voting quorum requirement, which is allowed under Dutch law.

### **Disclosure of Information**

As a Dutch company listed on Euronext Amsterdam, we are required under the Dutch Financial Supervision Act to make our annual financial statements (including the annual report) and our half-yearly financial statements (including the half-yearly report) generally available to the public ultimately within four months and two months, respectively of the end of a period to which the financial information relates. In addition, we must make generally available an interim management statement during each half-year period. An interim management statement must be made in the period between ten weeks after the beginning and six weeks before the end of the relevant half-year period.

We must also make public certain inside information by means of a press release. Pursuant to the Dutch Financial Supervision Act, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not been made public and publication of which could significantly affect the trading price of these securities or derivatives thereof.

The laws of the Netherlands contain specific rules intended to prevent insider trading. Pursuant to these rules, we have adopted a code of conduct in respect of the reporting and regulation of transactions in our securities by members of the Management Board and Supervisory Board and our employees. Further, we have drawn up a list of persons working for us who could have access to insider information on a regular basis and have informed the persons concerned of the rules against insider trading and market manipulation including the sanctions which can be imposed in the event of a violation of those rules.

In connection with the Private Placement, our compliance officer has granted dispensation (which runs from 1 July 2009 up to and including 9 July 2009) to Alain De Taeye from the obligation not to enter into a transaction in Ordinary Shares or related instruments, which includes SETs, during a closed period (which in this case runs from 1 July 2009 to the date on which we publish our semi-annual accounts). A similar dispensation has been granted to each of our Founders. No dispensation has been granted to any of the other members of the Management Board or the Supervisory Board.

### **Obligations of Shareholders to Make a Public Offer**

Pursuant to Chapter 5.5 of the Dutch Financial Supervision Act on takeover bids, a shareholder who has acquired 30% of our voting rights will be obliged to launch a public offer for all our outstanding shares in our share capital. Shareholders acting in concert who have a combined interest of at least 30% of a company's voting rights are also obliged to make a public offer. The same applies when one or more shareholders have agreed with the target company to frustrate the public offer.

### **Squeeze Out**

If a person or company, alone or together with group companies, (the "Controlling Entity") holds a total of at least 95% of a company's issued share capital by nominal value for its own account, Dutch law permits the Controlling Entity to acquire the remaining shares in the controlled entity (the "Controlled Entity") by initiating proceedings against the holders of the remaining shares. The price to be paid for such shares will be determined by the Enterprise Chamber of the Amsterdam Court of Appeal (the "Enterprise Chamber"). A Controlling Entity that holds less than 95% of the shares in the Controlled Entity, but that in practice controls the Controlled Entity's general meeting of shareholders, could attempt to obtain full ownership of the

business of the Controlled Entity through a legal merger of the Controlled Entity with another company controlled by the Controlling Entity, by subscribing to additional shares in the Controlled Entity (for example, in exchange for a contribution of part of its own business), through another form of reorganisation aimed at raising its interest to 95% or through other means.

After a public offer, a holder of at least 95% of our outstanding shares and voting rights has the right to require the minority shareholders to sell their shares to it. Any such request to require the minority shareholders to sell their shares must be filed with the Enterprise Chamber within three months after the end of the acceptance period of the public offer. Conversely, in such a case, each minority shareholder has the right to require the holder of at least 95% of the outstanding shares and voting rights to purchase its shares. The minority shareholders must file such claim with the Enterprise Chamber within three months after the end of the acceptance period of the public offer.

### **Obligations of Shareholders to Disclose Holdings**

Under the Dutch Financial Supervision Act and the decree regarding disclosure of holdings (*Besluit melding zeggenschap en kapitaalbelang in uitgevende instelling*), any person who, directly or indirectly, acquires or disposes of an interest in the capital and/or the voting rights of a limited liability company (*naamloze vennootschap*) incorporated under Dutch law with an official listing on a stock exchange within the European Economic Area, or a company organised under the laws of a state that is not a member of the European Union or party to the European Economic Area, with an official listing on Euronext Amsterdam, must give written notice of such acquisition or disposal if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person meets, exceeds or falls below one of the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of a company's issued and outstanding share capital. Notification must be given to the AFM without delay.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares directly held (or acquired or disposed of) by any person, (ii) shares held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement, (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment, and (iv) shares which such person (directly or indirectly) or third-party referred to above, may acquire pursuant to any option or other right to acquire shares. Special rules apply to the attribution of shares which are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct (*vruchtgebruik*) in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

Under the Dutch Financial Supervision Act, we are required to inform the AFM immediately if our issued and outstanding share capital or voting rights change by 1% or more since our previous notification. Other changes to our capital or voting rights need to be notified periodically. The AFM will publish such notification in a public register. If a person's capital interest or voting rights meets or passes the above-mentioned thresholds as a result of a change in our issued and outstanding share capital or voting rights, such person is required to make such notification by the fourth trading day after the AFM has published our notification as described above.

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes all notifications received by it. Non-compliance with these disclosure obligations is an economic offence and may lead to criminal prosecution. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. In addition, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed may be instituted by us and/or one or more shareholders who alone or together with others represent(s) at least 5% of our issued and outstanding share capital.

The measures that the civil court may impose include:

- an order requiring the person violating the disclosure obligations under the Dutch Financial Supervision Act to make appropriate disclosure;
- suspension of voting rights in respect of such person's shares for a period of up to three years as determined by the court;

- voiding a resolution adopted by a general meeting of shareholders, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision about such voiding; and
- an order to the person violating the disclosure obligations under the Dutch Financial Supervision Act to refrain, during a period of up to five years as determined by the court, from acquiring the shares and/or voting rights in the shares.

### **Reporting of Insider Transactions**

TomTom's insiders within the meaning of Section 5:60 of the Dutch Financial Supervision Act are obliged to notify the AFM if they carry out or cause to be carried out, for their own account, a transaction in the Ordinary Shares or preference shares or in securities whose value is at least in part determined by the value of the Ordinary Shares or preference shares. Insiders of TomTom within the meaning of Section 5:60 of the Dutch Financial Supervision Act are: (i) members of the Management Board, (ii) members of our Supervisory Board, (iii) persons who have a managerial position within TomTom and in that capacity are authorised to make decisions which have consequences for the future development and prospects of TomTom and can have access to inside information on a regular basis, (iv) spouses, registered partners or life partners of the persons mentioned under (i) to (iii), or other persons who live together with these persons as if they were married or as if they had registered their partnership, (v) children of the persons mentioned under (i) to (iii) who fall under their authority or children who are placed under the guardianship (curatele) of these persons, (vi) other relations by blood or marriage of the persons mentioned under (i) to (iii) who - on the date of the transaction - have shared a household with these persons for at least one year, and (vii) legal entities, trusts within the meaning of Section 1(c) of the Act on the Supervision of Trust Offices, or partnerships: (a) the managerial responsibility for which lies with a person as referred to under (i) to (vi), (b) which are controlled by such a person, (c) which have been incorporated or set up for the benefit of such a person, or (d) whose economic interests are in essence the same as those of such a person.

This notification must be made no later than the fifth weekday after the transaction date on a form drawn up by the AFM. The notification may be delayed until the moment that the value of the transactions performed for that person's own account, together with the transactions carried out of the persons associated with that person, reach or exceed the amount of €5,000 in the calendar year in question. The AFM keeps a public register of all notifications made pursuant to the Dutch Financial Supervision Act. Non-compliance with the reporting obligations under the Dutch Financial Supervision Act could lead to criminal fines, administrative fines, imprisonment or other sanctions.

## MARKET INFORMATION

### Share Price Information

Our outstanding Ordinary Shares are traded on Euronext Amsterdam under the symbol “TOM2”. The following table sets out the high and low closing prices for the Ordinary Shares for the periods indicated as reported by Bloomberg, as well as the average daily trading volume.

	Price (closing)		Average daily trading volume (Number of Ordinary Shares)
	High (€)	Low (€)	
<b>2005</b>			
2nd Quarter .....	19.17	15.90	1,133,007
3rd Quarter .....	39.00	17.50	449,485
4th Quarter .....	40.85	25.85	657,761
<b>2006</b>			
1st Quarter .....	31.24	22.65	890,597
2nd Quarter .....	38.25	26.95	923,272
3rd Quarter .....	33.88	25.90	620,551
4th Quarter .....	37.60	29.94	1,223,681
<b>2007</b>			
1st Quarter .....	34.75	29.66	1,012,824
2nd Quarter .....	38.50	28.57	1,096,892
3rd Quarter .....	58.73	37.92	1,052,812
4th Quarter .....	68.15	49.11	1,742,899
<b>2008</b>			
1st Quarter .....	51.70	24.95	1,695,592
2nd Quarter .....	26.77	18.27	1,918,691
3rd Quarter .....	18.38	12.47	1,733,079
4th Quarter .....	11.80	3.73	2,151,654
<b>2009</b>			
1st Quarter .....	6.03	2.68	2,016,379
April .....	5.03	3.71	1,944,546
May .....	5.26	4.55	1,428,132
June <sup>(1)</sup> .....	8.24	5.09	2,778,616

(1) The figure for June 2009 is for the period 1 June 2009 through to 30 June 2009.

### Market Regulation

The market regulator in the Netherlands is the AFM, insofar as the supervision of market conduct is concerned. The AFM has supervisory powers with respect to the application of takeover regulations. Pursuant to the implementation of the Prospectus Directive in the Netherlands on 1 July 2005, the AFM is the competent authority for approving all prospectuses published for admission of securities to trading on Euronext Amsterdam (except for prospectuses approved in other EEA States that are used in the Netherlands in accordance with applicable passporting rules) and due to the implementation of the Market Abuse Directive (2003/6/EC) and related Commission Directives on 1 October 2005, the AFM has taken over from Euronext Amsterdam N.V. its supervisory powers with respect to publication of inside information by listed companies.

The surveillance unit of Euronext Amsterdam N.V. will continue to monitor and supervise all trading operations.



## TAXATION

### Taxation in the Netherlands

#### *General*

The information set out below is a general summary of certain Dutch tax consequences in connection with the acquisition, ownership and transfer of Offer Shares and/or SETs. The summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of Offer Shares and/or SETs. Such holders may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of Offer Shares and/or SETs. The summary is based upon the tax laws of the Netherlands as in effect on the Publication Date, including official regulations, rulings and decisions of the Netherlands and its taxing and other authorities available in printed form on or before such date and now in effect. These tax laws are subject to change, which could apply retroactively and could affect the continuing validity of this summary. As this is a general summary, we recommend investors and Shareholders to consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Offer Shares and/or SETs, including, in particular, the application of their particular situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than the Netherlands in connection with the acquisition, ownership and transfer of Offer Shares and/or SETs.

#### *Withholding Tax*

This summary does not describe the tax consequences for a holder of Offer Shares and/or SETs:

- who benefits from the participation exemption (*deelnemingsvrijstelling*), as set out in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*), regarding the dividends received on the Offer Shares;
- who is an entity that is a resident or deemed to be a resident of the Netherlands and that, in whole or in part, is not subject to or is exempt from Dutch corporate income tax; or
- who is an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969.

Dividends paid on the Offer Shares to a holder of such Offer Shares are generally subject to withholding tax of 15% imposed by the Netherlands. Generally, the dividend withholding tax will not be borne by us, but will be withheld by us from the gross dividends paid on the Offer Shares. The term “dividends” for this purpose includes, but is not limited to:

- distributions in cash or in kind, deemed and constructive distributions, and repayments of paid-in capital not recognised for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of shares or, generally, consideration for the repurchase of shares in excess of the average paid-in capital recognised for Dutch dividend withholding tax purposes;
- the nominal value of shares issued to a Shareholder or an increase of the nominal value of shares, as the case may be, to the extent that it does not appear that a contribution to the capital recognised for Dutch dividend withholding tax purposes was made or will be made; and
- partial repayment of paid-in capital, recognised for Dutch dividend withholding tax purposes, if and to the extent that there are net profits (*zuivere winst*), within the meaning of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), unless it has been resolved in advance by the General Meeting of Shareholders to make such a repayment and provided that the nominal value of the shares concerned has been reduced by a corresponding amount by way of an amendment of the Articles of Association.

A holder of Offer Shares who is, or who is deemed to be, a resident of the Netherlands can generally credit the withholding tax against his Dutch income tax or Dutch corporate income tax liability and is generally entitled to a refund of dividend withholding taxes exceeding his aggregate Dutch income tax or Dutch corporate income tax liability, provided certain conditions are met, unless such holder of Offer Shares is not considered to be the beneficial owner of the dividends.

A holder of Offer Shares, who is the recipient of dividends (the “**Recipient**”) will not be considered the beneficial owner of the dividends for this purpose if:

- as a consequence of a combination of transactions, a person other than the Recipient wholly or partly benefits from the dividends;
- whereby such other person retains, directly or indirectly, an interest similar to that in the Offer Shares on which the dividends were paid; and
- that other person is entitled to a credit, reduction or refund of dividend withholding tax that is less than that of the Recipient (“**Dividend Stripping**”).

With respect to a holder of Offer Shares, who is not and is not deemed to be a resident of the Netherlands for purposes of Dutch taxation (including, if he is an individual, a holder who opts to be taxed as a resident of the Netherlands for purposes of Dutch taxation) and who is considered to be a resident of the Netherlands Antilles or Aruba under the provisions of the Tax Arrangement for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), or who is considered to be a resident of a country other than the Netherlands under the provisions of a double taxation convention the Netherlands has concluded with such country, the following may apply. Such holder of Offer Shares may, depending on the terms of and subject to compliance with the procedures for claiming benefits under the Tax Arrangement for the Kingdom of the Netherlands or such double taxation convention, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax.

In addition, subject to certain conditions and based on Dutch legislation implementing the Parent Subsidiary Directive (Directive 90/435/EEG, as amended) an exemption from Dutch dividend withholding tax will generally apply to dividends distributed to certain qualifying entities that are residents in another EU Member State and that hold an interest of at least 5% of the nominal paid-in capital or, in relation to certain jurisdictions, of the voting power of the distributing entity. Furthermore, certain entities resident in an EU Member States and not subject to tax on their profits in such EU Member State might be entitled to obtain a full refund of Dutch dividend withholding tax provided they would not have been subject to Dutch corporate income tax would they have been resident in the Netherlands. Recent case law by the Court of Justice of the European Communities suggests that an exemption of Dutch dividend withholding tax should be available under the same conditions to certain qualifying entities resident within the European Economic Area.

The concept of Dividend Stripping, described above, may also be applied to determine whether a holder of Offer Shares may be eligible for a full or partial exemption from, reduction or refund of Dutch dividend withholding tax, as described in the preceding paragraphs.

### ***Taxes on Income and Capital Gains***

#### ***General***

The description of taxation set out in this section of this Prospectus is not intended for any holder of Offer Shares and/or SETs, who:

- is an individual and for whom the income or capital gains derived from the Offer Shares and/or SETs are attributable to employment activities, the income from which is taxable in the Netherlands;
- holds a Substantial Interest, or a deemed Substantial Interest in us (as defined below);
- is an entity that is a resident or deemed to be a resident of the Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax;
- is an entity for which the income and/or capital gains derived in respect of the Offer Shares and/or SETs are exempt under the participation exemption (*deelnemingsvrijstelling*) as set out in the Dutch Corporate Income Tax Act 1969; or
- is an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969.

Generally a holder of Offer Shares and/or SETs will have a substantial interest in us (a “**Substantial Interest**”) if he holds, alone or together with his partner (statutorily defined term), whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire

shares, whether or not already issued, that represent at any time 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares) or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of our liquidation proceeds. A holder of Offer Shares and/or SETs will also have a Substantial Interest in us if one of certain relatives of that holder or of his partner has a Substantial Interest in us. If a holder of Offer Shares and/or SETs does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognising taxable gain.

### *Individuals*

#### *Residents of the Netherlands*

An individual who is resident or deemed to be resident in the Netherlands, or who opts to be taxed as a resident of the Netherlands for purposes of Dutch taxation (a “**Dutch Resident Individual**”) and who holds Offer Shares and/or SETs is subject to Dutch income tax on income and/or capital gains derived from the Offer Shares and/or SETs at the progressive rate (up to 52%) if:

- (i) the holder has an enterprise or an interest in an enterprise (*onderneming*), to which enterprise the Offer Shares and/or SETs are attributable; or
- (ii) the holder derives income or capital gains from the Offer Shares and/or SETs that are taxable as benefits from “miscellaneous activities” (*resultaat uit overige werkzaamheden*, as defined in the Dutch Income Tax Act 2001), which include the performance of activities with respect to the Offer Shares and/or SETs that exceed regular, active portfolio management (*normal actief vermogensbeheer*).

If conditions (i) and (ii) mentioned above do not apply, any holder of Offer Shares and/or SETs who is a Dutch Resident Individual will be subject to Dutch income tax on a deemed return regardless of the actual income and/or capital gains benefits derived from the Offer Shares and/or SETs. The deemed return amounts to 4% of the average of the values of the holder’s net assets as of the beginning and as of the end of the relevant calendar year (including, as the case may be, the Offer Shares and/or SETs) insofar as that average exceeds the exempt net asset amount (*heffingvrij vermogen*). The deemed return is taxed at a flat rate of 30%.

### *Entities*

An entity that is resident or deemed to be resident in the Netherlands (a “**Dutch Resident Entity**”) will generally be subject to Dutch corporate income tax with respect to income and capital gains derived from the Offer Shares and/or SETs. The Dutch corporate income tax rate is 20% for the first €40,000 of taxable income, 23% for the taxable income exceeding €40,000 but not exceeding €200,000 and 25.5% for taxable income exceeding €200,000 (rates of 2009). There is currently a legislative proposal pending which, if enacted, would provide with retroactive effect to the beginning of 2009, that the Dutch corporate income tax rate is 20% for the first €200,000 and 25.5% for taxable income exceeding €200,000 (rates applicable for 2009 and 2010).

#### *Non-Residents of the Netherlands*

A person who is not a Dutch Resident Individual or Dutch Resident Entity (a “**Non-Dutch Resident**”) who holds Offer Shares and/or SETs is generally not subject to Dutch income or corporate income tax (other than dividend withholding tax described above) on the income and capital gains derived from the Offer Shares and/or SETs, provided that:

- such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Offer Shares and/or SETs are attributable or deemed attributable;
- in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from the Offer Shares and/or SETs that are taxable as benefits from “miscellaneous activities” in the Netherlands (*resultaat uit overige werkzaamheden*, as defined the Dutch Income Tax Act 2001); and

- such Non-Dutch Resident is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in the Netherlands, other than by way of the holding of securities or, in the case of an individual, through an employment contract, to which enterprise the Offer Shares and/or SETs or payments in respect of the Offer Shares and/or SETs are attributable.

#### *Gift, Estate or Inheritance Taxes*

No Dutch gift, estate or inheritance taxes will be levied on the transfer of Offer Shares and/or SETs by way of gift by or on the death of a holder, who neither is nor is deemed—including based upon request—to be a resident of the Netherlands for the purpose of the relevant provisions, unless:

- the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions;
- the Offer Shares and/or SETs are attributable to an enterprise or part of an enterprise which is carried on through a permanent establishment or a permanent representative in the Netherlands; or
- the holder of such Offer Shares and/or SETs is entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise such Offer Shares and/or SETs are attributable.

For purposes of Dutch gift, estate and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual who is not of Dutch nationality will be deemed to be resident of the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift.

For purposes of Dutch gift, estate and inheritance tax, if an individual transfers the Offer Shares and/or SETs by way of a gift while he is not and is not deemed to be a resident of the Netherlands and dies within 180 days after the date of such gift, while being resident or deemed to be resident in the Netherlands, such Offer Shares and/or SETs are construed as an inheritance or bequest at the time of the death of such holder.

#### *Value-Added Tax*

There is no Dutch value-added tax payable by a holder of Offer Shares and/or SETs in respect of payments in consideration for the Offer of the Offer Shares and/or SETs.

#### *Other Taxes and Duties*

There is no Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in the Netherlands by a holder of Offer Shares and/or SETs in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of the Netherlands) of the Offer Shares and/or SETs.

#### *Residence*

A holder of Offer Shares and/or SETs will not become or be deemed to become a resident of the Netherlands solely by reason of holding these Offers Shares and/or SETs.

## THE OFFERING

### Introduction

We are offering an aggregate of 85,264,381 Offer Shares in the Offering at an Offer Price of €4.21 per Offer Share, on the basis of 5 Offer Shares for every 8 existing Ordinary Share. Subject to certain exceptions and applicable securities law, Shareholders as of the Record Date are being granted SETs in the Rights Offering, that will entitle Shareholders that qualify as Eligible Persons to subscribe for Offer Shares at the Offer Price.

Shareholders who do not, or are not permitted to, exercise any of their entitlements to the Offer Shares under the Rights Offering will suffer an immediate dilution of approximately 38.5 per cent. to their interests in us as a result of the issue of the Offer Shares pursuant to the Offering.

After the Exercise Period for the SETs has ended, the Rump Shares will be offered for sale by the Banks by way of private placements with institutional and professional investors in the Netherlands and certain other jurisdictions at a price at least equal to the Offer Price and any expenses related to procuring such subscribers (including any value added tax). The Rump Offering will be subject to the terms and conditions of the Underwriting Agreement and the Pricing Agreement. The Rump Offering is expected to commence on 14 July 2009 and to end no later than 17:30 (CET) on 14 July 2009.

The Banks shall, subject to the satisfaction of conditions contained in, and on the terms of, the Underwriting Agreement, procure subscribers for or themselves subscribe for any Offer Shares (less any Founder Committed Shares and the Ordinary Shares issued in the Private Placement or issuable upon exercise of the SETs granted to Janivo, Cyrte and Alain De Taeye) not subscribed and paid for through the exercise of SETs in the Offering or sold in the Rump Offering. See “Plan of Distribution—Underwriting Arrangements”.

After the Exercise Period has ended, we will announce the results of the Rights Offering and the commencement of the Rump Offering (if any) by means of a press release. After the Rump Offering (if any) has ended, we will announce the results of the Rump Offering by means of a press release, including the aggregate number of Offer Shares subscribed for in the Rump Offering and any Excess Amount to be distributed.

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of our Shareholders have been excluded with respect to the Offering, since we are not taking any action to permit a public offering of the SETs or the Offer Shares in any jurisdiction outside the Netherlands. Instead, our Shareholders, as of the Record Date are being granted SETs that will entitle them, if they are Eligible Persons, to subscribe for the Offer Shares at the Offer Price.

### Selling and Transfer Restrictions

We urge you to carefully read the restrictions described under “Selling and Transfer Restrictions”. The making or acceptance of an offer to sell SETs or Offer Shares to persons with registered addresses in, or who are resident or located in, or citizens of, countries other than the Netherlands may be affected the laws or regulations of the relevant jurisdiction. Accordingly, any such person who is in any doubt as to his position should consult an appropriate professional advisor without delay.

We reserve the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to us or our agents:

- to have been executed, effected or dispatched from any jurisdiction other than the Netherlands, including the United States, Canada, Australia or Japan, unless we are satisfied that such action would not result in the contravention of any registration requirement or other legal regulation in any jurisdiction;
- to involve a potential breach or violation of the laws of any jurisdiction;
- to involve an acceptance, or purported acceptance, that may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus; or
- to purport to exclude or modify any of the representations and warranties required or deemed to be made by an exercising SET holder, as set out in “Selling and Transfer Restrictions”.

## Timetable

Subject to acceleration or extension of the timetable for the Offering and the Private Placement, the timetable below sets forth certain expected key dates for the Offering and the Private Placement.

<u>Event</u>	<u>Time and Date</u>
Publication Date . . . . .	1 July 2009
Issue and admission of Ordinary Shares in the Private Placement . . . . .	2 July 2009
Record Date . . . . .	After the close of trading at Euronext Amsterdam, at 17:40 (CET) on 2 July 2009
Ex-SETs trading of Ordinary Shares . . . . .	09:00 (CET) on 3 July 2009
Start of trading SETs . . . . .	09:00 (CET) on 3 July 2009
Start of Exercise Period . . . . .	09:00 (CET) on 3 July 2009
End of trading SETs . . . . .	13:00 (CET) on 13 July 2009
End of Exercise Period . . . . .	15:00 (CET) on 13 July 2009
Rump Offering period . . . . .	Expected to commence on 14 July 2009 and ending no later than 17:30 (CET) on 14 July 2009
Expected allotment date . . . . .	14 July 2009
Admission to trading of Offer Shares on Euronext Amsterdam . . . . .	09:00 (CET) on 17 July 2009
Issuance of, payment for and delivery of the Offer Shares . . . . .	17 July 2009

The last date and/or time before which notification of exercise instructions may be validly given by you may be earlier than the date and/or time specified above as the end of the Exercise Period, depending on the financial intermediary through which your SETs are held. We may adjust the dates, times and periods given in the timetable and throughout this Prospectus.

If we should decide to adjust dates, times or periods, we will notify Euronext Amsterdam N.V. and the AFM, and inform you through publication in a Dutch national newspaper and in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam N.V. Any such adjustment will also be announced in a press release and, if necessary, published in a supplementary prospectus that is subject to approval by the AFM.

## Rights Offering

### SETs

Subject to certain exceptions and applicable securities laws, and provided we are satisfied that such action would not result in the contravention of any registration requirement or other legal regulation in any jurisdiction, Shareholders as of the Record Date are being granted SETs that entitle Shareholders who qualify as Eligible Persons to subscribe for Offer Shares at the Offer Price. Each Ordinary Share that each Shareholder holds immediately after the close of trading in the Ordinary Shares on Euronext Amsterdam at 17:40 (CET) on 2 July 2009, which is the Record Date, will entitle it to one SET. An Eligible Person (whether a Shareholder as of the Record Date or a subsequent transferee of SETs) will be entitled to subscribe for 5 Offer Shares for every 8 SETs held, subject to applicable securities laws. SETs can only be exercised in multiples of 8. No fractional Ordinary Shares will be issued.

SETs that are credited to the account of an Ineligible Person shall not constitute an offer of Offer Shares to such person. Receipt of this Prospectus by an Ineligible Person shall not, subject to certain exceptions, constitute an offer of Offer Shares to such person.

A financial institution may not acknowledge the receipt of any SETs, and we reserve the right to treat as invalid the exercise, purported exercise or transfer of any SETs, which may involve a breach of the laws or regulations of any jurisdiction or if we believe, or our agents believe, that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

If you hold Ordinary Shares on the Record Date, the financial intermediary through whom you hold Ordinary Shares will customarily give you details of the aggregate number of SETs to which you will be

entitled. Your financial intermediary will supply you with this information in accordance with its usual customer relations procedures. You should contact your financial intermediary if you are a Shareholder at the Record Date, entitled to receive SETs but have received no information with respect to the Offering.

Shareholder's statutory pre-emptive rights (*wettelijke voorkeursrechten*) have been excluded in connection with the Offering.

### ***Record Date***

The Record Date for determining the holders of our outstanding Ordinary Shares whose securities accounts will be credited with SETs (subject to applicable securities laws) is immediately after the close of trading on Euronext Amsterdam at 17:40 (CET) on 2 July 2009. Until the close of trading in the Ordinary Shares on Euronext Amsterdam on the Record Date, the Ordinary Shares will trade with SETs. From 3 July 2009, the Ordinary Shares will trade ex-SETs.

### ***Trading of SETs***

Trading in the SETs on Euronext Amsterdam is expected to commence at 09:00 (CET) on 3 July 2009 and will continue until 13:00 (CET) on 13 July 2009, barring unforeseen circumstances. The SETs will be admitted to trading under the symbol "TOM2S". The transfer of SETs will take place through the book-entry systems of Euroclear Nederland, Euroclear and Clearstream Luxembourg.

Persons interested in trading or purchasing SETs should be aware that the exercise of SETs by holders who are located in countries other than the Netherlands is subject to restrictions as described under "Selling and Transfer Restrictions".

### ***Exercise Period***

Subject to the restrictions set out below and subject to certain exceptions, if you are an Eligible Person (whether a Shareholder as of the Record Date or a subsequent transferee of SETs), you may subscribe for Offer Shares by exercising your SETs from 09:00 (CET) on 3 July 2009 up to 15:00 (CET) on 13 July 2009, which is the end of the Exercise Period. **The last date and/or time before which notification of exercise instructions may be validly given may be earlier, depending on the financial institution through which your SETs are held.** If you have not exercised your SETs by the end of the Exercise Period, you will no longer be able to exercise your SETs. Once you have exercised your SETs, you cannot revoke or modify that exercise unless a supplement to this Prospectus within the meaning of Article 5:23 of the Dutch Financial Supervision Act is published, in which case you may revoke or modify the exercise of your SETs within two business days after the publication of such supplement to this Prospectus. Even if the market price of the Ordinary Shares fluctuates below the Offer Price, if you have exercised your SETs, you will be obliged to pay the Offer Price for any Offer Shares being subscribed for.

If you have not validly exercised your SETs by the end of the Exercise Period, you will no longer be able to exercise your SETs. At that time, any unexercised SETs will continue to be reflected in your securities account. Any Offer Shares underlying such non-exercised SETs may be sold in the Rump Offering as described below.

We reserve the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to us to have been executed, effected or dispatched in a manner that may involve a breach or the violation of the laws of any jurisdiction or if we believe that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

### ***Subscription and Payment***

If you are an Eligible Person (whether a Shareholder as of the Record Date or a subsequent transferee of SETs), and you wish to exercise your SETs, you should instruct your financial intermediary in accordance with the instructions that you receive from it. The financial intermediary will be responsible for collecting exercise instructions from you and for informing the Subscription Agent of your exercise instructions. Subject to applicable securities laws, you may instruct your financial intermediary to sell some or all of your SETs, or to purchase additional SETs, on your behalf. See "Trading of SETs" above.

You should pay the Offer Price for the Offer Shares that you subscribe for in accordance with the instructions you receive from the financial intermediary through which you exercise your SETs. The

financial intermediary will pay the Offer Price to the Subscription Agent, who will in turn pay it to us after deduction of applicable fees and expenses. Payment for the Offer Shares to the Subscription Agent must be made no later than the Closing Date (which is expected to be 17 July 2009). **If you hold your SETs through a financial intermediary, such financial intermediary may require payment by you to be provided prior to the Closing Date.**

All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of SETs will be determined by the financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies you.

Neither we nor the Banks shall be liable for any action or failure to act by a financial intermediary through whom Shareholders hold their Ordinary Shares or by the Subscription Agent and Listing Agent in connection with any subscriptions or purported subscriptions.

#### ***Subscription Agent***

ABN will act as Subscription Agent for the receipt of subscriptions for the Offer Shares through the exercise of SETs. The financial institution through which you hold your SETs will be responsible for collecting exercise instructions from you and for informing the Subscription Agent of your subscription in a timely manner.

#### ***Listing Agent***

ABN is the Listing Agent with respect to the Offer Shares on Euronext Amsterdam.

#### **Rump Offering**

##### ***Private Placements***

After the Exercise Period has ended, the Banks will, subject to the terms and conditions of the Underwriting Agreement and the Pricing Agreement, commence the Rump Offering, in which the Banks will offer the Rump Shares for sale to institutional investors by way of private placements in the Netherlands and certain other jurisdictions at a price at least equal to the Offer Price and any expenses related to procuring such subscribers (including any value added tax). The Rump Offering, if any, is expected to commence on 14 July 2009 and to end no later than 17:30 (CET) on 14 July 2009. Any Rump Shares not sold in the Rump Offering will be subscribed and paid for by subscribers procured by the Banks, or by the Banks themselves.

##### ***Excess Amount***

Upon the completion of the Rump Offering, if the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, after deduction of selling expenses relating to procuring such subscribers (including any value added tax) exceed the aggregate Offer Price for such Rump Shares, this Excess Amount will be paid in the following manner.

Each holder of a SET that was not exercised at the end of the Exercise Period will be entitled to receive a part of the Excess Amount in cash proportional to the number of unexercised SETs reflected in such holder's securities account, but only if that amount exceeds €0.01 per unexercised SET.

If the Excess Amount divided by the total number of unexercised SETs is less than €0.01, no payment of an Excess Amount will be made to the holders of any unexercised SETs and, instead, any Excess Amount will be retained by the Joint Bookrunners for their own benefit. We will not be entitled to receive any Excess Amount.

The payment of any Excess Amount will be distributed *pro rata* to holders of unexercised SETs as soon as practicable after the closing of the Rump Offering and will be credited to those holders through the facilities of Euroclear Nederland, Euroclear and Clearstream Luxembourg. Payments will be made in euro only, without interest and after the withholding of any applicable taxes.

If it has been announced that an Excess Amount is available for distribution to holders of unexercised SETs and you have not received payment thereof within a reasonable time following the closing of the Rump Offering, you should contact the financial intermediary through which you hold unexercised SETs.

We cannot guarantee that the Rump Offering will be successfully completed. Should the Rump Offering take place, neither we, the Banks, the Subscription Agent, the Listing Agent nor any person procuring subscriptions for Rump Shares will be responsible for any lack of Excess Amount arising from any placement of the Rump Shares in the Rump Offering.



**Allotment of Offer Shares**

Allotment of Offer Shares issued pursuant to the Offering is expected to take place on 14 July 2009. See “Plan of Distribution—Conditions to the Offering” as to the consequences of any withdrawal of the Offering for the allotment of the Offer Shares.

**No Stabilisation**

No stabilisation shall be undertaken in connection with the Offering.

**Payment and Delivery**

Payment for and delivery of the Offer Shares is expected to take place on 17 July 2009. Delivery of the Offer Shares will take place through the book-entry systems of Euroclear Nederland, Euroclear, and Clearstream Luxembourg.

**Admission of Ordinary Shares to Listing and Trading**

Application has been made to admit the Ordinary Shares to be issued in the Offering and Private Placement to listing and trading on Euronext Amsterdam. We expect that the Ordinary Shares to be issued in the Private Placement will be admitted to listing, and that trading in such shares will commence, on Euronext Amsterdam on 2 July 2009. We expect that the Offer Shares to be issued in the Offering will be admitted to listing, and that trading in such shares will commence, on Euronext Amsterdam on the Closing Date, 17 July 2009. All dealings in SETs prior to the closing of the Offering are at the sole risk of the parties concerned. Euronext Amsterdam N.V., we, the Banks, and the Subscription Agent and the Listing Agent do not accept any responsibility or liability by any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions on Euronext Amsterdam. Our outstanding Ordinary Shares are traded on Euronext Amsterdam under the symbol “TOM2”. The SETs will be admitted to trading on Euronext Amsterdam under the symbol “TOM2S”.

**Non-Dutch Stamp Taxes**

Purchasers of the Offer Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Offer Price.

**Fees and Expenses**

In connection with the Offering and renegotiation of the Facility Agreement, we anticipate we will pay a total of approximately €30 million in expenses, commissions and applicable taxes.

## PLAN OF DISTRIBUTION

### Underwriting Arrangements

The Banks, subject to the terms and conditions of the Underwriting Agreement and the Pricing Agreement, have agreed to procure subscribers for any Rump Shares through private placements to qualified investors in the Netherlands and in certain other eligible jurisdictions at a price to be determined, but at least equal to the Offer Price and any expenses related to procuring such subscribers (including any value added tax). The Banks shall, subject to the satisfaction of the conditions contained in, and on the terms of, the Underwriting Agreement procure subscribers for or themselves subscribe for any Rump Shares not subscribed for in the Rump Offering. The Rump Shares comprise Offer Shares (other than the Founder Committed Shares and the Ordinary Shares issued in the Private Placement or issuable upon exercise of the SETs granted to Janivo, Cyrte and Alain De Taeye and which Janivo, Cyrte and Alain De Taeye have committed to exercise) that were issuable upon exercise of SETs but have not been subscribed for during the Exercise Period.

The obligations of the Banks are several and not joint and each Bank shall be responsible only for its proportionate share of the remaining Rump Shares and therefore no Bank shall have any liability or obligation in respect of any default by another.

In the Underwriting Agreement, we have given certain customary representations, warranties and undertakings to the Banks. In addition, we have agreed to indemnify the Banks against certain customary liabilities in connection with the Offering.

### Conditions to the Offering and Termination Rights

The obligations of the Banks under the Underwriting Agreement are subject to certain customary conditions precedent, including that admission of the SETs will occur no later than 3 July 2009 or such later date as we and the Banks may agree in writing. The Banks have the right to terminate the Underwriting Agreement in certain customary circumstances including, but not limited to, (i) the occurrence of a material adverse change in the condition (financial, operational, legal or otherwise), or in the earnings, business affairs or operations, solvency or prospects of TomTom N.V. or the Group, and (ii) certain changes in the financial, political or economic conditions.

In such event, the Offering will be withdrawn, the obligations of the Banks to procure subscribers for, or themselves subscribe and pay for, any Offer Shares will lapse and both the exercised and unexercised SETs will be forfeited without compensation to their holders and the Offer Shares will not be offered or allocated. Any subscription payments received by us will be returned without interest. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs, but non-settled trades will be deemed null and void. There will be no refund in respect of any SETs purchased in the market.

All dealings in SETs prior to the closing of the Offering are at sole risk of the parties concerned. Euronext Amsterdam N.V., we, the Banks, the Subscription Agent and the Listing Agent do not accept any responsibility or liability to any person as result of the withdrawal of the Offering or (the related) annulment of any transactions in SETs on Euronext Amsterdam.

### Lock-up Arrangements

In connection with the Offering, we have agreed to certain restrictions on the direct or indirect issue, offer, lease, sale, grant of rights, warrants or options in respect of, or other disposition of any Ordinary Shares or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares during a period from the date of the Underwriting Agreement to 180 days from the Closing Date (subject to certain customary exceptions), except with the prior written consent of the Banks. In addition, Cyrte, Janivo (subject to certain customary exceptions) and Alain De Taeye have agreed not to sell or otherwise dispose of the Ordinary Shares acquired by them in the Private Placement and the subsequent Rights Offering within 180 days from the date of completion of the Private Placement.

### Potential Conflicts of Interest

The Banks are acting exclusively for us and for no one else and will not be responsible to anyone other than us for giving advice in relation to, respectively, the Offering and the listing of the Offer Shares.

The Banks and their respective affiliates have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the

course of their business with us or any other of our related parties for which they have received or may receive customary compensation. The Banks and/or their respective affiliates may provide such services for the Company and its affiliates in the future. Additionally, the Banks, in the ordinary course of their business, have held and in the future may hold our securities for investment.

Under the Facility Agreement and the Amendment Letter, we are obliged to apply the net cash proceeds of the Offering and Private Placement towards reducing our level of total debt including funds drawn down under the Facility Agreement. ABN, Deutsche Bank, Goldman Sachs, ING, and Rabobank and their respective affiliates are all currently lenders to the Company under the Facility Agreement, and ABN, Goldman Sachs and Rabobank are the mandated lead arrangers (“**MLAs**”) under the Facility Agreement. As the lenders and lead arrangers under the Facility Agreement, the MLAs have received and may continue to receive customary fees related to such services and received an arrangement fee in connection with the renegotiation of the Facility Agreement.

As a result of acting in the capacities described above, the Banks may have interests that may not be aligned, or could potentially conflict, with investors’ and our interests.

## SELLING AND TRANSFER RESTRICTIONS

### General

We are not taking any action to register the SETs and the Offer Shares or otherwise to permit a public offering of the Offer Shares (pursuant to the exercise of SETs or otherwise), or an offer of SETs in any jurisdiction outside the Netherlands. In particular, no SETs or Offer Shares will be offered or distributed in or into the United States, Canada, Australia or Japan, subject to certain exceptions.

Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for information only and should not be copied nor redistributed. If you receive a copy of this Prospectus in any territory other than the Netherlands you may not treat this Prospectus as constituting an invitation or offer to you, nor should you in any event deal in SETs or Offer Shares unless, in the relevant territory, such an invitation or offer could lawfully be made to you and SETs or Offer Shares can lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements.

Accordingly, if you receive a copy of this Prospectus, you should not, in connection with the Offering, distribute or send this Prospectus, or transfer SETs or Offer Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If you forward this Prospectus into any such territory (whether under a contractual or legal obligation or otherwise) you should draw the recipient's attention to the contents of this "Selling and Transfer Restrictions" section.

Subject to the specific restrictions described below, if you (including, without limitation, your nominees, custodians and trustees) are outside the Netherlands and wish to sell or exercise SETs or purchase SETs or Offer Shares, you must satisfy yourself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Subject to certain exceptions, financial intermediaries, including brokers, custodians and nominees, are not permitted to send or otherwise distribute this Prospectus or any other information regarding the Offering to any person that does not qualify as an Eligible Person.

The comments set out in this section are intended as a general guide only. If you are in any doubt as to your position you should consult your professional advisor.

### Exercise of SETs

Subject to applicable securities laws, and provided we are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction, SETs will be granted to Shareholders as at the Record Date. SETs credited to the account of an Ineligible Person, shall not constitute an offer of Offer Shares to such person. A financial institution may not acknowledge the receipt of any SETs, and we reserve the right to treat as invalid the exercise, purported exercise or transfer of any SETs, which may involve a breach of the laws or regulations of any jurisdiction or if we believe, or our agents believe, that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

Subject to certain exceptions, exercise instructions or certifications sent from or postmarked in United States, Canada, Australia or Japan will be deemed to be invalid and the Offer Shares being offered in the Offering will not be delivered to any address inside any of these jurisdictions. We and the Subscription Agent and the Listing Agent reserve the right to reject any exercise (or revocation of any exercise) in the name of any person that provides an address in the United States, Canada, Australia or Japan for acceptance, revocation of exercise or delivery.

Notwithstanding any other provision of this Prospectus, we reserve the right to permit you to exercise SETs if we in our sole and absolute discretion are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. In any such case, neither we nor the Banks accept any liability for any actions that you take or for any consequences that you may suffer by our accepting your exercise of SETs.

We reserve the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to us or our agents:

- to have been executed, effected or dispatched from the United States, Canada, Australia or Japan, unless we are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction;
- to involve a potential breach or violation of the laws of any jurisdiction;
- to involve an acceptance, or purported acceptance, that may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus; or
- to purport to exclude or modify any of the representations and warranties required or deemed to be made by an exercising SET holder, as set out in “Selling and Transfer Restrictions”.

We will not be bound to allot or issue any Offer Shares to any person with an address in, or who is otherwise located in, the United States, Canada, Australia or Japan.

### **Representations and Warranties by Investors in the Offering**

Subject to certain exceptions, each person who (i) takes up, delivers or otherwise transfers SETs, (ii) exercises SETs, or (iii) purchases, subscribes for, trades or otherwise deals in SETs or the Offer Shares being granted or offered, respectively, in the Offering, will be deemed, by accepting delivery of this Prospectus, to have given each of the following representations and warranties to us, to the Subscription Agent, to the Banks and to any person acting on our or their behalf, unless in our sole discretion we waive such requirement:

- You were a Shareholder as at the Record Date, or you lawfully acquired or may lawfully acquire SETs, directly or indirectly, from such a person;
- You may lawfully be offered, take up, exercise, obtain, subscribe for and receive the SETs and/or the Offer Shares in the jurisdiction in which you reside or are currently located;
- Subject to certain exceptions, you are not resident or located in, or a citizen of, the United States, Canada, Australia or Japan;
- You are not accepting an offer to acquire, take up or exercise SETs or Offer Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of the United States, Canada, Australia or Japan at the time the instruction to accept was given;
- You are acquiring the SETs and/or the Offer Shares in an “offshore transaction” as defined in Regulation S under the Securities Act;
- You have not been offered the Offer Shares by means of any “directed selling efforts” as defined in Regulation S under the Securities Act;
- You are not acquiring SETs or Offer Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such SETs or Offers Shares into the United States, Canada Australia or Japan;
- You are either located outside the United Kingdom, or you are a person who is a “qualified investor” (as defined in Section 86(7) of the Financial Services and Markets Act 2000 of the United Kingdom, as amended); and
- You understand that neither the SETs nor the Offer Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States and the SETs and the Offer Shares are being distributed and offered outside the United States in reliance on Regulation S. Consequently you understand the SETs and the Offer Shares may not be offered, sold, pledged or otherwise transferred in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

A person who can make the representations and warranties described above shall be deemed an Eligible Person for the purposes of the Offering.

We, the Banks, and any persons acting on behalf of any of us, will rely upon the truth and accuracy of your representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject you to liability.

If you are a person acting on behalf of another person exercising or purchasing SETs or Offer Shares (including, without limitation, as a nominee, custodian or trustee), you will be required to provide the

foregoing representations and warranties to us and the Subscription Agent with respect to the exercise or purchase of SETs or Offer Shares on behalf of such person. If you do not provide the foregoing representations and warranties, neither we, nor the Subscription Agent, nor the Listing Agent, nor any persons acting on behalf of either of us, will be bound to authorise the allocation of any Offer Shares to you or the person whose behalf you are acting.

### **United States**

The SETs and the Offer Shares have not been and will not be registered under the Securities Act or with the regulatory authority of any state or jurisdiction in the United States, and may not be offered, exercised, sold, pledged, taken up, delivered, renounced, or otherwise transferred in or into the United States. There will be no public offering of the SETs or the Offer Shares in the United States.

The SETs and Offer Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority of or in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the SETs and Offer Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The SETs and Offer Shares offered outside the United States are being offered in reliance on Regulation S under the Securities Act. In addition, until 40 days after the date of the Prospectus, an offer, sale or transfer of the SETs and Offer Shares within the United States by a broker/dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

### **United Kingdom**

Neither this Prospectus nor any other offering material has been submitted to the clearance procedures of the Financial Services Authority in the United Kingdom. Neither the SETs nor the Offer Shares are being or have been offered or sold in the United Kingdom except to qualified investors. In the immediately preceding sentence, “qualified investors” has the meaning given to it in section 86 of the Financial Services and Markets Act 2000 (“FSMA”).

The Banks have jointly and severally represented and agreed that:

- they are a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business;
- they are not offered or sold and will not offer or sell either the SETs or the Offer Shares in the United Kingdom other than to qualified investors as defined in section 86 of FSMA;
- they are only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of the SETs or the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply in respect of which an exemption (as set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended) applies; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the SETs or the Offer Shares in, from or otherwise involving the United Kingdom.

### ***European Economic Area***

In relation to each member state of the European Economic Area which has implemented the Prospective Directive, other than the Netherlands (each, a “Relevant Member State”), an offer of any Offer Shares contemplated by this Prospectus may not be made to the public in that Relevant Member State, except that an offer of any Offer Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than €43 million and (iii) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons per country in the European Union (“EU”) or EEA that are not qualified investors (as defined in the Prospectus Directive); or
- in any other circumstances that do not require the Company to publish a prospectus pursuant to Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of any Offer Shares” in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to acquire any Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospective Directive in that Relevant Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## **INDEPENDENT AUDITORS**

Our audited consolidated financial statements as of and for each of the years in the three-year period ended 31 December 2008, 2007 and 2006, in each case incorporated by reference into this Prospectus, were audited by Deloitte Accountants B.V., independent auditors, as stated in their reports thereon appearing in the accounts incorporated by reference. Deloitte Accountants B.V., independent auditors, are members of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut van Registeraccountants*).



## GENERAL INFORMATION

### Available Information

As a result of the implementation of the EU Transparency Directive (2004/109/EC) and a subsequent amendment of Dutch law on 1 January 2009, annually, within four months of the end of our financial year, we are required to prepare and make generally available the annual financial statements consisting of (i) the audited annual accounts, (ii) the annual report, and, in addition thereto, (iii) responsibility statements of each member of the Management Board. We are also required to make generally available as soon as possible, but no later than two months after the end of the first half-year period of the financial year, our half-yearly financial statements consisting of (i) the half-yearly accounts, (ii) the half-yearly report, (iii) responsibility statements of each member of the Management Board and (iv) the auditor's report, if any. Furthermore, we will be required to make generally available interim management statements during each half-year period. The interim management statements will be made generally available in the period between ten weeks after the beginning and six weeks before the end of the relevant half-year period.

The financial information as described above will be made generally available by way of issuing a press release in which publication of the relevant financial information is announced with reference to our website ([www.tomtom.com](http://www.tomtom.com)) where the relevant financial information will be available.

Copies of our audited consolidated financial statements for the years ended 31 December 2008, 2007 and 2006, the First Quarter 2008 Results Report, the First Quarter 2009 Results Report as well as the Articles of Association are available on our website [www.tomtom.com](http://www.tomtom.com) and may be obtained free of charge by sending a request in writing, by fax or by email to us at our business address: Oosterdoksstraat 114, 1D11 DK Amsterdam, The Netherlands; by fax + 31 (0) 208501099; by email: [ir@tomtom.com](mailto:ir@tomtom.com).

Copies of this Prospectus may be obtained free of charge until completion of the Offering, which is expected to be on 17 July 2009, by sending a request in writing or by fax or by email to us at our business address: Oosterdoksstraat 114, 1011 DK Amsterdam, The Netherlands, fax: + 31 (0) 208501099; email: [ir@tomtom.com](mailto:ir@tomtom.com). Alternatively, this Prospectus may be obtained through the website of Euronext Amsterdam at [www.euronext.com](http://www.euronext.com) exclusively by Dutch residents; Shareholders of certain other jurisdictions may access this Prospectus on our website ([www.tomtom.com](http://www.tomtom.com)).

### Corporate Information

TomTom is a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands and registered with the Trade Register of the Chamber of Commerce of Amsterdam, The Netherlands, under number 34224566. Our statutory seat is in Amsterdam, The Netherlands, and our registered address is Oosterdoksstraat 114, 1011 DK Amsterdam, The Netherlands. The telephone number of the registered office is +31 (0)20 757 5000.

### Corporate Resolutions

At the 2009 EGM, the Management Board was authorised, subject to the approval of the Supervisory Board, to grant the SETs and to issue the Offer Shares and to exclude Shareholder's pre-emptive rights in relation to the Offering. At the 2009 EGM, with the approval of the Supervisory Board, the Management Board resolved to grant the SETs and to issue the Offer Shares and to exclude Shareholder's pre-emptive rights in relation to the Offering.

Furthermore, at the 2009 EGM, the Management Board was authorised, in connection with the Private Placement and subject to approval of the Supervisory Board, to decide upon an issue of 11,603,031 Ordinary Shares and to exclude Shareholder's pre-emptive rights in relation to the Private Placement. At the 2009 EGM, with the approval of the Supervisory Board, the Management Board resolved to issue the Ordinary Shares and to exclude Shareholder's pre-emptive rights in relation to the Private Placement.

## Organisational Structure

As of the Publication Date, we are the holding company of the Group, which includes the following subsidiaries and significant investments in undertakings held directly or indirectly:

Name	Country of incorporation and residence	Proportion of ownership interest
Tele Atlas B.V. <sup>(1)</sup>	The Netherlands	99.5%
TomTom International B.V.	The Netherlands	100%
TomTom Sales B.V.	The Netherlands	100%
TomTom Global Assets B.V.	The Netherlands	100%
TomTom, Inc.	United States	100%
TomTom Software Ltd. <sup>(2)</sup>	United Kingdom	100%
TomTom Asia Ltd.	Taiwan	100%
DriveTech, Inc.	Taiwan	100%
TomTom Development Germany GmbH.	Germany	100%
TomTom Development US, Inc. (Dormant entity)	United States	100%
Tele Atlas GmbH	Austria	100%
Tele Atlas Data Gent N.V.	Belgium	100%
Tele Atlas Canada	Canada	100%
Shanghai Naviatlas Navigation Information Co., Ltd.	China	100%
Sipolment Holdings Ltd.	Cyprus	100%
Bolgata Holdings Ltd.	Cyprus	100%
Tele Atlas Scandinavia ApS	Denmark	100%
Tele Atlas Finland Oy	Finland	100%
Tele Atlas France SARL	France	100%
PT Tele Atlas Indonesia	Indonesia	75%
Tele Atlas Italia Srl	Italy	100%
Tele Atlas México, S. DE R.L. DE C.V.	Mexico	100%
Tele Atlas Polska Sp. Z.o.o.	Poland	100%
O.o.o. Tele Atlas Rus	Russia	100%
O.o.o. Tele Atlas CIS Holding	Russia	100%
Tele Atlas Asia-Pacific Pte. Ltd.	Singapore	100%
Tele Atlas Africa (Pty) Ltd.	South Africa	76%
Tele Atlas Iberia, S.L.	Spain	100%
Tele Atlas Sweden AB	Sweden	100%
Tele Atlas Schweiz AG	Switzerland	100%
Tele Atlas Taiwan Co., Ltd.	Taiwan	70%
Tele Atlas (Thailand) Co., Ltd.	Thailand	80%
Tele Atlas Survey B.V.	The Netherlands	100%
Tele Atlas North America Holding B.V.	The Netherlands	100%
Tele Atlas Data's-Hertogenbosch B.V.	The Netherlands	100%
Bene-Fin B.V.	The Netherlands	100%
Tele Atlas JLT	United Arab Emirates	100%
Tele Atlas UK Ltd.	United Kingdom	100%
Tele Atlas North America, Inc.	United States	100%
Tele Atlas Kalyani India Ltd.	India	60%
TomTom Development Germany GmbH.	Germany	100%
Navigation Information Company Ltd.	China	100%
Tele Atlas Germany Finance 4 GmbH.	Germany	100%
Tele Atlas Data's-Hertogenbosch B.V.	Hungary	100%
Tele Atlas Portugal Unipessoal LDA.	Portugal	100%
TomTom Treasury I B.V.	The Netherlands	100%
TomTom Treasury Luxembourg II SARL	Luxembourg	100%
TomTom Brasil Comércio e Marketing de Soluções de Navegacao Ltda	Brazil	100%
Tele Atlas Malaysia SDN. BHD.	Malaysia	100%

(1) Squeeze out procedure is pending.

(2) Applied Generics Ltd, which was formerly a 100% subsidiary within the Group, had its assets transferred to TomTom Software Ltd. and is in the process of being dissolved.

### **Material Contracts**

Except for the Underwriting Agreement, there are no material contracts (not being entered into in the ordinary course of business) that we or any of our subsidiaries have entered into within the two years immediately preceding the Publication Date.

### **Interests of Persons Involved in the Offering**

There is no natural or legal person involved in the Offering and having an interest that is material to the Offering, other than the Banks and the Founders who is involved in transactions in connection with the Offering.

### **Litigation**

Except as set out below, there are and there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) during the past twelve months preceding the date of this Prospectus, which may have, or have had in the recent past, a significant effect on TomTom N.V. and its consolidated subsidiaries' financial condition or profitability.

As expected of a major technology company with operations in many jurisdictions, from time to time, we are faced with threatened and actual patent infringement lawsuits in the ordinary course of our business. In November 2008, Robert Bosch GmbH ("**Bosch**") filed complaints against us in the Landgericht Court in Dusseldorf, Federal Republic of Germany for patent infringement. In response, we filed three complaints for patent infringement against Bosch in the same court. Although we can provide no assurance of the outcomes, we intend to vigorously pursue and defend these actions. We may in the future be party to other claims and legal proceedings arising in the ordinary course of our business.

### **No Significant Change**

There has been no significant change in the trading or financial position of the Group since 31 March 2009, the date to which our most recent unaudited condensed consolidated interim financial statements were prepared.

## DEFINITIONS AND GLOSSARY OF SELECTED TERMS

The following explanations are not intended as technical definitions, but to assist investors in understanding certain terms used in this Prospectus.

<b>2008 AGM</b>	TomTom's annual general meeting of shareholders held on 23 April 2008
<b>2009 AGM</b>	TomTom's annual general meeting of shareholders held on 28 April 2009
<b>2009 EGM</b>	TomTom's extraordinary general meeting of shareholders held on 30 June 2009
<b>2010 AGM</b>	TomTom's annual general meeting of shareholders to be held in 2010
<b>2011 AGM</b>	TomTom's annual general meeting of shareholders to be held in 2011
<b>2012 AGM</b>	TomTom's annual general meeting of shareholders to be held in 2012
<b>2013 AGM</b>	TomTom's annual general meeting of shareholders to be held in 2013
<b>ABN</b>	ABN AMRO Bank N.V.
<b>AFM</b>	The Netherlands Authority for the Financial Markets ( <i>Autoriteit Financiële Markten</i> )
<b>Amendment Letter</b>	The letter dated 10 June 2009 and countersigned on behalf of the lenders under the Facility Agreement on 12 June 2009
<b>Annual Report 2006</b>	TomTom's Annual Report for the financial year ending 31 December 2006
<b>Annual Report 2007</b>	TomTom's Annual Report for the financial year ending 31 December 2007
<b>Annual Report 2008</b>	TomTom's Annual Report for the financial year ending 31 December 2008
<b>Articles of Association</b>	TomTom's articles of association
<b>ASP</b>	Average Selling Price
<b>Banks</b>	ABN, Deutsche Bank, Goldman Sachs, ING and Rabo Securities
<b>Clearstream, Luxembourg</b>	Clearstream Banking, société anonyme, Luxembourg
<b>Closing Date</b>	Expected to be 17 July 2009
<b>Company</b>	TomTom N.V.
<b>Cyrte</b>	Cyrte Investments B.V., and where the context requires, funds managed by Cyrte Investments B.V.
<b>Deutsche Bank</b>	Deutsche Bank AG, London Branch
<b>Director</b>	A director of the Company from time to time
<b>EBIT</b>	Earnings before interest and taxation
<b>EC</b>	European Commission
<b>EU</b>	European Union
<b>Eligible Persons</b>	Shareholders as of the Record Date and subsequent transferees of the SETs, in each case which are able to give the representations and warranties set out in "Selling and Transfer Restrictions"

<b>Euroclear</b>	Euroclear Bank S.A/N.V.
<b>Euroclear Nederland</b>	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch centralised securities custody and administration system
<b>Euronext Amsterdam</b>	Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V.
<b>Facility Agreement</b>	The facility agreement dated 28 September 2007 (as amended and restated 23 October 2007 and 20 December 2007, and as further amended by amendment letters dated 10 June 2008, 10 October 2008, 13 November 2008, 22 January 2009 and 10 June 2009) between TomTom N.V., ABN AMRO Bank N.V., Goldman Sachs International, Rabobank, Deutsche Bank, ING and others
<b>First Quarter 2008 Results Report</b>	TomTom's first quarter 2008 results report for the quarter ended 31 March 2008
<b>First Quarter 2009 Results Report</b>	TomTom's first quarter 2009 results report for the quarter ended 31 March 2009
<b>Foundation</b>	Stichting Continuïteit TomTom
<b>Founders</b>	Pieter Geelen, Peter-Frans Pauwels, Harold Goddijn and Corinne Goddijn-Vigreux
<b>FSMA</b>	The Financial Services and Markets Act 2000
<b>FTEs</b>	Full time employees
<b>General Meeting of Shareholders</b>	TomTom's general meeting of shareholders
<b>Goldman Sachs</b>	Goldman Sachs International
<b>GPS</b>	Global Positioning System
<b>Group</b>	TomTom N.V. and its consolidated subsidiaries
<b>IFRS</b>	International Financial Reporting Standards, as adopted by the European Commission
<b>ING</b>	ING Bank N.V.
<b>Janivo</b>	Janivo Holding B.V., and where the context requires, funds managed by Janivo Holding B.V.
<b>Listing Agent</b>	ABN
<b>Management Board</b>	TomTom's management board ( <i>Raad van Bestuur</i> )
<b>ODMs</b>	Original Device Manufacturers
<b>Ordinary Shares</b>	Ordinary shares in the capital of TomTom, each with a nominal value of €0.20
<b>PDA</b>	Personal Digital Assistant
<b>PND</b>	Personal Navigation Device
<b>Private Placement</b>	the €71 million private placement, providing for the issue of Ordinary Shares to Janivo and Cyrte, as well as to Alain De Taeye
<b>Publication Date</b>	1 July 2009, being the date of this Prospectus
<b>Rabobank</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
<b>Rabo Securities</b>	Rabo Securities, the equity (linked) investment bank division of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
<b>Regulation S</b>	Regulation S under the Securities Act
<b>SEC</b>	United States Securities Exchange Commission

<b>Securities Act</b>	United States Securities Act of 1933, as amended
<b>Shareholder</b>	A holder of an Ordinary Share
<b>Subscription Agent</b>	ABN
<b>Supervisory Board</b>	TomTom's supervisory board ( <i>Raad van Commissarissen</i> )
<b>Tele Atlas</b>	Tele Atlas B.V. and where the context so allows its subsidiaries
<b>TomTom</b>	TomTom N.V.
<b>Underwriting Agreement</b>	The agreement between TomTom and the Banks dated 15 June 2009
<b>United States or US</b>	The United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>US Persons</b>	Has the meaning given to it under Regulation S of the Securities Act

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### **Goldman Sachs**

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