

Second quarter and H1 2015 results

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial summary Q2 '15

- Revenue of €265 million (Q2 '14: €252 million)
- Gross margin of 51% (Q2 '14: 56%)
- EBITDA of €28 million (Q2 '14: €37 million)
- Net result of €3 million (Q2 '14: €9 million)
- Adjusted EPS¹ of €0.05 (Q2 '14: €0.08)
- Net cash position of €77 million (Q2 '14: €51 million)

Operational summary Q2 '15

- Consumer launched the TomTom Bandit Action Camera
- MyDrive portal and apps introduced, connecting best-in-class traffic-dependent routing service to PNDs
- Test map data for Highly Automated Driving launched in Metro Detroit
- Global agreement with Apple for maps and related information renewed and extended
- Map footprint extended to Australia with the acquisition of Location Navigation from Sensis
- Telematics passes milestone of 500,000 subscribed vehicles

Outlook 2015

- Full year outlook re-iterated; Revenue expected of around €1 billion and adjusted EPS¹ expected of around €0.20

Key figures

(in € millions, unless stated otherwise)	Q2 '15	Q2 '14	y.o.y. change	H1 '15	H1 '14	y.o.y. change
Consumer	164.9	168.5	-2%	286.6	293.6	-2%
Automotive	26.0	30.6	-15%	49.6	59.8	-17%
Licensing	38.6	27.2	42%	67.6	53.2	27%
Telematics	35.1	25.6	37%	66.1	50.7	30%
REVENUE	264.6	252.0	5%	469.9	457.3	3%
GROSS RESULT	134.6	139.9	-4%	244.5	257.2	-5%
Gross margin	51%	56%		52%	56%	
EBITDA	27.8	36.9	-25%	49.3	66.6	-26%
EBITDA margin	11%	15%		10%	15%	
OPERATING RESULT (EBIT)	0.6	10.2	-94%	-4.5	11.7	-138%
EBIT margin	0%	4%		-1%	3%	
NET RESULT	2.5	8.9	-71%	-4.4	16.4	-127%
ADJUSTED NET RESULT	12.4	18.4	-33%	14.9	35.8	-58%
DATA PER SHARE (in €)						
EPS - fully diluted	0.01	0.04	-72%	-0.02	0.07	-126%
Adjusted EPS ¹ - fully diluted	0.05	0.08	-36%	0.06	0.16	-60%

Change percentages are based on non-rounded figures.

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

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"We reported revenue growth in the second quarter and overall a solid set of results.

Our Consumer business continued to broaden its revenue base with new products in the sports category, and we continued our strong growth path in Telematics and passed the 500,000 subscriptions milestone.

Our Automotive revenue contracted as anticipated, however we continued to book new business at levels which will support a growing business from next year onwards; Licensing delivered double-digit revenue growth in the quarter.

We expect to have fully replaced our map-making system with a transaction-based platform that will enable near real-time maps, in the second half of 2015. With this technological innovation, TomTom is well positioned to address the need for accurate and up-to-date maps, for navigation applications and driver assistance applications, including Highly Automated Driving."

OUTLOOK 2015

We are re-iterating our guidance for revenue and adjusted EPS for the full year. We expect revenue to grow to around €1 billion, and adjusted EPS¹ is expected of around €0.20. We now expect the level of investment (both CAPEX and OPEX) in our core technologies to be modestly higher than last year due the higher dollar and share based employee-incentive programmes.

FINANCIAL AND BUSINESS REVIEW

We generated revenue of €265 million in the second quarter, 5% higher compared with the same quarter last year (Q2 '14: €252 million). Our growing Telematics, Licensing and sports businesses more than counterbalanced the reduction in PND and Automotive revenue.

We reported a gross margin of 51% in the second quarter (Q2 '14: 56%). The stronger dollar caused the year on year decline of 5 percentage points.

The net result for the quarter was a gain of €3 million, which translates to adjusted earnings per share of €0.05.

Consumer

(in € millions, unless stated otherwise)	Q2 '15	Q2 '14	y.o.y. change	H1 '15	H1 '14	y.o.y. change
Consumer products	147.8	149.1	-1%	248.6	253.8	-2%
Automotive hardware	17.1	19.4	-12%	38.0	39.8	-5%
Total Consumer revenue	164.9	168.5	-2%	286.6	293.6	-2%
Key PND market data						
Market size Europe ² (# units sold in millions)	1.7	1.8	-7%			
TomTom market share	52%	52%				
Market size North America (# units sold in millions)	0.8	1.0	-19%			
TomTom market share	17%	15%				

Change percentages are based on non-rounded figures.

Total Consumer revenue for the quarter was €165 million, a decline of 2% compared to the same quarter last year (Q2 '14: €169 million). Consumer products revenue in Q2 '15 was roughly flat year on year. This was driven by a single digit decline of PND and related content & services revenue, offset by a mid double-digit increase of sports revenue.

Automotive hardware revenue decline was due to the phasing out of our automotive hardware contracts.

Second quarter and H1 2015 results / Continued

In Q2 '15, we saw a unit decline of 7% in the European² PND market, whilst the North American market declined by 19%. Our market share in both Europe and North America was flat. We strengthened our ASP, as our product mix in the quarter was skewed towards more expensive models.

In the quarter, we launched the TomTom Bandit action camera, which makes editing and sharing videos quick and easy. The TomTom Bandit is the first with a built-in media server, which eliminates the need to download footage before being able to edit it. The camera works with a companion app, making it possible to create and share videos in a matter of minutes. The TomTom Bandit started to ship in May.

We continued to broaden our offering in the PND category with the introduction of new GO PND devices with lifetime world maps and lifetime speed cameras. We also launched TomTom MyDrive, a portal and app designed to seamlessly connect our best-in-class traffic-dependent routing service to PNDs. With TomTom MyDrive, drivers can use their smartphone, tablet or PC to review real-time traffic information, plan routes and send destinations to their TomTom GO, before they get in the car.

We also further expanded our Consumer product offering to the B2B market with the introduction of the TRUCKER 6000. TRUCKER 6000 is specifically designed for drivers of large vehicles and includes information such as customised routes for the user's specific vehicle type, size, weight, cargo and speed.

Automotive

Our Automotive business generated revenue of €26 million in the quarter, compared with €31 million in Q2 '14. This decline is mainly due to the phasing out of hardware-based contracts.

In the quarter, we extended our longstanding partnership with Fiat to deliver our maps, LIVE services and connected navigation in the Uconnect™ infotainment systems in the new Fiat 500. We also announced a partnership with Luxoft to integrate our TomTom NavKit engine as a navigation solution in its Award-winning AllView automotive infotainment solution.

We expect to have fully replaced our map-making system with the transaction-based platform this year. Our new map-making platform is updated continuously using transactions with automatic quality checks. An update is available to customer applications as soon as the transaction has completed. This helps us to dramatically reduce the time between change detection and publishing a new map, which we can also do incrementally to deliver "real-time maps". Some customer applications such as automated driving place a high premium on being up-to-date with the latest real-world changes.

We also released HAD map content in the metro Detroit area. OEMs and Tier 1's can use our HAD maps for precise vehicle positioning which enables future self-driving cars to see beyond their sensors.

Licensing

Our Licensing revenue was €39 million in Q2 '15, 42% higher compared with the same quarter last year (Q2 '14: €27 million). The year on year increase of €12 million included a €5 million catch-up of content delivered in the first quarter.

In the quarter, we announced that our global agreement for maps and related information with Apple was renewed and extended. We also announced a partnership with Mozilla and Telefónica to bring our Maps Online and Nav Online apps to HTML5 powered Firefox OS smartphone devices.

² Europe refers to EMEA17: AT, CH, DE, BE, NL, FR, IT, GB, ES, PT, TR, CZ, PL, DK, SE, FI, ZA.

Telematics

(in € millions, unless stated otherwise)	Q2 '15	Q2 '14	y.o.y. ¹ change	H1 '15	H1 '14	y.o.y. ¹ change
Hardware and other services revenue ²	11.0	7.7	43%	19.5	15.7	24%
Subscription revenue	24.1	18.0	34%	46.7	35.1	33%
Total Telematics revenue	35.1	25.6	37%	66.1	50.7	30%
Monthly subscription ARPU (€)	16.2	16.2	0%			
Subscriber installed base (# in thousands)	507	395	28%			

¹ Change percentages are based on non-rounded figures.

² Other services revenue comprises installation services and separately purchased traffic service and/or map content.

Telematics revenue for the quarter was €35 million, a 37% increase compared with €26 million in Q2 '14. The recurring subscription revenue for the quarter increased by 34% year on year to €24 million (Q2 '14: €18 million).

In June, Telematics held its annual international developer's conference for WEBFLEET.connect development partners in Amsterdam. IT professionals and software developers joined forces to encourage innovation in connected apps and integrations built around our WEBFLEET platform. To date we have more than 600 third party solutions and apps connected to our WEBFLEET platform.

We made good progress with our TomTom LINK 100 device. The dongle plugs into the vehicle's OBD port to connect this vehicle and a driver's smartphone via Bluetooth. A diversity of tailored applications gives drivers real-time feedback and reports on their driving style. The number of connected applications using the TomTom LINK 100 device increased with our recently launched TomTom CURFER, a product that allows you to visualise your driving style in real-time, and new product developments from our insurance customers.

Hardware and Content & Services revenue split

(in € millions)	Q2 '15	Q2 '14	y.o.y. change	H1 '15	H1 '14	y.o.y. change
Hardware revenue	149.4	147.6	1%	255.4	253.5	1%
Content & Services revenue	115.2	104.4	10%	214.5	203.8	5%
Total revenue	264.6	252.0	5%	469.9	457.3	3%

Change percentages are based on non-rounded figures.

Content & Services revenue for the quarter was €115 million or 44% of total revenue (Q2 '14: 41%).

Gross margin

The gross margin for the quarter was 51%, which is 5 percentage points lower compared with 56% in Q2 '14. The year on year decrease was due to the weakening of the euro against the US dollar. At constant currency rates for the US dollar and GB pound, our Q2 '15 gross margin and operating result were relatively flat.

Operating expenses

Total operating expenses for the quarter were €134 million, €4 million higher compared with the same quarter last year (Q2 '14: €130 million). The year on year increase was mainly driven by higher R&D and marketing expenses partially offset by lower amortisation of technology and databases. Total operating expenses include a positive one-off as a result of a litigation settlement, partially offset by FX and higher costs related to the share based employee-incentive programme. Overall, for the year these trends are expected to result in modestly higher R&D expenses (both in OPEX and CAPEX).

FX sensitivity

Actual key Q2 '15 / H1 '15 financials recalculated based on last year (Q2 '14 / H1 '14) FX rates (in € millions, unless stated otherwise)	Q2 '15 actual reported	Q2 '15 ¹ recalculated at Q2 '14 FX rates	H1 '15 actual reported	H1 '15 ¹ recalculated at H1 '14 FX rates
Revenue	264.6	252.8	469.9	451.4
Gross result	134.6	143.1	244.5	257.9
Gross margin	51%	57%	52%	57%
EBIT	0.6	12.0	-4.5	15.5
EBIT margin	0%	5%	-1%	3%
P&L RATES IN €	Q2 '15	Q2 '14	H1 '15	H1 '14
US dollar	1.10	1.38	1.13	1.37
GB pound	0.72	0.82	0.74	0.82

¹ The Q2 '15 / H1 '15 income and expenses in US dollar and GB pound have been reconverted to euro using Q2 '14 / H1 '14 average exchange rates. All other foreign currencies have not been reconverted.

Depreciation and amortisation

(in € millions)	Q2 '15	Q2 '14	y.o.y. change	H1 '15	H1 '14	y.o.y. change
Depreciation	3.4	2.5	38%	6.6	6.3	4%
Amortisation	23.9	24.2	-1%	47.2	48.6	-3%
Total	27.3	26.7	2%	53.8	54.9	-2%
<i>Of which acquisition-related amortisation</i>	<i>13.0</i>	<i>12.8</i>	<i>1%</i>	<i>25.9</i>	<i>26.0</i>	<i>-1%</i>

Change percentages are based on non-rounded figures.

Total depreciation and amortisation costs amounted to €27 million in the second quarter, 2% higher compared with last year (Q2 '14: €27 million). Acquisition-related amortisation amounted to €13 million (Q2 '14: €13 million). This relatively flat trend reflects lower amortisation from certain map-making tools that have been fully amortised in 2014, offset by increased amortisation charges relating to our recent acquisitions in Telematics and mapping.

Financial income and expenses

The net interest charge for the quarter was €0.2 million compared with a net interest charge of nil in Q2 '14.

The other financial result was a gain of €0.3 million for the quarter, which consisted primarily of a foreign exchange gain on the revaluation of monetary balance sheet items.

Income tax

In Q2 '15, the group recorded an income tax gain of €1.8 million versus an income tax charge of €1.0 million in the same period last year.

Net result and adjusted¹ EPS

(in € millions, unless stated otherwise)	Q2 '15	Q2 '14	y.o.y. change	H1 '15	H1 '14	y.o.y. change
Net result	2.5	8.9	-71%	-4.4	16.4	-127%
Net result attributed to equity holders	2.6	8.8	-70%	-4.5	16.3	-127%
Acquisition related amortisation	13.0	12.8	1%	25.9	26.0	-1%
Tax effect of adjustments	-3.2	-3.2	1%	-6.5	-6.5	-1%
Adjusted net result	12.4	18.4	-33%	14.9	35.8	-58%
Adjusted EPS ¹ , € fully diluted	0.05	0.08	-36%	0.06	0.16	-60%

Change percentages are based on non-rounded figures.

The net result for the quarter was a gain of €2.5 million compared with a gain of €8.9 million in Q2 '14. The adjusted net result on a post-tax basis was €12.4 million compared with €18.4 million in Q2 '14.

Adjusted EPS for the quarter was €0.05 versus €0.08 in Q2 '14.

Balance sheet

At the end of the quarter, trade receivables plus other receivables totalled €197 million compared with €180 million at the end of Q2 '14. The inventory level was €48 million, an increase of €7 million compared with the end of the same quarter last year. Cash and cash equivalents at the end of the quarter were €122 million versus €226 million at the end of Q2 '14.

Current liabilities excluding deferred revenue were €287 million compared with €370 million at the end of Q2 '14. The year on year decrease is mainly due to decrease in the current portion of borrowings and provisions, partly offset by increase in the trade payable balance.

Deferred revenue was €145 million at the end of Q2 '15, compared with €108 million at the end of the same quarter last year. The year on year increase reflects the increasing number of products with lifetime service offerings within Consumer as well as an increased deferred revenue position related to Automotive contracts with upfront payments.

At 30 June 2015, we reported a net cash position of €77 million (Q2 '14: net cash of €51 million). Net cash is the sum of the cash and cash equivalents at the end of the period (€122 million) minus the borrowings (€45 million).

Cash flow

The cash flow from operating activities for the quarter was €28 million compared with €33 million in the same quarter last year.

The cash flow used in investing activities during the quarter increased by €17 million year on year to €44 million (Q2 '14: €27 million). The increase is mainly driven by our recent acquisition of Location Navigation from Sensis in Australia.

In the second quarter, 3.3 million options, related to our long-term employee incentive programmes, were exercised resulting in an €16 million cash inflow.

- END -

TOMTOM NV
INTERIM FINANCIAL REPORT
30 JUNE 2015
(Unaudited)

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Semi-annual financial report

Introduction

TomTom NV (the 'Company') and its subsidiaries (together referred to as 'the group') is the world's leading provider of location and navigation solutions. TomTom has 4,200 employees (FTE) working in its offices across all continents. The commercial activities of the group are carried out through four customer facing business units – Consumer, Automotive, Licensing and Telematics. Consumer generates revenue mainly from the sale of PNDs, sport watches, maps and related navigation products and services. The Automotive business unit develops and sells navigation software, services and content, such as maps and traffic, to car manufacturers and their suppliers worldwide. Licensing generates revenue by licensing digital maps, traffic and other content to a wide range of customers, and Telematics provides fleet management services and related products to fleet owners.

Market and TomTom outlook 2015

Consumer's focus is to maximise value from the PND category and establish a multiproduct consumer business. Automotive revenue development will largely depend on the new car sales and take rates of our customers. Licensing focuses on maximising its revenue via existing and new customers and broadening of the product portfolio. Telematics is expected to continue to grow organically and where opportunities arise, pursue some smaller acquisitions.

We are re-iterating our guidance for revenue and adjusted EPS for the full year. We expect revenue to grow to around €1 billion, and adjusted EPS¹ is expected of around €0.20. We now expect the level of investment (both CAPEX and OPEX) in our core technologies to be modestly higher than last year.

Financial review for the six-month period ended 30 June 2015

In the first half of 2015 the Group generated revenue of €470 million, which is €13 million higher compared with €457 million in the same period of 2014. The year on year growth in revenue came from strong growth in Telematics and Licensing revenue, partly offset by lower Automotive and Consumer revenue. Despite the growth in revenue, the Group's gross margin and operating results were negatively impacted by the weakening of the euro against the US dollar.

Revenue

Consumer revenue for H1 '15 was €287 million compared with €294 million in H1 '14. PND and related content & services revenue slightly declined year on year but was partly offset for the most part by strong growth in sport revenue. Automotive hardware revenue, which is included in Consumer since last year, declined year on year mainly due to phasing out of certain customer contracts.

Automotive generated revenue of €50 million in H1 '15, down by 17% compared with €60 million in the first half year of 2014 mainly due to phasing out of certain customer contracts.

Licensing revenue in H1 '14 was €68 million compared with €53 million in H1 '14. The higher revenue came mainly from additional customer wins.

Telematics revenue grew year on year by 30% from €51 million in H1 '14 to €66 million in H1 '15. The increase was mainly due to the growth in the WEBFLEET subscriber base, both organically and through recent acquisitions.

Gross margin

The gross profit for H1 '15 was €244 million, a decrease of €13 million compared with the same period last year. The gross margin in H1 '15 decreased to 52% from 56% in H1 '14 mainly as the result of the weakening of the euro against the US dollar.

Operating expenses

Operating expenses in H1 '15 were €249 million compared with €245 million in H1 '14. The year on year increase was mainly driven by higher R&D and marketing expenses partly offset by lower amortisation of technology and databases. Operating expenses include a positive one-off as a result of a litigation settlement, partly offset by higher expenses related to our employee-incentive programmes.

Operating result

The operating result for H1 '15 was a loss of €4.5 million compared with a gain of €11.7 million in H1 '14.

Financial result

The group recorded €0.4 million of interest expenses in H1 '15 compared with interest expenses of €1.0 million in the same period of 2014. The other finance result in H1 '15 was a loss of €2.3 million versus a loss of €1.5 million in H1 '14. The loss in H1 '14 mainly came from foreign exchange results from the revaluation of monetary balance sheet items.

Income taxes

In H1 '15, the group recorded an income tax gain of €2.6 million versus an income tax gain of €7.1 million in the same period last year. The effective tax rate for H1 '15 was 37% versus -76% in H1 '14. The ETR in H1 '14 reflects an income tax gain due to the release of a tax provision following the finalisation of an overseas tax audit.

Cash flow

The cash flow from operating activities was €15 million versus €19 million in the same period last year.

The cash flow used in investing activities during H1 '15 was €68 million, an increase of €17 million compared with €51 million in the same period last year. The year on year increase mainly reflects our recent acquisition of a mapping company in Australia.

The cash flow from financing activities includes a cash inflow of €27 million from the exercise of 5.3 million options related to our long-term employee incentive programmes during H1 '15.

Related party transactions

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

Principal risks and uncertainties H1 2015

In the 2014 Annual Report, we described the key business risks and uncertainties which we are aware of, and which could have a material adverse effect on our financial position and results.

We have assessed the risks for the second half year of 2015 and believe that the risk categories and risk factors identified are in line with those presented in the 2014 Annual Report. Those are deemed incorporated and repeated in this report by reference.

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

Responsibility statement

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

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

Amsterdam, 21 July 2015

The Management Board

Harold Goddijn / Chief Executive Officer

Marina Wyatt / Chief Financial Officer

Alain De Taeye / Member of the Management Board

Consolidated condensed statement of income

(in € thousands)	Q2 '15 Unaudited	Q2 '14 Unaudited	H1 '15 Unaudited	H1 '14 Unaudited
REVENUE	264,613	251,951	469,888	457,329
Cost of sales	129,993	112,089	225,396	200,178
GROSS RESULT	134,620	139,862	244,492	257,151
Research and development expenses	52,071	46,225	95,361	89,403
Amortisation of technology and databases	18,644	21,114	37,166	42,296
Marketing expenses	25,297	21,499	35,045	30,797
Selling, general and administrative expenses	38,029	40,792	81,410	82,913
TOTAL OPERATING EXPENSES	134,041	129,630	248,982	245,409
OPERATING RESULT	579	10,232	-4,490	11,742
Interest result	-223	10	-427	-1,009
Other financial result	301	-306	-2,273	-1,482
Result of associates	116	-75	213	61
RESULT BEFORE TAX	773	9,861	-6,977	9,312
Income tax gain	1,762	-1,010	2,607	7,094
NET RESULT	2,535	8,851	-4,370	16,406
Attributable to:				
- Equity holders of the parent	2,631	8,850	-4,514	16,344
- Non-controlling interests	-96	1	144	62
NET RESULT	2,535	8,851	-4,370	16,406
Basic number of shares (in thousands)	227,240	222,238	225,843	222,207
Diluted number of shares (in thousands)	234,547	224,521	230,407	224,361
EARNINGS PER SHARE (in €)				
Basic	0.01	0.04	-0.02	0.07
Diluted	0.01	0.04	-0.02	0.07

Consolidated condensed statement of comprehensive income

(in € thousands)	Q2 '15 Unaudited	Q2 '14 Unaudited	H1 '15 Unaudited	H1 '14 Unaudited
NET RESULT	2,535	8,851	-4,370	16,406
OTHER COMPREHENSIVE INCOME:				
<i>Items that will not be reclassified to profit or loss:</i>				
Actuarial losses on defined benefit obligations	-610	-466	-610	-466
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Currency translation differences	-2,462	999	6,573	2,282
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-3,072	533	5,963	1,816
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-537	9,384	1,593	18,222
Attributable to:				
- Equity holders of the parent	-336	9,308	1,413	18,178
- Non-controlling interests	-201	76	180	44
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD¹	-537	9,384	1,593	18,222

¹ The items in the statement above are presented net of tax.

Consolidated condensed balance sheet

(in € thousands)	30 June 2015 Unaudited	31 December 2014 Audited
Non-current assets		
Goodwill	381,569	381,569
Other intangible assets	807,822	800,583
Property, plant and equipment	34,599	30,294
Deferred tax assets	30,224	18,438
Investments in associates	3,720	3,289
TOTAL NON-CURRENT ASSETS	1,257,934	1,234,173
Current assets		
Inventories	48,488	46,575
Trade receivables	164,908	133,266
Other receivables and prepayments	32,239	33,198
Other financial assets	218	1,186
Cash and cash equivalents	121,627	152,949
TOTAL CURRENT ASSETS	367,480	367,174
TOTAL ASSETS	1,625,414	1,601,347
Equity		
Share capital	45,784	44,714
Share premium	1,024,896	986,683
Other reserves	220,177	202,289
Accumulated deficit	-354,662	-335,163
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	936,195	898,523
Non-controlling interests	2,248	2,073
TOTAL EQUITY	938,443	900,596
Non-current liabilities		
Borrowings	44,089	48,925
Deferred tax liability	162,366	166,551
Provisions	48,667	48,496
Deferred revenue	62,983	54,963
TOTAL NON-CURRENT LIABILITIES	318,105	318,935
Current liabilities		
Trade payables	101,679	88,218
Tax and social security	25,985	18,113
Provisions	27,327	34,074
Deferred revenue	82,170	90,717
Accruals and other liabilities	131,705	150,694
TOTAL CURRENT LIABILITIES	368,866	381,816
TOTAL EQUITY AND LIABILITIES	1,625,414	1,601,347

Consolidated condensed statements of cash flows

(in € thousands)

	Q2 '15 Unaudited	Q2 '14 Unaudited	H1 '15 Unaudited	H1 '14 Unaudited
Operating result	579	10,232	-4,490	11,742
Financial gains / (losses)	1,974	-34	3,944	331
Depreciation and amortisation	27,262	26,673	53,755	54,856
Change in provisions	-1,116	-184	-4,825	5,415
Equity-settled stock compensation expenses	1,124	447	2,070	1,385
Changes in working capital:				
Change in inventories	-1,547	5,578	-724	2,423
Change in receivables and prepayments	-44,668	-38,045	-31,457	-26,837
Change in liabilities (excluding provisions) ¹	44,301	33,703	-2,261	-23,665
CASH GENERATED FROM OPERATIONS	27,909	38,370	16,012	25,650
Interest received	173	1,061	289	1,164
Interest (paid)	-315	-824	-554	-1,719
Corporate income taxes (paid) / received	20	-5,364	-1,189	-6,490
CASH FLOWS FROM OPERATING ACTIVITIES	27,787	33,243	14,558	18,605
Investments in intangible assets	-22,120	-21,999	-40,911	-42,396
Investments in property, plant and equipment	-5,026	-3,767	-10,188	-7,249
Investments in financial fixed assets	-16,961	-1,262	-16,961	-1,263
CASH FLOWS FROM INVESTING ACTIVITIES	-44,107	-27,028	-68,060	-50,908
Change in utilisation of credit facility	5,000	0	-5,000	0
Change in non-controlling interest	-126	0	-126	0
Proceeds on issue of ordinary shares	15,680	399	26,878	452
CASH FLOWS FROM FINANCING ACTIVITIES	20,554	399	21,752	452
Net (decrease) / increase in cash and cash equivalents	4,234	6,614	-31,750	-31,851
Cash and cash equivalents at the beginning of period	117,367	219,279	152,949	257,785
Effect of exchange rate changes on cash balances held in foreign currencies	26	431	428	390
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	121,627	226,324	121,627	226,324

¹ Includes the movement of non-current deferred revenue.

Consolidated condensed statement of changes in equity

(in € thousands)	Share capital	Share premium	Other ¹ reserves	Accumulated deficit	Total	Non-controlling interests	Total equity
BALANCE AS AT 1 JANUARY 2014	44,435	977,087	160,087	-329,463	852,146	2,115	854,261
COMPREHENSIVE INCOME							
Result for the period	0	0	0	16,344	16,344	62	16,406
OTHER COMPREHENSIVE INCOME							
Currency translation differences	0	0	2,300	0	2,300	-18	2,282
Actuarial losses on defined benefit obligations	0	0	0	-466	-466	0	-466
TOTAL OTHER COMPREHENSIVE INCOME	0	0	2,300	-466	1,834	-18	1,816
TOTAL COMPREHENSIVE INCOME	0	0	2,300	15,878	18,178	44	18,222
TRANSACTIONS WITH OWNERS							
Stock compensation related movements	27	700	570	731	2,028	0	2,028
OTHER MOVEMENTS							
Transfer to legal reserves	0	0	18,919	-18,919	0	0	0
BALANCE AS AT 30 JUNE 2014 (Unaudited)	44,462	977,787	181,876	-331,773	872,352	2,159	874,511
BALANCE AS AT 1 JANUARY 2015	44,714	986,683	202,289	-335,163	898,523	2,073	900,596
COMPREHENSIVE INCOME							
Result for the period	0	0	0	-4,514	-4,514	144	-4,370
OTHER COMPREHENSIVE INCOME							
Currency translation differences	0	0	6,537	0	6,537	36	6,573
Actuarial losses on defined benefit obligations	0	0	0	-610	-610	0	-610
TOTAL OTHER COMPREHENSIVE INCOME	0	0	6,537	-610	5,927	36	5,963
TOTAL COMPREHENSIVE INCOME	0	0	6,537	-5,124	1,413	180	1,593
TRANSACTIONS WITH OWNERS							
Change in non-controlling interest	0	0	0	126	126	-5	121
Stock compensation related movements	1,070	38,213	-10,335	7,185	36,133	0	36,133
OTHER MOVEMENTS							
Transfer to legal reserves	0	0	21,686	-21,686	0	0	0
BALANCE AS AT 30 JUNE 2015 (Unaudited)	45,784	1,024,896	220,177	-354,662	936,195	2,248	938,443

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

Notes to the consolidated interim financial statements

1. General

TomTom NV ('the company') has its statutory seat and headquarters in Amsterdam, the Netherlands. The consolidated interim financial statements comprise the financial information of the Company and its subsidiaries (together referred to as 'the group') and have been prepared by the Management Board and authorised for issue on 21 July 2015.

2. Summary of significant accounting policies

The principal accounting policies and method of computations applied in these consolidated interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2014, except as described below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. As permitted by IAS 34, the consolidated interim financial statements do not include all of the information required for full annual financial statements and the notes to these consolidated interim financial statements are presented in a condensed format. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union. The presentation currency of the group is the euro (€).

Other new accounting standards and developments

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2015, have been adopted by the group from 1 January 2015. These standards and interpretations had no material impact for the group. All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2015 have not yet been adopted.

Use of estimates

The preparation of these interim financial statements requires management to make certain assumptions, estimates and judgements that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and the future periods if the revision affects both current and future periods. For areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the (interim) financial statements, reference is made to Note 3 of the Consolidated financial statements in the 2014 Annual Report.

Change in estimates

In H1 2015 the group change its estimate of the expected useful life of its new generation navigation technology to better reflect the longer time period the technology is expected to be deployed. This change resulted in lower amortisation charge of approximately €3 million in H1 '15. Full year 2015 impact is estimated to be approximately €8 million.

3. Segment reporting

The internal management reporting is structured around four operating segments – Consumer, Automotive, Licensing and Telematics. Consumer generates revenue mainly from the sale of PNDs, sport watches, maps and related navigation products and services. The Automotive business unit develops and sells navigation software, services and content, such as traffic and maps, to car manufacturers and their suppliers worldwide. Licensing generates revenue by licensing high-quality digital maps, traffic and other content to a wide range of customers, and Telematics provides fleet management and connected car services and solutions to fleet owners and B2B2C companies (e.g. car insurance, importers, rental).

Management assesses the performance of segments based on the measures of revenue and earnings before interest and taxes (EBIT), whereby the EBIT measure includes allocations of expenses from supporting functions within the group. As the four operating segments serve only external customers, there is no inter-segment revenue. The allocations of expenses have been determined based on relevant measures, which reflect the level of benefits of these functions to each of the operating segments.

(in € millions)	H1 '15 Unaudited	H1 '14 Unaudited
Revenue		
Consumer	286.6	293.6
Automotive	49.6	59.8
Licensing	67.6	53.2
Telematics	66.1	50.7
TOTAL	469.9	457.3
EBIT		
Consumer	1.3	15.8
Automotive	– 13.0	– 7.8
Licensing	– 6.8	– 6.3
Telematics	17.8	16.5
TOTAL	– 0.7	18.2
EBITDA		
Consumer	6.6	24.5
Automotive	6.3	15.2
Licensing	17.7	14.9
Telematics	22.5	18.5
TOTAL	53.1	73.1

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

(in € millions)	H1 '15 Unaudited	H1 '14 Unaudited
Total Segment EBIT	– 0.7	18.2
Unallocated expenses	– 3.8	– 6.5
Interest result	– 0.4	– 1.0
Other finance result	– 2.3	– 1.5
Result of associates	0.2	0.1
RESULT BEFORE TAX	– 7.0	9.3

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

4. Earnings per share

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

	H1 '15 Unaudited	H1 '14 Unaudited
Earnings (in € thousands)		
Net result attributable to equity holders	-4,514	16,344
Number of shares (in thousands)		
Weighted average number of ordinary shares for basic EPS	225,843	222,207
Effect of dilutive potential ordinary shares (in thousands)		
Share options and restricted stocks	4,565	2,154
Weighted average number of ordinary shares for diluted EPS	230,407	224,361

5. Goodwill

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

In H1 '15 no impairment charge has been recorded (H1 '14: nil).

6. Shareholders' equity

	30 June 2015 (Unaudited) No. (in € thousands)		31 December 2014 (Audited) No. (in € thousands)	
AUTHORISED:				
Ordinary shares	600,000,000	120,000	600,000,000	120,000
Preferred shares	300,000,000	60,000	300,000,000	60,000
TOTAL	900,000,000	180,000	900,000,000	180,000
ISSUED AND FULLY PAID:				
Ordinary shares	228,919,020	45,784	223,569,822	44,714

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

In H1 '15 5,349,198 shares were issued following the exercise of share options by employees (H1 '14: 135,700).

7. Share-based compensation

Share-based compensation expenses amounted to €11.7 million in H1 '15 versus €3.7 million in the same period last year. In H1 '15 a total number of 5,349,198 stock options have been exercised, including 445,250 options exercised by the CFO.

In May 2015, the group granted 1.6 million stock options under the stock option plan of which 435,000 stock options were granted to Management Board members. The purpose of the share-based compensation is to attract and retain management and employees and align the interests of management and eligible employees with those of shareholders, by providing additional incentives to improve the group's performance on a long-term basis.

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

For further information on our share-based compensation, reference is made to note 7 in our 2014 Annual Report.

8. Related party transactions

Refer to note 7 for stock options granted to and exercised by the members of the Management Board during H1 '15.

In the normal course of business, the group receives map development and support services from its associate Cyient Ltd. Such transactions take place at the normal market conditions and the total payments made for these services in H1 '15 amounted to €9.2 million (H1 '14: €9.2 million).

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

9. Seasonality

In the 12 months ended June 2015, the group had revenue of €963 million compared with revenue for the 12 months period ending June 2014 of €969 million.

The group's sales within the Consumer segment are traditionally higher in the second half of the year due to the holiday sales in the fourth quarter and traditionally low sales in the first quarter. This trend has become less apparent in recent years. In the 12 months ended 30 June 2015, Consumer had revenue of €612 million compared with €650 million in the same period ended 30 June 2014.

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

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

10. Commitments and contingent liabilities

In the first half of 2015, there were no material changes to the group's commitments and contingent liabilities from those disclosed in note 32 of our 2014 Annual Report.

11. Business combinations

H1 '15

In H1 '15, the group acquired the shares of Location Navigation Pty. Ltd. The purchase price from the acquisition was mainly allocated to intangible assets. The acquisition is not deemed material and hence no additional disclosures are included in these interim financial statements.

H1 '14

In H1 '14, the group made two acquisitions. The purchase price from both acquisitions was mainly allocated to intangible assets. The acquisitions are not deemed to be material individually or in the aggregate and as a consequence no additional disclosures are included.

12. Fair value and fair value estimation

The fair values of our monetary assets and liabilities as at 30 June 2015 are estimated to approximate their carrying value. There has been no change in the fair value estimation technique and hierarchy of the input used to measure the financial assets/liabilities carried at fair value through profit or loss compared with the method and hierarchy disclosed in our 2014 Annual Report.

13. Subsequent events

There has been no subsequent event from 30 June 2015 to the date of issue of these consolidated interim financial statements.

- END -

Accounting policies - basis of accounting

The condensed consolidated financial information for the three-month and six-month period ended 30 June 2015 with related comparative information has been prepared using accounting policies which are based on International Financial Reporting Standards (IFRS). Accounting policies and methods of computation followed in the condensed consolidated financial information, for the period ended 30 June 2015, are the same as those followed in the Financial Statements for the year ended 31 December 2014. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the condensed consolidated financial information. The quarterly and interim condensed consolidated information in this press release is unaudited.

For more information

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Audio webcast second quarter 2015 results

The information for our second quarter 2015 results audio webcast is as follows:

- Date and time: 21 July 2015 at 14.00 CET
- corporate.tomtom.com/presentations.cfm

TomTom is listed at NYSE Euronext Amsterdam in the Netherlands

ISIN: NL0000387058 / Symbol: TOM2

About TomTom

TomTom (TOM2) empowers movement. Every day millions of people around the world depend on TomTom to make smarter decisions. We design and develop innovative products that make it easy for people to keep moving towards their goals. Our map-based components include map content, online map-based services, real-time traffic, and navigation software. Our consumer products include PNDs, navigation apps, sports watches and action camera. Our main business products are custom in-dash navigation systems and a fleet management system, which is offered to fleet owners as an online service with integrated in-vehicle cellular devices. Our business consists of four customer facing business units: Consumer, Automotive, Licensing and Telematics. Founded in 1991 and headquartered in Amsterdam, we have 4,200 employees worldwide and sell our products in over 46 countries. For further information, please visit www.tomtom.com.

Forward-looking statements/Important notice

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of TomTom NV and its subsidiaries (referred to as 'the company' or 'the group') and certain of the plans and objectives of the company with respect to these items. In particular the words 'expect', 'anticipate', 'estimate', 'may', 'should', 'believe' and similar expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on them. We have based these forward-looking statements on our current expectations and projections about future events, including numerous assumptions regarding our present and future business strategies, operations and the environment in which we will operate in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, levels of customer spending in major economies, changes in consumer tastes and preferences, changes in law, the performance of the financial markets, the levels of marketing and promotional expenditures by the company and its competitors, raw materials and employee costs, changes in exchange and interest rates (in particular changes in the US dollar and GB pound versus the euro can materially affect results), changes in tax rates, future business combinations, acquisitions or disposals, the rate of technological changes, political and military developments in countries where the company operates and the risk of a downturn in the market. Statements regarding market share, including the company's competitive position, contained in this document are based on outside sources such as specialized research institutes, industry and dealer panels in combination with management estimates. Market shares are based on sales in units unless otherwise stated. The forward-looking statements contained refer only to the date in which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this document.